

**REPUBLIC OF KENYA**



**MINISTRY OF PETROLEUM AND MINING  
STATE DEPARTMENT FOR MINING**

**STRATEGIC PLAN 2018 -2022**

**DRAFT, APRIL 2019**

## **FOREWORD**

The Government of Kenya is committed to accelerated development and more efficient delivery of public services to the citizens, with an emphasis on the need for prudent management in the utilization of resources. This enables the Government to achieve its goals of growth, productivity, efficiency and improvement in service delivery. Against this backdrop, the Government adopted the Third Medium Term Plan of Kenya Vision 2030, which requires Ministries to prepare a five-year strategic plan detailing priority projects that will be implemented during the period.

The State department for Mining was established by the Organization of the Government, Executive Order No. 1 of 2018(revised) issued in June 2018. Its mandate is formulation of policies on extractive industry, undertaking mineral exploration and mining policy management, development of inventory and mapping of mineral resources, formulation of mining and minerals development policy, maintenance of geological data, policies on the management of quarrying of rocks and industrial minerals, management of health conditions and health and safety in mines, mining capacity development, and, promotion of mineral value addition. State Department for Mining has oversight responsibilities over the National Mining Corporation (NMC), the Mineral Rights Board (MRB), and the Geologist Registration Board (GRB).

This Strategic Plan is aligned to the MTP III (2018-2022) and the “Big Four” Agenda shall form the basis for identifying development priorities and establishing deliverables under the Ministry’s Performance Contract system. Towards ensuring its full implementation, the Plan is linked to the Government budget system through the Medium-Term Expenditure Framework (MTEF).

For effective implementation of the strategic plan, the ministry is committed to supporting mobilization of resources for the sector, for adoption of new technology, strengthening of partnerships and collaboration among stakeholders, monitoring, evaluation and reporting. This will be achieved through translating the strategic action plan into departmental work plans and thus providing the basis for departmental performance evaluation.

**Hon. John Munyes Kiyong’a, EGH**  
**Cabinet Secretary**  
**Ministry of Petroleum and Mining**

## **ACKNOWLEDGEMENT**

The State Department is also taking part in implementation of the national development goals including the Third Medium Term Plan of Kenya Vision 2030, the “Big Four” Agenda among others, for which this Plan provides the roadmap.

Building on the gains of the Mining sector reforms, the lessons learnt and experiences gained over the time, there is renewed confidence among stakeholders and citizens on the Mining Sector.

I am now happy that after working collaboratively in a process that has involved all key sector players; the State Department for mining has been able to develop Strategic plan which is aligned to both national development goals and international commitments. It is therefore critical at this stage for all partners to own the plan and derive implementation of programmes and projects from it making sure that we use it for effective decision-making.

I would like to express sincere appreciation to Mining sector partners and all other technical contributions towards this very important initiative. I urge all key Mining stakeholders to use the plan in their operations and any policy guideline that may be issued by the Ministry from time to time so as to improve service delivery to the Kenyan citizens.

I sincerely thank all those who participated in the preparation of this Plan. In particular, we acknowledge the contributions of the technical staff in the State Department for mining and its State Corporations. We also wish to appreciate the Central Planning and Project Monitoring Unit in the State Department for mining for providing the secretariat services as well as other logistics, which facilitated the process.

**John Morangi Omenge, RGeol, FGSK**  
**Principal Secretary**  
**State Department For Mining**

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## **ACRONYMS AND ABBREVIATIONS**

AIA	Appropriation in Aid
AMGC	Africa Minerals, And Geosciences Centre
ASM	Artisanal and Small-Scale Miners
CBO	Community Based Organization
CEO	Chief Executive Officer
CPPMU	Central Planning and Project Monitoring Unit
DB&F	Design Build and Finance
EPC	Engineering Procurement Construction
GDP	Gross Domestic Product
GETI	Geological Technical Institute
GOK	Government of Kenya
GRB	Geologist Registration Board
ICT	Information communication Technology
JKUAT	Jomo Kenyatta University Of Agriculture and Technology
KRA	Key Result Area
LSM	Large Scale Mining
M&E	Monitoring and Evaluation
MDAs	Ministry, Departments and Agencies
MED	Monitoring and Evaluation Directorate
MOU	Memorandum of Understanding
MRB	Mineral Rights Board
MTP	Medium Term Plan
NG- CDF	National Government Constituency Development Fund
NGAAF	National Government Affirmative Action Fund
NMC	National Mining Corporation
NMI	National Mining Institute

OMC	Online Mining Cadastre
OTMCP	Online Transactional Cadastre Portal
PESTEL	Political, Economic, Social, Technology, Environment and Legal
PPP	Public Private Partnership
PWDs	Persons with Disability
SAGAs	Semi-Autonomous Government Agencies,
SDGs	Sustainable Development Goals
SDM	State Department for Mining
SWOT	Strength, Weakness, Opportunities and Threats
TTU	Taita Taveta University
UON	University of Nairobi
WEF	Women Enterprise Fund
YEDF	Youth Enterprise Development Fund

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## **EXECUTIVE SUMMARY**

The State Department For Mining mandate is formulation of policies on extractive industry, undertaking mineral exploration and mining policy management, development of inventory and mapping of mineral resources, formulation of mining and minerals development policy, maintenance of geological data, policies on the management of quarrying of rocks and industrial minerals, management of health conditions and health and safety in mines, mining capacity development, and, promotion of mineral value addition. (as per Organization of the Government, Executive Order No. 1 of 2018 (revised)). This together with the need to align to MTP III 2018-2022 necessitated the development of the Strategic Plan 2018-2022.

Mining in Kenya is mainly artisanal and small scale (ASM) with Large-Scale Mining (LSM) operations. Though largely informal ASM produces approximately 60% of the country's gemstones. Gold is estimated at 5 metric tonnes per year, quarrying of stones, and other construction materials form the bulk of mining industry. Gold and construction materials are distinguished by the size of the mining area, type and level of technology deployed, duration, and renewal of the permit and of exclusivity, transfer, and upgrade rights.

The SWOT analysis of the mining sector featured in this plan summarizes situation analysis and the current trends.

Considering the mandate as well as the situation and the SWOT analysis, the Vision and Mission of the plan are as follows:

**Vision** *A world class destination for geo-information and sustainable mineral development*

**Mission** *To provide quality geo-scientific data and information and create an enabling environment to enhance sustainable mineral investments.*

Following the Vision and the Mission, twelve Strategic Objectives have been identified

### **Strategic Objectives**

- 1.** To promote sound and responsive policies in the sector
- 2.** To regulate and coordinate mining activities in the sector
- 3.** To provide updated geo-scientific data to prospective investors, research institutions, planners and infrastructure developers
- 4.** To create, maintain and update geosciences databases
- 5.** To provide efficient, predictable and transparent licensing procedures
- 6.** To enhance revenues from the mining sector
- 7.** To promote mine environment management and safety
- 8.** To maximize benefits from minerals
- 9.** To increase visibility and awareness about SDM

10. Increased contribution of ASM in the mining sector
11. To provide quality and recognized mineral testing services in Kenya and in the region
12. To harness skills and develop local expertise

In line with State Department's Vision, Mission, fifteen **Key Result Areas (KRA)** have been identified and will be the pillars of this Strategic Plan. The Key Result Areas are:

- KRA 1:** Policy, Legal and Institutional reform
- KRA 2:** Geological mapping and mineral exploration
- KRA 3:** Geo-information Management
- KRA 4:** Mineral Rights Management
- KRA 5:** Fiscal Regime
- KRA 6:** Mine Environment and safety
- KRA 7:** Mineral Processing, Value Addition and Marketing
- KRA 8:** Artisanal and Small-Scale Mining
- KRA 9:** International Accredited Mineral Certification Laboratory
- KRA 10:** Minerals and Metal Commodity Exchange
- KRA 11:** Human Resource Capacity
- KRA 12:** Partnerships and Resource Mobilization
- KRA 13:** Leadership, Integrity and good Governance in the Mining Sector
- KRA 14:** National Mining Corporation
- KRA 15:** Cross Cutting Issues

To achieve the strategic objectives; appropriate strategies, output and activities/actions for each strategic focus areas were identified. In addition, the implementing actors, the time frame, the expected outcome and key Performance Indicators were determined. These have been outlined in the implementation matrix presented in Annex I.

# CHAPTER ONE

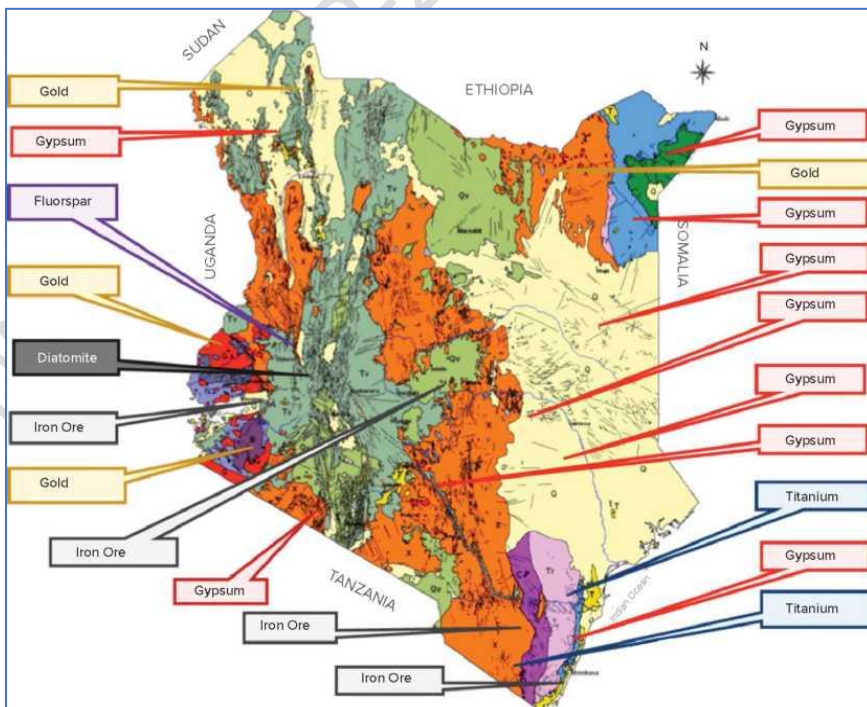
## INTRODUCTION

### 1.0 Overview

This chapter sets the context for the 2018-2022 strategic plan by highlighting Kenya's mining sector, defines the mandate of the State Department for Mining (SDM), and examines key global, regional and national development challenges constraining sector growth. It also provides linkages of the mining sector to Kenya's macro-economic development as defined in the Kenya Vision 2030, Third Medium-Term Plan (2018-2022), the "Big Four Agenda", Sustainable Development Goals (SDGs) and the African Union's Agenda 2063.

### 1.1 Background

Kenya has a long history of mining dating back in 1911 when Magadi Soda company started mining trona in Magadi Kajiado county. This was followed Gold mining operations in Logorien, between 1920 and 1950, produced approximately 1 million ounces of gold, while Macalder Mines produced about 950 kgs of gold in Migori between 1935 to 1966. Since then a wide range of minerals, both metallic and industrial have been discovered in various parts of the country. Kenya's geological environments for the mineralisation comprise of the four zones. The Archean Nyanzian Craton area of western Kenya, where metallic mineralisation of base and precious metals such as gold, copper, and silver are present and the potential for ferrous and nonferrous metals exists. The Proterozoic Mozambique Belt which cuts through Kenya from north to south, in which minerals such as kyanite, corundum, graphite, wollastonite, marble, asbestos, fluorspar, magnesite, kaolin, and a variety of gemstones are found.






**Figure 1: Kenya Geological and Mineral Occurrence Map**

The widespread sedimentary rocks of Palaeozoic to Quaternary which host limestone, gypsum, clays, manganese and construction materials, and hydrocarbons which form the basis of oil in Turkana County. Volcanic rocks associated with Rift System host a variety of minerals and construction materials such as clays, evaporites, trona (soda ash), diatomite, gypsum, and gem-quality rubies. Carbonatites known for potential of niobium and rare earth elements (REE) are found in the Nyanzian shield area, around Lake Victoria shores, and in the southern part of the coastal sedimentary basin.

Kenya has a variety of known mineral resources that include soda ash, fluorspar, titanium minerals, Niobium rare earth elements, gold, coal, gemstones, manganese, iron ore, gypsum, natural carbon dioxide, diatomite, limestone, gemstones and dimension stone. Mineral resources support a small but nascent mining and quarrying sector which contribute about 0.8 per cent to Gross Domestic Product (GDP), but is one of the fastest growing sectors of the economy. The government aims to increase the share of mining in the GDP to 10% share by 2030 mainly through value addition.

Mining in Kenya is mainly artisanal and small scale (ASM) with Large-Scale Mining (LSM) operations. Though largely informal ASM produces approximately 60% of the country's gemstones. Gold is estimated at 5 metric tonnes per year, quarrying of stones, and other construction materials form the bulk of mining industry. Gold and construction materials are distinguished by the size of the mining area, type and level of technology deployed, duration, and renewal of the permit and of exclusivity, transfer, and upgrade rights.

Broadly, mining activities adhere to a three-phase mineral resources development cycle consisting of exploration, mining and closure (Figure 2). Exploration phase takes between 8-10 years, mining phase between 10-30 years while closure takes 1-2 years.

<b>Exploration phase</b>	<b>Mining phase</b>	<b>Closure phase</b>
		
<ul style="list-style-type: none"> <li>• Exploration licence</li> <li>• Programme of work</li> <li>• Proof of financial capacity</li> <li>• Annual activity reports</li> </ul>	<ul style="list-style-type: none"> <li>• Mining lease/license</li> <li>• Feasibility study</li> <li>• Mine closure plan</li> <li>• Environmental rehabilitation plan</li> </ul>	<ul style="list-style-type: none"> <li>• Mining lease/license</li> <li>• Mining lease surrender</li> </ul>



**Figure 2: Typical Phases of Mining Operation**

Sound management of each phase of the mining cycle is essential if mining is to be support Kenya's transformation agenda sustainably.

## **1.2 Mandate and Functions of State Department for Mining**

According to the Executive Order No. 1 of 2018 the State Department for Mining (SDM) has responsibility of the management of mining and quarrying activities in the country. In specific, SDM is responsible for (i) formulation of policies on extractive industry (ii) undertaking mineral exploration and mining policy management (iii) development of inventory and mapping of mineral resources (iv) formulation of mining and minerals development policy (v) maintenance of geological data, (vi) policies on the management of quarrying of rocks and industrial minerals (vii) management of health conditions and health and safety in mines (viii) mining capacity development, and, (ix) promotion of mineral value addition. SDM has oversight responsibilities over the National Mining Corporation (NMC), the Mineral Rights Board (MRB), and the Geologist Registration Board (GRB).

## **1.3 Global, Regional and National Development Challenges**

### **Global challenges facing the mining sector**

- Fluctuation of commodity prices
- Changing technology

### **Regional challenges**

- Smuggling of minerals from one country to another
- Money laundering
- Conflict and disputes related to mineral resources.

### **National Challenges**

- Inadequate Geo Scientific data and information
- Weak enforcement and compliance to mining rights
- Low mineral value addition
- Social conflicts with local communities
- Low technology adoption by artisanal and small scale miners
- Environmental degradation
- Health and safety concerns

## **1.4 Role of State Department for Mining in National Development**

Extractive industries notably energy (gas, oil, and coal), minerals and metals, have become an integral part of Kenya's national development. SDM contributes to

National Development mainly through collecting royalty is paid by mineral rights holders, export earning, and employment.

The mining sector employ people directly in the industry. Through forward and backward linkages, mining influences growth of several other industries key among them construction, manufacturing, agriculture. Because of this, mining is expected to play a central role in the realization of the 'Big Four' agenda, mainly manufacturing through mineral value addition and low-cost housing through provision of building materials.

The mining sector is mandated to develop policies that are geared towards regulating the sector and ensure compliance in mine health and safety and promotion of mineral value addition. with the laws in Kenya and the benefit to the people of Kenya from the mineral resources. Further, the SDM conducts mineral exploration geared towards updating the mineral occurrences data for marketing and promoting the country to interested mining investors. The Mining Act 2016, has recognized the role played by Artisanal and Small-Scale Miners (ASM), hence the SDM will facilitate the formalization of the ASM operations in the country.

Mining has great potential to contribute to achievement of the Sustainable Development Goals (SDGs). Mining can foster economic development by providing opportunities for decent employment, business development, increased fiscal revenues, and infrastructure linkages. The sector also contributes to achievement of Africa's Agenda 2063 and the Africa Mining Vision. This is Africa's own response to tackling the paradox of great mineral wealth existing side by side with pervasive poverty by making sure workers and communities see real benefits. It also aims to ensure that contracts are negotiated to generate fair resources rents and local input for operation and environmental protection.

## CHAPTER TWO

### SITUATIONAL ANALYSIS

#### **2.0 Overview**

This section reviews the performance of the state department for mining in the last five years highlighting achievements, challenges and lessons learnt. The section further provides analysis of external and internal environment using the Strengths, Weakness, Opportunities and Threats (SWOT) and Political, Economic, Socio-cultural, Technological, Environmental and Legal (PESTEL) analytical tools. A stakeholder analysis has also been undertaken to establish the role of each stakeholder in the implementation of the strategy.

#### **2.1 Review of State Department for Mining 2013-2017 Strategic Plan**

During the period under review, the amount spent in exploration increased, although Kenya's exploration spend per km<sup>2</sup> lagged behind her peers, being half of the African average and one-third the global average. The value of mineral production increased from Kshs. 19,760 million in 2013 to Kshs. 47,237 million in 2017 mainly driven by Kenya titanium ore production. The value of gold production more than **doubled from Kshs. 7433 million to Kshs. 1534 million**. On the contrary, the value of fluorspar production dropped from Kshs. 1783 million in 2013 to Kshs. 100 million in 2017 following the closure of Kenya Fluorspar Company in Kerio Valley in 2016 after expiry of special mining lease. Even though the value of production of soda ash declined during the review period, the decline was compensated by an increase in the value of crushed refined soda pointing to increased value addition.

During the 2013/14-2017/18 strategic plan period, thirteen projects and programmes were earmarked for implementation.

#### **Policy, Legal, Regulatory and Institutional Framework**

A Mining and Mineral Policy was formulated in 2016 to guide exploration and exploitation of mineral resources for socio-economic development. Among other things the policy provide long-term policy direction and legal frameworks that conform to current industry needs, trends and international best practices, provide a strategy for predictable, transparent and accountable licensing procedures including access to land and mechanism for structured mining fiscal regime. Further, the policy addresses issues of acquisition of geological and mineral data, value addition and marketing, health and occupational safety and gender mainstreaming.

The policy was operationalized by the mining act of 2016, which seek to regulate the sector and improve the investment environment. The act 2016 provide for three categories of mining rights covering large scale operators, small scale mining as well as artisanal miners. A key feature of the act is legalization of the artisanal mining and institutionalized revenue sharing between National Government, county governments & community at a ratio of 70:20:10 of total royalty collected. Thus, it provides much needed clarity on issues around revenue sharing, local ownership, land rights, small-scale miners. In addition, fourteen (14) Mining Regulations were developed and sensitization of stakeholders on Mining Regulations carried out. A 20-year Mining diagnostic Study was undertaken in 2015, while a draft National extractive policy was formulated during the review period.

### **Establishment of Geo-Data Bank**

The Ministry established a Geological Data Bank as a repository for all geological data and information thus enhancing access to geological data and information for mining investment and research purposes. Towards this end, 11 of the 14 key equipment procured and digitization of geological records reached 30%. The data bank was commissioned in June 2018 and scanning of manual records commenced. In consultation with the British Geological Society (BGS), SDM initiated a process of repatriation of geological data and information held at the British Geological Society by developing necessary terms of reference.

### **Establishing an Internationally Accredited Mineral Certification Laboratory**

For long Kenya relied on other countries such as South Africa to undertake most of the mineral tests, something which is costly and time consuming. An internationally Accredited Mineral Laboratory was constructed at Madini house for mineral testing. The laboratory provides scientific reports and certificates through qualitative and quantitative analysis of samples mainly for mineral exploration, mineral database and geological mapping. Thus, to this end, a new laboratory was constructed and partially equipped while a scoping study on a probable public-private partnership was completed.

### **Conducting a Nationwide Airborne Geo-Physical Survey**

Investment in the mining sector is constrained by lack of database and a clear map of every available mineral resource. In order to achieve a more robust sector and ensure that mining companies are licensed to explore on more promising grounds, a nationwide airborne geo-physical survey was initiated. The geo-physical survey once completed, will support investment in the mining sector, inform land use planning, infrastructural development and stimulate research. The main achievements include benchmarking of the survey in Uganda, Procurement of project supervisor, and due diligence done on Geological, Technical Institute (GETI ) of the Peoples Republic of China, to assess its suitability for the job. An inter-agency technical committee was established to spearhead this project under the coordination of the State Department of Interior.

### **Geological Surveys Mapping and Exploration**

SDM intensified mineral exploration for coal (in Kilifi and Kwale Counties), manganese (in Kilifi County) and vanadium (in Marimanti in Tharaka Nithi County) among other minerals. The data generated will inform and guide potential investors in the mining industry. Surface mapping of minerals potential along SGR route from Mtito Andei to Emali in Makueni County was conducted. In addition, iron ore exploration and core drilling in Tharaka Nthi county, Coal exploration in Taru - Kwale County, Geological and Mineral mapping in Kitui and Mackinnon area in kwale County geo-hazard mapping and monitoring in Narok, Nakuru and Murang'a Counties were also conducted.

### **Establishing Online Transactional Cadaster Portal**

The mining cadaster system was introduced to improve transparency and enhance efficiency in the licensing and permitting of mineral rights in Kenya. It serves as the only legal mean of application for all the mineral rights under the Mining Act 2016 and the Licensing and Permitting Regulations. A computerized Mining Cadastre



System was first introduced and used in the management of mineral rights in 2011 and an upgraded integrated version of an Online Transactional Mining Cadastre Portal (OTMCP) commonly referred to, as Online Mining Cadastre (OMC) was developed and launched in 2015. This has transformed the licensing regime as it has reduced application processing time from 180 days to 120 days; increased transparency and accountability; reduced the incidences of conflicts and disputes since the process of application, renewal of licenses and payment is online. Reconfiguration of the portal is ongoing to conform to the Mining Act and additional Modules installed to cater for paperless concession management and applications. A total of 82 mining rights were issued by SDM, 43 of which were prospecting licenses and 3 mining licenses granted to large scale operators, while 36 mining permits were issued out as exclusive rights to small scale and artisanal miners to carry out mining within permit areas. Fifty four (54) mining rights were granted in 2018 rights pointing to increasing intensity of exploration in the country.

### **Mineral Audit Unit**

This project was meant to strengthen revenue management for efficient computation of royalties, taxes and levies. An audit division was established under the Directorate of mines.

### **Minerals and Metals Commodity Exchange**

During the review period, groundwork for establishing the commodity exchange were laid. SDM held discussions with the Vision 2030 Delivery Secretariat, the Kenya Chamber of Mines and the London Metal Exchange on modalities for establishing the commodity exchange. A framework for establishing the institution was developed and submitted to the cabinet for approval. Preparatory meetings were held with Central Bank of Kenya, Nairobi Securities Exchange and Kenya Revenue Authority.

### **Appointment and operational of Mineral Rights Board**

The Mineral Rights Board is provided for in the Mining Act, 2016 to advise on mineral rights issuance. The Board has since been constituted and is operational.

### **Establishment of Mineral Value Addition Centers**

Promotion of mineral value addition centers focused on four areas. A Gemstone Value Addition Centre was constructed in Voi, Taita Taveta County and equipped with Lapidary and Gemology. The Centre require additional equipment and commissioning. Meanwhile, feasibility studies for the construction of a granite processing plant in Vihiga County, a gold refinery in Kakamega County and a soapstone plant in Kisii.

### **Establishment of National Mining Corporation**

A National Mining Corporation (NMC) is provided for in the mining act as an investment arm of the national government in respect to minerals. The corporation is responsible for investing on behalf of the government through 10% free carry interest in mining firms or through purchase of shares floated on the Nairobi Securities Exchange or similar arrangements. NMC can undertake mining business either alone or through partnership. Already, the Cabinet approved the establishment of NMC and an acting chief executive officer (CEO) appointed in 2018.

### **Establishment of National Mining Institute**

Transformation process in the mining sector has over the years been hampered by low human capacity along the value chain, with the sector reliant on imported

personnel. Establishment of a National Mining Institute (NMI) is meant to address this anomaly and guarantee future supply of skilled labour to sustain the sector. Towards this end, the cabinet identified University of Nairobi (UON) and Taita-Taveta University (TTU) to collaborate with SDM to offer training for the National Mining Institute, the two institutions were to serve as incubation centers for NMI. A joint Secretariat was formed between Ministry of Mining, UoN and TTU to spearhead the process of setting up the institute. The Mining Institute is to offer training of manpower in mining-related courses at certificate, and diploma to fill the skills gaps experienced in the mining sector.

### **Resource Survey and Remote Sensing**

SDM undertook a survey of wildlife/livestock in Tana River County to inform rangeland management. An assessment of forest status of Mt. Elgon Forest was also conducted as well as mapping of land degradation in Nakuru County.

### **Formalization of ASM**

Prior to the enactment of the mining act 2016, ASM activities were illegal as they were associated with child labour, environmental and health risks (particularly use of mercury in gold mining), and high prevalence of HIV/AIDS. SDM spearheaded ASM formalization by establishing artisanal mining committees in Kakamega, Taita Taveta and Vihiga. Fifteen women miners groups were registered in Kisii County as well as one women miners group in Kakamega, while twelve (12) youth groups have been formed with one group in Kisii already having received a machine for ballast crushing.

SDM collaborated with Jomo Kenyatta University of Agriculture and Technology (JKUAT) as well as the Canadian International Research and Development Institute (CIRDI) to pilot a more efficient and safer ball milling machine for use in ore milling. The institute also supported training of over 50 ASM and Ministry staff on formalization. Further, the Department in collaboration with the Department for Environment implemented a mercury elimination project in all the main ASM gold mining areas.

### **2.2 Financial review of the state department for mining**

SDM recorded significant rise in both allocation and expenditure during the period 2013/14 and 2017/18 (Table 1). At the same time, the department increased absorption capacity from 70% to 100%.

**Table 1. Summary of State Department Mining Income and expenditure over the past five years**

Year	Allocation			Expenditure			Absorption Rate (%)
	Recurrent Kshs. (mn)	Capital Kshs.(mn)	Total Kshs.(mn)	Recurrent Kshs. (mn)	Capital Kshs.(mn)	Total Kshs. (mn)	
2013/14	863	1496	2359	512	1153	1665	70.6
2014/15	675	1870	2545	655	1605	2260	88.8
2015/16	689	1257	1946	550	678	1228	63.1
2016/17	886.2	2217.2	3103.4	760	1598	2358	76.0
2017/18	1538	1746	3284	1538	1746	3284	100.0

### 2.1.1 Challenges Faced

The following are some of the challenges that affected the implementation of the programs and projects in the strategic plan for the period under review.

- i. Inadequate geological data on mineral resources and occurrence
- ii. Lack of understanding of the peculiarities of the sub-sector
- iii. Critical shortage of technical skills across the entire SDM (geologists, geophysists, geochemist, mineral economists, metallurgists, gemmologists etc)
- iv. Rapidly changing technology in the mining sector that renders equipment already procured by SDM obsolete
- v. Lack of research and developmental support by government to provide a basis for this type of economic activity
- vi. Unpaid funds for royalties and AIA by mining rights holders .

### 2.1.2 Lessons Learnt

From the achievements and challenges experienced, during the implementation of the strategic plan under review, the following lessons were learnt to inform future implementation plan of programs and projects:

- i. There is need to fast track request to public service commission and prepare a human resource plan on time
- ii. Preparation of procurement plan, cashflow and workplan on time is crucial
- iii. Sensitize all staff on the programs and projects been implemented is a pre-requisite
- iv. Motivation of employees in terms of trainings, promotions and recognition be emphasized
- v. Proper prioritization of projects is mandatory
- vi. Continuous monitoring of projects implementation status
- vii. embrace teamwork and have a clear flow of communication
- viii. All the directorates should work together to create synergy in the SDM
- ix. Review of the fiscal regime i.e revenue sharing framework between the national and county government.

- x. Continuous capacity building to address the critical skills gap shortage
- xi. Provision of adequate budget to procure specialised equipment that are in sync with the changing technology

## 2.2 Environmental Scan

The following sections highlights the strengths, weakness, opportunity and threats that SDM has and it gives the strategic implication of the SWOT and the strategic response to address the same. This section also carries an analysis of the Political, economic and social, technological, environmental and legal situation of the SDM.

### 2.2.1 Strengths, Weaknesses, Opportunities, and Threats (SWOT) Analysis

Strengths are characteristics of an organization that give it an advantage over others while Weaknesses are characteristics of an organization that place the business or project at a disadvantage relative to others. Opportunities are elements in the environment that the SDM could exploit to its advantage while threats are elements in the environment that could cause trouble for SDM.

**Table 2.2: Strengths**

<b>STRENGTH</b>	<b>STRATEGIC IMPLICATION</b>	<b>STRATEGIC RESPONSE</b>
Existence of Online Transactional Mining Cadaster Portal	Transparency issuance of mining rights and permits	Upgrading of the system to be in sync with mining Act 2016
Specialized equipment for technical work	Accuracy and efficiency in-service delivery	Upgrading of the equipment to be in syn with changing technology
Recognition of artisanal miners in the Mining Act 2016	Enhance revenue collection from the ASM, ensure health, safety and environment management by ASM	Formalization and capacity building of the ASM

**Table 2.3: Weakness-**

<b>WEAKNESS</b>	<b>STRATEGIC IMPLICATION</b>	<b>STRATEGIC RESPONSE</b>
Inadequate skilled staff	Poorly regulated mining sector	Recruit various technical cadres required Capacity build staff Use consultants
Succession management	Ageing work force	Promotion and capacity building of staff
Inadequate specialized equipment	Inefficient provision of required service	Procure specialized equipment to meet the demand in the service

<b>WEAKNESS</b>	<b>STRATEGIC IMPLICATION</b>	<b>STRATEGIC RESPONSE</b>
		delivery
Gaps in the legal and regulatory framework	Conflict with the mining sector	Amendment of mining Act 2016 and completing development of supporting regulations
Poor marketing of products	Loss revenue from mineral products	Encourage formation of cooperatives

**Table 2.4: Opportunities-**

<b>OPPORTUNITIES</b>	<b>STRATEGIC IMPLICATION</b>	<b>STRATEGIC RESPONSE</b>
Availability of minerals and demand for mineral products	Vibrant and economically viable mining sector	Continuous mineral exploration and mining
Increased interest in the mining sector	Increased revenue for the country	Availing of geological and mineral data
Market demand for geological and mineral occurrence data	Increased investment in mining sector	Continuous Updating of geological data set
Strategic geographical position of the country and better infrastructure	Mineral hub	Bid for Africa mineral development centre

**Table 2.5: Threats-**

<b>THREAT</b>	<b>STRATEGIC IMPLICATION</b>	<b>STRATEGIC RESPONSE</b>
Political interference by cartels	Lack of investor confidence	Awareness creation and sensitization Enforcement of the mining Act 2016
High population growth	Encroachment of Mining buffer zones	Urban/physical planning Sensitization of the public Zone mining areas
Employment of Expatriates by investors	Lack of skills and technological transfer	Implementation of the local content
unrealistic community expectation especially in areas	Heightened tensions and conflicts in mining areas	Continuous public sensitization Fast tracking completion of the revenue sharing

			framework
Mineral fluctuations	Price	Loss of revenue	Fast track the establishment of the minerals and metals commodity exchange
Insecurity		Loss of investor confidence	Collaboration with the community in mining areas and sensitization of the communities
Conflicts between mining firms and the community		Loss of investor confidence Loss of revenue	Formation of community development agreement (CDA) committees

### 2.2.2 Environmental Scanning (PESTEL Analysis)

This PESTEL Analysis looks at the factors within the operating external environment that are political, economic, social, technological, environmental or legal in nature and their implications to the work of the SDM.

Table 2.6 below; present Political, Economic, Social, Technological, Environmental and Legal (PESTEL) Analysis for the SDM.

**Table 2.6: PESTEL Analysis**

EXTERNAL ENVIRONMENT	FACTOR	STRATEGIC IMPLICATION	STRATEGIC RESPONSE
Political	Change in political leadership	Change in policies and legal framework	Adapt the changes as they come
Economic	High public debt	Reduction of the budgetary allocations	Source for alternative revenue streams to boost local AIA Engage development partners and embrace PPPs
	Increased Taxation	Import of specialized equipment is costly	Seek for tax waivers on importation of specialized equipment for exploration
Social	High population growth	High demand for land Encroachment of mining buffer zones	Community sensitization, physical planning Zoning of mining areas
Technological	Improved technological development and advancement	Leads to competitiveness in service delivery	Upgrade to the latest technological equipment and services in the market

<b>EXTERNAL ENVIRONMENT</b>	<b>FACTOR</b>	<b>STRATEGIC IMPLICATION</b>	<b>STRATEGIC RESPONSE</b>
Environmental	Climate Change	Land degradation	Enforcement of EMCA, Mine Health and Safety regulations
	Mercury and cyanide use in leaching	Environmental pollution	Alternative use of mercury and cyanide in line with Minamata convention, Enforcement of EMCA, enforcement of Mine Health and Safety regulation
Legal	Mining Act 2016	Inconsistency of some clauses of the Mining Act 2016	Amendment of the mining Act 2016
	National Extractive policy	Uncoordinated extractive sector	Complete the development of National extractive policy
	Mining Regulations	Difficulty to implement mining Act 2016	Complete drafting the remaining set of mining regulations

### 2.2.3 Stakeholder Analysis

Stakeholders have certain expectations, which should be fulfilled by the SDM in the execution of its mandate. The following is the outcome of the SDM's stakeholder analysis:

<b>Stakeholder</b>	<b>Stakeholder Expectation</b>	<b>SDM Expectation</b>
Public/citizenry Active participation	<ul style="list-style-type: none"> <li>• Active participation</li> <li>• Enhanced awareness in the Extractive sector</li> <li>• Efficient and effective services</li> <li>• Transparency and accountability in the service delivery</li> </ul>	<ul style="list-style-type: none"> <li>• Regular feedback on our services</li> <li>• Responsive citizenry</li> <li>• Compliance with laws and regulations.</li> <li>• Ownership and sustainability of projects</li> </ul>
Staff	<ul style="list-style-type: none"> <li>• Commitment to their welfare</li> <li>• reward excellent performance</li> <li>• Favorable terms and conditions of service and good work environment</li> <li>• Skills/capacity development and career progression</li> <li>• Efficient and effective Human Resource services;</li> </ul>	<ul style="list-style-type: none"> <li>• Improved productivity</li> <li>• provision of necessary skills and manpower</li> <li>• Exhibit good image of the SDM</li> <li>• Efficient and timely services to the citizens and stakeholders</li> <li>• Adherence to policies, rules,</li> </ul>

<b>Stakeholder</b>	<b>Stakeholder Expectation</b>	<b>SDM Expectation</b>
	<ul style="list-style-type: none"> <li>• Participatory and fair appraisal</li> </ul>	<p>and regulations of the SDM;</p> <ul style="list-style-type: none"> <li>• Efficient utilization of resources allocated</li> </ul>
Researchers and academic institutions	<ul style="list-style-type: none"> <li>• Provide attachment and internship to their students;</li> <li>• Share the generated data and information</li> <li>• Partnership and collaboration in research and policy formulation</li> </ul>	<ul style="list-style-type: none"> <li>• Qualified, disciplined and well-trained students.</li> <li>• Training of manpower who are competent enough to deliver on the SDM's mandate</li> <li>• Confidentiality on shared information and feedback.</li> </ul>
Ministries Department and Agencies (MDAs)	Strengthen support and collaboration with MDAs	Promote inter-ministerial coordination and collaboration, devolution and decentralization of opportunities
Contractors, Suppliers and Consultants	<ul style="list-style-type: none"> <li>• Timely payments for goods supplied and services rendered.</li> <li>• Procurement process which is transparent and accountable as well as fair competition</li> <li>• Affirmative action on 30% access to government procurement opportunities for youth, women and Persons with Disabilities</li> </ul>	<ul style="list-style-type: none"> <li>• Efficient, effective and timely delivery of goods and services.</li> <li>• High standards of technical works undertaken, goods and services supplied that meet contractual obligations</li> <li>• Competitive and fair pricing</li> </ul>
Professional bodies	<ul style="list-style-type: none"> <li>• Compliance by technical staff through registration and renewal of membership</li> <li>• Provide opportunities for continuous professional development</li> </ul>	<ul style="list-style-type: none"> <li>• Improved standards of technical expertise and professional management in the sector</li> <li>• Partner in the implementation of development projects and programs.</li> <li>• Improved innovation, research and development; and policy analysis</li> </ul>
Non-State Actors such as NGOs, Civil Societies, CBOs and others	<ul style="list-style-type: none"> <li>• Participation in the SDM's policies, projects and programs development.</li> <li>• Provision of quality services</li> </ul>	Improve methods of collaborations by signing of MOU's that ensure serious commitment
Development partners and international organizations	<ul style="list-style-type: none"> <li>• Efficient use of Resources</li> <li>• Achievement of planned outputs and outcomes of projects implemented</li> </ul>	<ul style="list-style-type: none"> <li>• Support specific programs whose implementation is coordinated by the SDM.</li> <li>• Timely disbursement of</li> </ul>



<b>Stakeholder</b>	<b>Stakeholder Expectation</b>	<b>SDM Expectation</b>
	<ul style="list-style-type: none"> <li>• Involvement in stakeholder consultations in planning for the sector</li> <li>• Timely payment of subscription fees.</li> </ul>	<p>promised resources;</p>
Parliament	<ul style="list-style-type: none"> <li>• Timely submission of draft bills for legislation.</li> <li>• Timely response to all parliamentary questions</li> <li>• Efficient utilization of allocated resources</li> </ul>	<ul style="list-style-type: none"> <li>• Effective and Timely formulation of bills on Mining</li> <li>• Quality bills</li> <li>• Ensure adequate funding</li> </ul>
Media	Timely, Accurate and reliable information	<ul style="list-style-type: none"> <li>• Enhanced awareness, information documentation and effective communication.</li> <li>• Fair and responsible coverage</li> </ul>
County Governments	<ul style="list-style-type: none"> <li>• Policy guidance on, mineral resources utilization</li> <li>• Partnership in implementation of Mining Act 2016</li> <li>• Capacity building on Mining Act 2016, Mining and Minerals policy, Mining regulations</li> <li>• Technical advisory and support</li> </ul>	<ul style="list-style-type: none"> <li>• Proper implementation of policies, legislation and regulations for both levels of Governments.</li> <li>• Partnership in implementation of national programs and projects.</li> <li>• Timely and Quality provision of services related to mining</li> <li>• Share data and information on mineral resources and occurrence</li> </ul>
Private Sector	<ul style="list-style-type: none"> <li>• Provide enabling environment and incentives for business</li> <li>• Involvement in policy formulation in the sector</li> </ul>	<ul style="list-style-type: none"> <li>• Play their rightful role in sector growth</li> <li>• Compliance with laws, regulations and best business practices</li> </ul>

## CHAPTER THREE: STRATEGIC MODEL

### 3.0 Overview

This chapter presents the strategic model that set out the Vision, Mission and Core values that guide the implementation of this strategic plan. It also outlines the Key Result Areas (KRAs), strategic objectives to be accomplished in the medium term and strategies by which to achieve the objectives.

### 3.1 Strategic Vision, Mission, Core Values

The State Department for Mining will be guided by the Vision, Mission and Core Values:

#### Vision

A world class destination for geo-information and sustainable mineral development

#### Mission

To provide quality geo-scientific data and information and create an enabling environment to enhance sustainable mineral investments.

#### Core Values

The SDM will draw its values from the Constitution of Kenya, 2010, Article 10, which details the national values and principles of governance, which include the following:

- a. Good governance and leadership
- b. Honesty and Integrity
- c. Human Dignity
- d. Transparency and accountability
- e. Innovativeness
- f. Participatory Approach
- g. Efficiency and effectiveness
- h. Sustainable Development

### 3.2 Key Result Areas (KRAs)/ Strategic Focus Areas

The Vision and Mission reflects SDM mandate and responsibilities in the realization of Vision 2030's Third Medium Term Plan (2018-2022), "Big Four" Agenda, African Mining Vision, and international conventions and protocols. These will be realized through the following key result areas.

**KRA 1:** Policy, Legal and Institutional reform

**KRA 2:** Geological mapping and mineral exploration

**KRA 3:** Geo-information Management

- KRA 4:** Mineral Rights Management
- KRA 5:** Fiscal Regime
- KRA 6:** Mine Environment and safety
- KRA 7:** Mineral Processing, Value Addition and Marketing
- KRA 8:** Artisanal and Small-Scale Mining
- KRA 9:** International Accredited Mineral Certification Laboratory
- KRA 10:** Minerals and Metal Commodity Exchange
- KRA 11:** Human Resource Capacity
- KRA 12:** Partnerships and Resource Mobilization
- KRA 13:** Leadership, Integrity and good Governance in the Mining Sector
- KRA 14:** National Mining Corporation

**KRA 15:** Cross Cutting Issues

### 3.3 Strategic Objectives and Strategies

The table below indicate the key result area/strategic focus areas, strategic objective and strategies.

<b>Key Result Areas/Strategic Focus Areas</b>	<b>Strategic Objective</b>	<b>Strategies</b>
<b>KRA1: Policy, Legal and Institutional Reform</b>	To promote sound and responsive policies in the sector	<ul style="list-style-type: none"> <li>i. Formulating policies including Risk management policy and IT policy , national extractive policy, policies on quarrying and industrial minerals, and, formulate 20 year Kenya mining strategy, commercial explosives policy</li> <li>ii. Amendment of Mining Act 2016, commercial explosives bill</li> <li>iii. Completing and publishing nine (9) Mining Regulations</li> </ul>
	To regulate and coordinate mining activities in the sector	<ul style="list-style-type: none"> <li>i. Roll out service delivery to the regions</li> <li>ii. Operationalize and strengthen MRB, GRB and NMI</li> <li>iii. Strengthen monitoring and enforcement</li> </ul>
<b>KRA2: Geological mapping and mineral exploration</b>	To provide updated geo-scientific data to prospective investors, research institutions, planners and infrastructure developers	<ul style="list-style-type: none"> <li>i. Geological and mineral mapping</li> <li>ii. Geophysical and Geochemical Survey</li> <li>iii. Exploratory Core drilling</li> <li>iv. Geo technical investigations</li> <li>v. Geo-hazard mapping</li> </ul>
<b>KRA3: Geo-Information Management</b>	To create, maintain and update geosciences databases	<ul style="list-style-type: none"> <li>i. Identification, creation and developing geo-data infrastructure for effective data management;</li> <li>ii. Collect, collate and analyse geo-</li> </ul>

<b>Key Result Areas/Strategic Focus Areas</b>	<b>Strategic Objective</b>	<b>Strategies</b>
		<p>scientific data for easy access and retrieval</p> <p>iii. Digitization of archived geo-data and vectorization</p> <p>iv. Repatriation of geo-data held by British Geological Survey (BGS)</p>
<b>KRA4: Mineral Rights Management</b>	To provide efficient, predictable and transparent licensing procedures	<p>i. Updating online transactional cadaster</p> <p>ii. Rolling out of cadaster system to all regional offices</p> <p>iii. Strengthen the inspectorate function</p>
<b>KRA5: Fiscal Regime</b>	To enhance revenues from the mining sector	<p>iv. Revise/ review the licensing, permit, fees and charges</p> <p>v. Review the royalty rates</p> <p>vi. Finalize the royalty sharing framework</p> <p>vii. review and update the pricing schedule</p> <p>viii. procure royalty management system</p>
<b>KRA6: Mine Environment and Safety</b>	To promote mine environment management and safety	<p>i. Establish rapid response units</p> <p>ii. Inventorize and rehabilitate disused and abandoned mines and quarries</p> <p>iii. monitoring management of decommissioned mines</p> <p>iv. Sensitize artisanal miners on mine environment and safety</p>
<b>KRA7: Mineral Promotion, Value Addition and marketing</b>	To maximize benefits from minerals	<p>i. Establishment of mineral value addition centres</p> <p>ii. Develop a framework for establishment and running of value addition centres</p> <p>iii. Promotion of mineral related value addition industries</p> <p>iv. Formulate and implement mineral marketing and promotion strategy</p>
	To increase visibility and awareness about SDM	<p>i. Revamping of the SDM website</p> <p>ii. Partner with Huduma centres for low risk services</p> <p>iii. Develop and implement a public awareness creation strategy</p>

<b>Key Result Areas/Strategic Focus Areas</b>	<b>Strategic Objective</b>	<b>Strategies</b>
<b>KRA8: Artisanal and Small-scale Mining</b>	Increased contribution of ASM in the mining sector	<ul style="list-style-type: none"> <li>i. Artisanal Mining Formalization</li> <li>ii. increase Support Services (capacity development)</li> <li>iii. Finalize and implement ASM strategy</li> </ul>
<b>KRA9: Internationally Accredited Mineral Certification Laboratory services</b>	To provide quality and recognized mineral testing services in Kenya and in the region	<ul style="list-style-type: none"> <li>i. Complete the physical infrastructure</li> <li>ii. provide modern testing, identifying and analytical equipment</li> <li>iii. Mineral Laboratory Certification.</li> <li>iv. Accreditation of the mineral testing laboratory</li> </ul>
<b>KRA10: Minerals and Metal Commodity Exchange</b>	To provide a platform for trading in minerals and metal commodities	<ul style="list-style-type: none"> <li>i. Develop a policy for Minerals and Metal Commodity Exchange</li> <li>ii. Establishment of minerals and metal commodities exchange</li> </ul>
<b>KRA11: Human Resource capacity and productivity</b>	To harness skills and develop local expertise	<ul style="list-style-type: none"> <li>i. Financing the human resource and development function</li> <li>ii. Career development and progression</li> <li>iii. Training and capacity building of existing staff</li> <li>iv. Absorption of interns/casuals</li> <li>v. Recruitment / replacement of various cadres in the mining department</li> </ul>
	To strengthen competence levels of SDM staff	<ul style="list-style-type: none"> <li>i. Staff training on existing skills gaps</li> <li>ii. Implement coaching and mentorship programmes</li> <li>iii. Strengthen data and knowledge management</li> </ul>
	To boost productivity of SDM staff	<ul style="list-style-type: none"> <li>i. Engage with NACADA and MAISHA II to address Substance and Drug Abuse and HIV/AIDS</li> <li>ii. Strengthen PAS</li> </ul>
<b>KRA12: Partnerships and collaboration</b>	To enhance resource mobilization	<ul style="list-style-type: none"> <li>i. In kind resource mobilization</li> <li>ii. Use of public public partnerships (ppps)</li> <li>iii. Public Private Partnership (PPP)</li> </ul>
	To strengthen positive relations and create synergies	<ul style="list-style-type: none"> <li>iv. Ratify and domesticate mineral conventions and protocols</li> <li>v. Honour obligations in the various conventions and protocols</li> </ul>

<b>Key Result Areas/Strategic Focus Areas</b>	<b>Strategic Objective</b>	<b>Strategies</b>
	in the sector	vi. Outsourcing of some services in mining
<b>KRA13: Leadership, Integrity and Governance in the mining sector</b>	To boost service delivery harmoniously in the sector	<ul style="list-style-type: none"> <li>i. Implementation of chapter 6 of the Kenya constitution 2010, on leadership and integrity,</li> <li>ii. Sensitize the staff on leadership and integrity requirements</li> <li>iii. Develop and implement a stakeholders engagement framework</li> <li>iv. Adopt open door policy</li> </ul>
	To uphold the rule of law	<ul style="list-style-type: none"> <li>i. Sensitize and disseminate the laid down regulations to relevant parties</li> <li>ii. Strengthen enforcement of the rule of law</li> </ul>
	To works towards realization of national values and principles of governance	<ul style="list-style-type: none"> <li>i. Increase compliance to the national cohesion and values</li> </ul>
<b>KRA14: National Mining Corporation</b>	To be an investment arm of government in the mining sector	<ul style="list-style-type: none"> <li>i. Operationalization of the NMC Board</li> <li>ii. Recruitment of staff</li> <li>iii. Transfer of Assets to NMC</li> <li>iv. Statutory requirements</li> <li>v. Development of strategic plan</li> </ul>
<b>KRA 15: Cross cutting Issues</b>	To mainstream youth, gender and PWDs in the mining Sector	<ul style="list-style-type: none"> <li>i. Development and implementation of gender mainstreaming strategy and action plan in mining sector</li> <li>ii. Development of gender mainstreaming guidelines in the mining sector</li> <li>iii. Implement the 30% public procurement and disposal preference and reservations amendment regulation 2013</li> <li>iv. Development of gender workplace policies</li> <li>v. Develop and implement a youth strategy in the mining sector</li> <li>vi. Mainstream ICT across KRAs</li> </ul>

<b>Key Result Areas/Strategic Focus Areas</b>	<b>Strategic Objective</b>	<b>Strategies</b>
	To reduce work place hazards	<ul style="list-style-type: none"> <li>i. To put in place mechanisms to mitigate against hazards</li> <li>ii. Sensitize and implement OSH Act</li> </ul>
	To improve accountability and asset management in SDM	<ul style="list-style-type: none"> <li>i. Periodic review of the inventory and asset disposal as appropriate</li> </ul>

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## **CHAPTER FOUR: IMPLEMENTATION AND COORDINATION FRAMEWOK**

### **4.0 Overview**

This chapter presents the current and proposed organization structure of the SDM and its staffing levels. It also outlines the human resource gaps, financial resource requirements, risk analysis and mitigation measures. This chapter also outlines resources mobilization strategy from Government of Kenya (GoK), Development Partners, and Public Private Partnerships (PPPs) collaboration.

#### **4.1 Structure of the Organization**

The State Department for Mining is in the Ministry of Petroleum and Mining (MOP&M). The MOP&M is headed by a cabinet secretary supported by a chief administrative secretary. The ministry has two State departments, the state department for petroleum and state department for Mining. The SDM is headed by a Principal Secretary who is the accounting Officer.

The State department for mining Headquarters is located in Works Building, while the technical directorates are in Madini house. The SDM has presence in 23 regional offices across the country. The SDM has three (3) semi- autonomous government agencies (SAGA). The National Mining Corporation, Mineral Rights Board and Geologists Registration board.

##### **4.1.1 Current organization**

The State Department for Mining currently comprises 5 directorates namely:

1. Directorate of Corporate Affairs;
2. Directorate of Mines;
3. Directorate of Geological Surveys;
4. Directorate of Mineral Promotion and Value Addition; and
5. Directorate of Resource Survey and Remote Sensing.

##### **4.1.1.1 Corporate Affairs Directorate**

The Corporate Affairs Directorate provides support services to the four (4) technical Directorates of the SDM. The directorate comprises of the following divisions/sections/units:

(i) General Administration; (ii) Human Resource Management and Development; (iii) Finance (iv) Accounts; (v) Supply Chain Management; (vi) ICT; (vii) Central Planning and Project Monitoring unit; (viii) Legal Services; (ix) Public Communications; (x) Records Management; and (xi) Internal Audit.

##### **4.1.1.2 General Administration Division**

The main functions of the General Administration division include:-

- i. General internal administration and management of office services;



- ii. Co-ordination and stewardship of government business and responding to emerging policy and development initiatives;
- iii. Co-ordination of official and state functions;
- iv. Arbitration of disputes;
- v. Implementation and follow up of Presidential Directives with respect to sectors;
- vi. Management of public resources and assets; and
- vii. Transport management;

#### **4.1.1.3 Directorate of Mines**

The Directorate of Mines comprises of four (4) divisions namely; Licensing; Inspectorate; Mineral Audit and Explosives. The functions of the Directorate include:

- i. Formulation and administration of policies on management of minerals, mining and quarrying;
- ii. Administration of mining laws;
- iii. Licensing of exploration and mining concessions;
- iv. Compilation and management of the mining and concessions data;
- v. Management of the mining cadaster system;
- vi. Arbitration of mining disputes;
- vii. Provision of mining technical services, monitoring of mine safety, health and environment;
- viii. Monitoring of implementation of decommissioning plans;
- ix. Undertake baseline surveys of abandoned mines and mine dumps;
- x. Promotion of Sustainable exploitation of mineral resources;
- xi. Certification of commercial explosives;
- xii. Monitoring of operations to ensure public safety from negative impacts of blasting;
- xiii. Blasting designs and techniques;
- xiv. Assessment and monitoring of mine and quarry buffer zones;
- xv. Monitoring standards of explosives disaster preparedness and management; and
- xvi. Monitoring and enforcement of mine safety and environment regulation and
- xvii. Management of explosives database.

#### **4.1.1.4 Directorate of Geological Surveys**

The Directorate of Geological Surveys comprises of five (5) divisions namely; Mineral Exploration and geochemistry; Geological Mapping; Geophysical Surveys and Seismology; Environmental and Engineering Geology and Geological Data Management. There are five (5) sections supporting the five divisions. These are library, museum, drilling, cartography and laboratory services. The directorate performs the following functions:

- i. Undertake systematic geological mapping and structural mapping of the whole country to describe the onshore and off shore geological conditions;

- ii. Assess and provide information on mineral wealth of the country using detailed investigations;
- iii. Evaluate and monitor hazards associated with earthquakes, landslides, toxic minerals, subsidence, and other ground failures;
- iv. Undertake research related to geological processes and tectonic activities;
- v. Compile geoscience data and database management;
- vi. Produce and publish geological reports and maps as a framework for mineral, energy and water resource assessment, research, planning, decision-making and other related undertakings;
- vii. Provide quantitative and qualitative laboratory analyses of rocks, mineral ores, precious and semi-precious minerals, metals and assay for gold, etc; and
- viii. Formulate policy on geology and mineral exploration.

#### **4.1.1.5 Directorate of Mineral Promotion and Value Addition**

The Directorate of Mineral Promotion and Value Addition comprises of the following three divisions; Mineral Promotion and Marketing; Mineral Value Addition; and Industry Coordination. The Directorate performs the following functions:

- i. Implement policies on mineral promotion and value addition;
- ii. Promote mineral value addition within the country;
- iii. Provide extension services to small scale and artisanal miners on mineral processing and value addition; and
- iv. Market mineral investment opportunities in the country.

#### **4.1.1.6 Directorate of Resource Surveys and Remote Sensing**

The Directorate consists of four divisions namely; Aerial Surveys, Remote Sensing Services, Ground Surveys and Geo-Information Services. The functions of the directorate are:

- i. generate data for sustainable conservation of livestock/wildlife and vegetation (including forest);
- ii. conduct land use and land cover mapping;
- iii. develop early warning systems for crop forecasting for food security planning and management and seasonal vegetation biomass production;
- iv. Upgrade of integrated geo-spatial infrastructure; and
- v. Coordinate the application of remote sensing technology in government.

#### **4.1.2 SEMI-AUTONOMOUS GOVERNMENT AGENCIES**

The NMC, MRB and GRB are responsible for government investment in mining, advice the cabinet secretary on mineral rights management and registration of geologists in Kenya respectively.

#### **4.1.3 SDM's Organizational Structure**

The current organization structure is attached as annex 111

## 4.2 Staff Establishment

The State Department for Mining has a staff complement of 455. The establishment has very huge variances in the technical cadres bearing in mind the State department is highly technical.

### 4.2.1 Current Staff Establishment and Proposed Staffing Levels

Table 4.1 below shows the current staff establishment that will be reviewed from time to time until an optimal staffing level is achieved.

**Table 4.1: Current staffing levels per approved departments**

S/No.	Directorate	Authorised Establishment	In Post	Variance
1.	Corporate Affairs	269	221	-48
2.	Geological Survey	206	106	-100
3.	Mines	304	55	-248
4.	Mineral Promotion and Value Addition	62	16	-46
5.	Directorate of Resource Survey and Remote Sensing	194	57	-137
<b>Grand Total</b>		<b>1035</b>	<b>455</b>	<b>580</b>

### Proposed Departments Staffing Levels

The State Department has proposed establishment of 1,035 staff, out of which 455 are already in post, this gives a variance of -650. Out of the proposed 1105 staff, technical services has proposed 836 staff while corporate affairs 269 staff giving a percentage of 75.7% for technical and 24.3% for corporate affairs. The details per proposed Directorate is summarized in Table 4.2

**Table 4.2: Proposed Departments Staffing Levels**

S/No.	Directorate	Proposed staffing levels
1.	Corporate Affairs	269
2.	Geological Survey	390
3.	Mines	311
4.	Mineral Promotion and Value Addition	135
<b>Grand Total</b>		<b>1105</b>

## 4.2.2 Human Resource Development Strategies

The SDM will put in place human resource strategies to develop its staff so as to effectively deliver on its mandate. This will entail; Enhancing staff competencies, improving working environment, enhancing performance management, succession management and enhancing knowledge management.

## 4.2.3 State Department for Mining Institutions

The State Department for Mining will continue to offer policy guidance and transfer of grants to the institutions under its mandate. i.e the National Mining Corporation, Mineral Rights Board, Geologists Registration Board and National Mining Institute.

## 4.3 Financial Resources

The financing objective of this Strategic plan 2018-2022 is geared towards resource adequacy for the implementation of the Mining Act 2016. The resource Mobilization Strategy, will consist of mobilizing funds from the National Government (Exchequer), Development Partners, Public Public Partnership (internally generated funds) and the Private Sector (PPPs).

### 4.3.1 Financial Resource Requirements

The estimated cost of implementing this strategic plan over the five-year period is Kenya Shillings 12,122 million.

**Table 4.3: Financial Requirements of the Strategic Plan as per Key Result Area**

Key Result Area	Financial Year (In Ksh. Millions)					
	Printed Estimates 2018/19	Requirements				Total
		2019/20	2020/21	2021/22	2022/23	
KRA 1: Policy, Legal and Institutional reform	383	450	450	450	450	2183
KRA 2: Geological mapping and mineral exploration	109	309	309	339	339	1405
KRA 3: Geo-information Management	10	160	160	184	184	698
KRA4: Mineral rights	118	245	245	281	281	1170

Key Result Area	Financial Year (In Ksh. Millions)					
	Printed Estimates 2018/19	Requirements				Total
		2019/20	2020/21	2021/22	2022/23	
management						
KRA5: Fiscal regime						
KRA6: Mine Environment and safety						
KRA 7: Mineral Processing, Value Addition and Marketing	80	309	269	269	269	<b>1196</b>
KRA 8: Artisanal and Small-Scale Mining	0	140	140	140	140	<b>560</b>
KRA 8: International Accredited Mineral Certification Laboratory	53	153	153	153	153	<b>665</b>
KRA 10: Minerals and Metal Commodity Exchange	0	80	80	80	80	<b>320</b>
KRA 11: Human Resource Capacity	374	512	512	523	523	<b>2444</b>
KRA 12: Partnerships and Resource Mobilization	1.2	37	30	30	30	<b>128</b>
KRA 13: Leadership, Integrity and good Governance in the Mining Sector	80	226	149	149	149	<b>753</b>
KRA 14: National Mining	2	181	137	137	137	<b>594</b>

Key Result Area	Financial Year (In Ksh. Millions)					
	Printed Estimates 2018/19	Requirements				Total
		2019/20	2020/21	2021/22	2022/23	
Corporation						
KRA 15: Cross cutting Issues						
<b>Total</b>	<b>1210</b>	<b>2802</b>	<b>2634</b>	<b>2738</b>	<b>2738</b>	<b>12122</b>

#### 4.3.2 Resource Gaps

The resource gap for this plan is Kenya shillings 5,409 million out of which recurrent is Kenya shillings 3,585 million and development is Kenya shillings 1824 million. The figures are given in table 4.4.

**Table 4.4: Summary of Resource Gap (KShs. Millions) 2018/19 – 2022/23 financial years**

Expenditure	2018/19 Estimates in Ksh. Millions	Projected Requirement in Ksh. Millions				Projected Allocation in Ksh. Millions			
		2019/ 20	2020 /21	2021 /22	2022/ 23*	2019 /20	2020 /21	2021/ 22	2022/ 23*
<b>Recurrent</b>	885	1679	1553	1611	1611	694	697	725	725
<b>Development</b>	325	1123	1081	1127	1127	313	763	779	779
<b>Subtotal (MTEF)</b>	<b>1210</b>	<b>2802</b>	<b>2634</b>	<b>2738</b>	<b>2738</b>	<b>1007</b>	<b>1460</b>	<b>1504</b>	<b>1504</b>
<b>Recurrent Deficit/Funding gap</b>	0	985	828	886	886				
<b>Development Deficit/Funding gap</b>	0	810	318	348	348				
<b>Total Deficit/ Funding Gap</b>	<b>0</b>	<b>1795</b>	<b>1146</b>	<b>1234</b>	<b>1234</b>				

#### 4.3.3 Resource Mobilization Strategies

The funding of the programs will mainly come from the Government of Kenya through the exchequer releases, Development Partners, Public Public Partnership and Public Private Partnerships (PPPs) collaboration.

##### Government Financing

The SDM will effectively bid for allocation of more resources through Medium Term Expenditure Framework Budgets focusing on priority programs in line with the Kenya Vision 2030, Big four Agenda and Government's Medium-Term Plan III (2018 – 2022). In addition, it will explore opportunities for generating AIA from the

existing programs and outsourcing of services to improve its financial status.

### **Development Partners**

The development partners who will assist in resource mobilization for the Five (5) year period will include: DFID, AUSAID, and World Bank, Canadian AID Agency and JICA.

### **Other Financial Sources**

The available resource opportunity for the SDM to explore includes partnerships with other government departments, private sector, NGOs, CBOs and local communities. Other additional avenues of resource mobilization the SDM can utilize will be through collaborations with County Governments and National Government Constituency Development Fund (NG-CDF), National Government Affirmative Action Fund (NGAAF), Youth Enterprise Development Fund (YEDF), Women Enterprise Fund (WEF). Regional and International Partners like Africa Minerals and Geosciences Center (AMGC), PanAfGeo, JOGMEC who contribute in cash and through support for capacity development.

**Alternative sources of financing:** the following are the alternative financing sources for this strategic plan for the period 2018-2022.

### **Public Private Partnership in Mining**

The SDM will explore funding through PPPs using appropriate models in the mining sector. Engineering Procurement Construction (EPC) and handover and Design Build and Finance (DB&F)

## **4.4 Risk Analysis and Mitigation Measures**

The SDM is faced with a number of risks. These risks are categorized into operations, financial, environmental, strategic, policy and legal and information management. There are gaps in human resource across different technical cadres. The existing human resource suffers from inadequate skills, low staff morale, apathy, stagnation and high staff turnover. The SDM suffers from low budgetary provisions and erratic budgetary releases. Low budgetary allocation limits deployment of modern technology including information communication technology coupled with lack of a disaster risk management plan and recovery. Mining operations have debilitating effects on both the built and natural environment.

The SDM's core values that include sustainable development, honesty, integrity, human dignity, team work, innovativeness, equity and participatory approach will be adhered to with a view to utilize resources efficiently. Further, the delivery of services is guided by the public service Act 2016, Public finance and Management Act 2012 and the Public Procurement and Asset Disposal Act 2016. To mitigate against the environmental risks and information management risks, SDM will strengthen implement the provision of Mining Act 2016, Explosives Act 2016 and support the implementation of other relevant laws through collaborations and awareness creation.

The risk category, areas of impact and potential impact (high, medium or low) plus mitigating measures are discussed in table 4.5 below.

**Table 4.5: Summary of the Risk Framework**

<b>Risk category</b>	<b>Key areas</b>	<b>Level of risk</b>	<b>Potential impact</b>	<b>Mitigation strategy</b>
Strategic	▪ Value addition	▪ High	▪ Low revenue from raw minerals	<ul style="list-style-type: none"> <li>▪ Complete value addition centres</li> <li>▪ Encourage value addition of minerals</li> </ul>
	▪ Marketing of minerals and mineral products	▪ High	Low revenue from minerals	<ul style="list-style-type: none"> <li>▪ Formation of minerals/ mineral products cooperatives</li> <li>▪ Sensitization of the ASM on marketing of minerals/ mineral products</li> </ul>
	▪ Capacity development	▪ High	<ul style="list-style-type: none"> <li>▪ Low staff morale</li> <li>▪ High staff turn over</li> <li>▪ Poor service delivery</li> </ul>	<ul style="list-style-type: none"> <li>▪ Training of staff,</li> <li>▪ Promotions</li> <li>▪ recognition</li> </ul>
Operations	▪ Unclear synergies among institutions	High	▪ duplication of roles	<ul style="list-style-type: none"> <li>▪ Clear mandate of each institution</li> <li>▪ Close collaboration amongst the institutions and other stakeholders</li> </ul>
	▪ Changes in government structure	medium	Affects working and coherence of the organization	▪ Put in place appropriate structures and institutions for consistency
	▪ Weak monitoring and evaluation	High	Affects project implementation	<ul style="list-style-type: none"> <li>▪ Provide M&amp;E resources and review of reporting mechanisms</li> <li>▪ Strengthen M&amp;E System</li> </ul>



<b>Risk category</b>	<b>Key areas</b>	<b>Level of risk</b>	<b>Potential impact</b>	<b>Mitigation strategy</b>
Financial	Overreliance / Inadequate government funding (exchequer)	High	<ul style="list-style-type: none"> <li>▪ Affects timely implementation of projects</li> </ul>	<ul style="list-style-type: none"> <li>▪ Step up alternative resources mobilization</li> </ul>
	Erratic budget releases	High	<ul style="list-style-type: none"> <li>▪ Delays project implementation</li> </ul>	<ul style="list-style-type: none"> <li>▪ Delivering in kind</li> <li>▪ Entering into credit arrangements</li> </ul>
Information Management	<ul style="list-style-type: none"> <li>▪ Inadequate geological and mineral occurrence data</li> </ul>	<ul style="list-style-type: none"> <li>▪ High</li> </ul>	<ul style="list-style-type: none"> <li>▪ Affects investment in mining</li> </ul>	<ul style="list-style-type: none"> <li>▪ Acquisition and Updating the geological data by stepping up mapping of the resources</li> </ul>
	<ul style="list-style-type: none"> <li>▪ Inadequate data storage equipment</li> </ul>	High	<ul style="list-style-type: none"> <li>▪ Loss of data and institutional memory</li> <li>▪ Affects investment in mining</li> </ul>	<ul style="list-style-type: none"> <li>▪ Procure necessary equipment for geological data bank</li> <li>▪ Provide for alternate local hosting of data</li> </ul>
Environmental	<ul style="list-style-type: none"> <li>▪ Use of mercury and cyanide in gold leaching by ASM</li> </ul>	<ul style="list-style-type: none"> <li>▪ High</li> </ul>	<ul style="list-style-type: none"> <li>▪ Loss of lives</li> <li>▪ Environmental pollution</li> </ul>	<ul style="list-style-type: none"> <li>▪ Promote alternative use of mercury and cyanide in gold leaching</li> </ul>
	<ul style="list-style-type: none"> <li>▪ Clearing of tree cover</li> </ul>	<ul style="list-style-type: none"> <li>▪ High</li> </ul>	<ul style="list-style-type: none"> <li>▪ Land degradation</li> </ul>	<ul style="list-style-type: none"> <li>▪ Rehabilitation of disused and abandoned mines</li> </ul>
	<ul style="list-style-type: none"> <li>▪ Dust, noise, vibrations and fumes from mines/quarries</li> </ul>	<ul style="list-style-type: none"> <li>▪ High</li> </ul>	<ul style="list-style-type: none"> <li>▪ Air pollution</li> <li>▪ Structural damage</li> </ul>	<ul style="list-style-type: none"> <li>▪ Compliance with relevant laws like EMCA, mine health and safety regulation</li> </ul>
Policy/ legal changes	<ul style="list-style-type: none"> <li>▪ Mining regulations</li> <li>▪ National extractive policy</li> <li>▪ Revenue sharing</li> </ul>	<ul style="list-style-type: none"> <li>▪ High</li> </ul>	<ul style="list-style-type: none"> <li>▪ Uncoordinated mining sector</li> <li>▪ Heightened community expectations</li> </ul>	<ul style="list-style-type: none"> <li>▪ Complete the development of 7 mining regulations</li> <li>▪ Fast track completion of revenue sharing</li> </ul>

<b>Risk category</b>	<b>Key areas</b>	<b>Level of risk</b>	<b>Potential impact</b>	<b>Mitigation strategy</b>
	framework			framework <ul style="list-style-type: none"> <li>▪ Complete the development of National Extractive policy</li> </ul>

#### **4.4.1 Risks Monitoring System**

The SDM will establish a Risk Monitoring System for mitigating the impact of risks. The components of the System will be; A risk management policy and plan to guide the development and operationalization of the system in the Departments as well as in the SAGAs. A Risk Management Committee composed of all Heads of Departments, to be chaired by the Principal Secretary. The Committee's main responsibility will be to consider and adopt risk management measures and report on the same. Risk Management Coordinators (RMCs) to harmonize and oversee the risk management activities in all Departments. These activities include risk identification; risk assessment; as well as the development and implementation of appropriate mitigation measures. Another critical activity for the RMC will be the development of early warning indicators for risks on its radar.

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## **CHAPTER 5: MONITORING, EVALUATION AND REPORTING**

### **5.0 Overview**

This chapter covers overview of mining sector Monitoring, Evaluation and Reporting (ME&R) Framework. This will be used to monitor and report on implementation of the Strategic Plan. The objectives, guiding principles, modalities and standards together with the key deliverables of this ME&R framework which have been derived from best practices locally, regionally and globally will be used.

Recognizing the critical role monitoring and reporting plays in decision-making for mining sector development', both at national and regional levels, the SDM will develop monitoring, evaluation and reporting framework based on a common framework of indicators and methodologies.

In order to effectively undertake monitoring and evaluation activities, 1% of development budget will be allocated to M&E.

### **5.1 Monitoring Framework**

The monitoring framework for this strategic plan shall compose of two teams; the project implementation and coordination team and the Project Monitoring and Evaluation Team.

#### **5.1.1 Project Implementation and Coordination Team**

The M&E technical coordination structures will include monitoring committees at the national level. SDM Projects / M&E committee will be responsible for prioritization of projects based on the Strategic Plan, MTP III, and Big Four Agenda. The committee will be recommending the mode of project financing and monitoring and evaluating the achievement of programmes/ projects outputs and outcomes. Monitoring will be conducted based on key result areas, outcome indicators and targets as per the Monitoring and Evaluation framework (Annex II)

#### **5.1.2 Project Monitoring and Evaluation Team**

The data will flow from the directorates and SAGAs that will send their progress reports through CPPMU. The Directorates and SAGAs reports will include information from the regional offices. The CPPMU will share the consolidated report with the ministerial M&E committee before onward submission to the Monitoring and Evaluation Directorate (MED).

#### **5.1.3 Monitoring Methodologies**

Monitoring of the Strategic Plan 2018-22 implementation is instituted in order to continuously and periodically check progress against set targets and to determine whether activity implementation is on course towards achievement of set objectives and goals. The Strategic Plan has adopted a logical framework- results matrix- which provides a summary of the goal, objectives, and results to be achieved, and the indicators to be used to verify what progress has been made, in a single table.

Programme/ projects monitoring will be undertaken to cover the following elements:

<b>Monitoring type</b>	<b>Description</b>	<b>Frequency</b>
<b>Compliance monitoring</b>	The Ministry majorly disburses funds to regional offices for implementation. Thus, monitoring will be undertaken on: <ol style="list-style-type: none"> <li>i. Absorption of funds</li> <li>ii. Compliance of contract/ work plan.</li> <li>iii. Value for money</li> </ol>	Quarterly
<b>Process monitoring</b>	Monitoring progress of the project towards the intended results. This kind of monitoring will measure the inputs, activities and outputs.	Quarterly
<b>Performance monitoring</b>	Site meetings, follow ups	As scheduled
<b>Annual Operations Monitoring</b>	The Annual Joint Operations Monitoring Exercise is premised on project follow-up, which focuses upon the post-commissioning phase in order to assess and increase long-term sustainability.	Annual
<b>Impact/Outcome STRATEGIC monitoring</b>	<ol style="list-style-type: none"> <li>i. Direct impacts (early on) and eventual outcomes ( later)</li> <li>ii. Consequences direct or indirect of the results.</li> </ol>	Annual

## 5.2 Evaluation Mechanisms

Human Rights approach to monitoring and evaluation will be adopted. The evaluation criteria will be as follows:

<b>Criteria</b>	<b>Description</b>
Acceptability	The project output is ethical and sensitive to cultural factors as well as age, gender, disabilities, ethnicity, etc.
Quality	The project outputs provided are satisfactory for all the groups according to their needs and international standards.
Inclusiveness and inequality	The project outputs include different types of people and treat them all fairly and equally, reducing and eliminating inequalities among population subgroups. Comparing the access to water (or sanitation) of the worst-off population group with the better-off population to establish the disparity.
Affordability	The project outputs pricing is not a barrier to access to or prevent people from meeting basic human needs.

### **5.2.1 Reporting and Progress Review**

To streamline results reporting across the Ministry, annual progress report (APR), will be presented to the Principal Secretary on an annual basis. This report will be produced in August every year and will include progress and financial performance. This report will also identify key challenges and possible time bound monitorable mitigation and resolution mechanisms.

A summary report to be called the Results Scorecard (RS) will be presented on annual basis to the Cabinet Secretary presenting a cumulative progress towards the achievement of the annual targets. The Results Score Card will comprise of mainly quantitative and qualitative indicators.

### **5.2 Review of the Strategic Plan**

This strategic plan will be reviewed in the midterm and evaluated at the end of the term. The Midterm review shall be undertaken externally by 2020 and the End term evaluation shall be undertaken externally by 2022.

## ANNEX 1 : IMPLEMENTATION MATRIX

Key result area	Strategic objective	Strategy	Expected outcome	Expected output	Output indicators	Target for 5 years	Target 1					Budget (Mn)					Responsibility
							Y1	Y2	Y3	Y4	Y5	Y1	Y2	Y3	Y4	Y5	
KRA1: Policy, Legal and Institutional Reform	To formulate, and implement policy	i. Developing policies including Risk management policy and IT policy, national extractive policy, policies on quarrying and industrial minerals, and Kenya mining vision ii. Amendment of Mining Act 2016 iii. Completing and publishing nine (9) Mining Regulations	conducive environment for Mining sector	Policies and regulations	Number of policies, Acts, regulations, established institutions, number of mineral rights	1 mining act 2021 amendment 5 policies 9 regulations	-	2	1				15	25			
	To regulate and coordinate mining sector	i. Operationalization and strengthen of institutions- NMI, MRB and GRB ii. Strengthen monitoring and enforcement	regulated and coordinated mining sector														
KRA2: Geological mapping and mineral exploration	To provide geo-scientific data to prospective investors,	i. Geological and mineral mapping ii. Geophysical and Geochemical Survey iii. Exploratory Core drilling	increase attractiveness in mining	Area mapped (km <sup>2</sup> )	Area (km <sup>2</sup> )	900km <sup>2</sup>	-	300 km <sup>2</sup>	200 km <sup>2</sup>	200 km <sup>2</sup>	200 km <sup>2</sup>	320	20	320	320	320	
		No. of published technical			6 technical reports and maps	-	1	2	3	-		1	2	6	-		

Key result area	Strategic objective	Strategy	Expected outcome	Expected output	Output indicators	Target for 5 years	Target 1					Budget (Mn)					Responsibility	
							Y1	Y2	Y3	Y4	Y5	Y1	Y2	Y3	Y4	Y5		
	research institutions, planners and infrastructure developers	iv. Geo technical investigations			reports and maps													
							-											
KRA3: Geo-Information Management	To Create, maintain and update geosciences databases ;	i. Identification, creation and developing geo-data infrastructure for effective data management; ii. collect, collate and analyse geo-scientific data for easy access and retrieval iii. digitization of archived geo-data and vectorization	Ease of decision making in mining	Updated databases	No. of Updated databases	8 databases	-	3	3	2	-	-	45	45	30	-		
KRA4: Mineral Rights Management	To provide efficient, predictable and transparent licensing procedures	i. Updating online transactional cadaster ii. Rolling out of cadaster system to all regional offices iii. Strengthen the inspectorate function	Order and rule of law in the mining Enhanced revenues	Mineral rights	Number of mineral Rights	400 mineral rights	-	70	100	150	80	10.4	10.4	10.4	10.4	10.4		

Key result area	Strategic objective	Strategy	Expected outcome	Expected output	Output indicators	Target for 5 years	Target 1					Budget (Mn)					Responsibility
							Y1	Y2	Y3	Y4	Y5	Y1	Y2	Y3	Y4	Y5	
				Increased revenues and other fees	Kshs.bn	5.0 bn	1.2	1.3	1.3	1.3	1.2	3	3	3	3	3	
KRA5: Fiscal Regime	To enhance revenues from the mining sector	Revise/ review the licensing, permit, fees and charges Review the royalty rates Finalize the royalty sharing framework review and update the pricing schedule procure royalty management system															
KRA 6: Mines Environment and Safety	To promote mine environment management and safety	Establish rapid response units and rehabilitate disused and abandoned mines and quarries monitoring management of decommissioned mines Sensitize artisanal miners on mine environment and safety															
KRA7: Mineral Promotion, Value Addition and marketing	To maximize benefits from minerals	i. Establishment of value addition centres	maximize benefits from minerals	Value addition centres	Number of value addition centers	3 value addition centres											
		i. Promotion of mineral related value addition industries		Exhibitions and promotion	Number of exhibitions,												



Key result area	Strategic objective	Strategy	Expected outcome	Expected output	Output indicators	Target for 5 years	Target 1					Budget (Mn)					Responsibility
							Y1	Y2	Y3	Y4	Y5	Y1	Y2	Y3	Y4	Y5	
				tours	promotion tours,												
		ii. Develop and implement mineral promotion and marketing strategy															
		iii.															
KRA8: Artisanal and Small-scale Mining	To Increase contribution of ASM in the mining sector	i. Artisanal Mining Formalization ii. increase Support Services (capacity development) iii. Finalize and implement ASM strategy	Increased contribution of ASM in the mining sector	Artisanal Mining permitting committee (AMPC)	Number of Artisanal Mining permitting committee (AMPC)	23 AMPC	-	3	15	3	2	-	2.2	13.2	15.2	16.6	
				Artisanal and small scale mining permits	Number of Artisanal and small scale mining permits	85 ASM permits	-	15	30	30	10	-	9.6	9.6	9.6	9.6	
				Dealers export permits	Number of Dealers export												

Key result area	Strategic objective	Strategy	Expected outcome	Expected output	Output indicators	Target for 5 years	Target 1					Budget (Mn)					Responsibility	
							Y1	Y2	Y3	Y4	Y5	Y1	Y2	Y3	Y4	Y5		
					permits													
KRA9: International Accredited Mineral Certification Laboratory services	To provide quality and recognized mineral testing services in Kenya and in the region	Complete the physical infrastructure										11.5	-	-	-			
		provide modern testing, identifying and analytical equipment	Quality mineral testing,	Laboratory tests	Number of tests	36,000 tests	6,000	8,000	10,000	7,000	5,000	1.5	2.5	2.5	2.5	2.5		
		Mineral Laboratory Certification.	Quality testing services	ISO 17025	ISO certification	ISO 17025 certificate	-					-	10	5	-	-		
		International Accreditation of the mineral testing laboratory	Internationally accepted services	International accreditation	No. of accreditation certificates	4 certificates	-	1	1	1	1	-	4	4	4	4		
KRA10: Minerals and Metal Commodity Exchange	To provide a platform for trading in minerals and metal commodities	1. Develop a policy for Minerals and Metal Commodity Exchange	Trading in minerals and metal commodities	established framework (legal and institution)	legal and institution framework established	1 policy and institution frameworks	-	-	1	-	-	-	-	5	-	-		
		Establishment of minerals and metal commodities exchange		value traded	Ksh bn	10 Bn Kenya shillings traded	-	-	-	6	4	-	-	-				

Key result area	Strategic objective	Strategy	Expected outcome	Expected output	Output indicators	Target for 5 years	Target 1					Budget (Mn)					Responsibility
							Y1	Y2	Y3	Y4	Y5	Y1	Y2	Y3	Y4	Y5	
KRA11: Human Resource Capacity	To harness skills and develop local expertise	i. Financing the human resource and development function ii. Career development and progression iii. Training and capacity building of existing staff iv. Recruitment / replacement of various cadres in the mining sector	Enhanced human resources capacity	Staff recruited	No. of staff recruited annually	600 staff recruited	-	300	0	300	0	-	258	0	257	0	
				Staff trained	No. of staff trained Per annum						-	195	205	215	225		
				Staff promoted	Number of staff promoted per annum	180 promotions	-	50	50	50	20	-					
				Approved schemes of services	No. of schemes of services approved	2 schemes (inspectors of mines and inspector of explosives)	2	-	-	-	-	0.5	-	-	-	-	
KRA12: Partnerships and collaboration	To enhance resource mobilization	In kind resource mobilization	Enhanced partnerships and resource mobilization	Amount mobilized	Amount in Kshs. (Bn) mobilized	10 Bn Kenya shillings	-	-	10bn	-	-	-	5	5	-	-	

Key result area	Strategic objective	Strategy	Expected outcome	Expected output	Output indicators	Target for 5 years	Target 1					Budget (Mn)					Responsibility
							Y1	Y2	Y3	Y4	Y5	Y1	Y2	Y3	Y4	Y5	
			on for the Mining sector														
		Use of public public partnerships (ppps)		Signed MOUS	Number of MOUs signed	2 MOUs (Kenya Revenue Authority , International colored gemstones Association (ICA))	-	1	1	-	-	-	2.5	5	-	-	
		Public Private Partnership (PPP)		Other partnerships (KCM, CSOs, KEPSA, )	Number of other partnerships (KCM, CSOs, KEPSA, )	3	-	1	1	1	-	-	1	1	1	-	
KRA13: Leadership, Integrity and Governance in the mining	i. To ensure harmony and maximum benefits to the society	Implementation of chapter 6 of the Kenya constitution 2010, on leadership and integrity,	Harmony and maximum benefits to the society from mining	CDA	Number of CDA	5 CDA	-	3	1	1	-	-	3	1	1	-	

Key result area	Strategic objective	Strategy	Expected outcome	Expected output	Output indicators	Target for 5 years	Target 1					Budget (Mn)					Responsibility		
							Y1	Y2	Y3	Y4	Y5	Y1	Y2	Y3	Y4	Y5			
sector	from mining ii. Uphold the rule of law	T			No. of government sharholding in large mining operations	5	-	3	1	1	-								
					royalty shared	Royalty sharing	1.2 Bn												
					Local content	No. Local content (human resource)												???	
					Develop a stakeholders engagement framework	Stakeholder engagement frameworks	1	-	1	-	-	-	-	-	0.5	0.5	-	-	
					Sensitize the staff on leadership and integrity requirements	Sensitized staff	500	-	150	150	150	50	-	13	13	13	13		
KRA14: National Mining Corporati	To Make NMC an investment arm of government	i. Operationalization of the NMC Board ii. Recruitment of staff	An investment arm of government in the	10% free carrying interest	No. of free carrying interest	2 companies	-	-	1	1	-	-	-						

Key result area	Strategic objective	Strategy	Expected outcome	Expected output	Output indicators	Target for 5 years	Target 1					Budget (Mn)					Responsibility	
							Y1	Y2	Y3	Y4	Y5	Y1	Y2	Y3	Y4	Y5		
on	nt in the mining sector	iii. Transfer of Assets to NMC	mining sector															
		iv. Statutory requirements( Paye,NHIF, Auditing,NSSF)		Mining investment	No. of mining investments	5 investments	-	2	1	1	1	-	200	300	400	500		
		v. Development of strategic plan		Value addition	Value of value added minerals	Ksh 500Mn	-	50	100	1500	200	-	6	6	6	6		
KRA 15:Cross Cutting Issues																		

## ANNEX II: Monitoring and Evaluation Framework

Key Result Area	Outcome	Key Performance Indicator	Baseline (2017/2018)	Target	
				Mid-Term Period Target	End of Plan Period Target
KRA 1: Policy, Legal and Institutional Reform	conducive environment for Mining sector	Number of policies, established	Mining Act 2016, Mining and minerals policy 1 draft policy, 13 regulations, 124 mineral rights	Mining act 2021 Amendments  1 policies (NEP, quarry and construction Minerals, Risk Management, Information Technology)	Mining act 2021 Amendments  Policies (NEP quarry and construction Minerals, Risk Management, Information Technology)
		Number of Acts amended			
Number of regulations established					
	regulated and coordinated mining sector	number of mineral rights issued values of sales		9 regulations	22 regulations
KRA 2: Geological mapping and mineral exploration	increase attractiveness in mining	Area mapped (km <sup>2</sup> )  Published technical reports and maps	900km <sup>2</sup> 103 technical reports and maps	450km <sup>2</sup>  2 technical reports and maps	900km <sup>2</sup>  5 technical reports and maps
KRA 3: Geo-Information Management	Ease of decision making in mining	Updated databases	3 (mineral occurrences, geological reports and Maps, laboratory samples)	3 data bases	8 data bases

Key Result Area	Outcome	Key Performance Indicator	Baseline (2017/2018)	Target	
				Mid-Term Period Target	End of Plan Period Target
			databases		
KRA 4: Mineral Rights Management	Order and rule of law in the mining	Number of mineral Rights	47 mineral rights	200 mineral rights	400 mineral rights
KRA5: Fiscal Regime	Enhanced revenues from the Mining sector	Increased revenues	Royalties 1.1bn	2.3 Bn	4.4 bn
KRA 6: Mines Environment and Safety	Safe Mines environment	Number of rapid response units	2	4	6
KRA 7: Mineral Promotion, Value Addition and marketing	maximize benefits from minerals	Number of exhibitions, promotion tours, Number of value addition centers	10 exhibitions 1 value addition centre	20 exhibitions????!! 2	30 exhibitions 3 value addition centres
KRA 8: Artisanal and Small-scale Mining	Increased contribution of ASM in the mining sector	Number of Artisanal Mining permitting committee (AMPC) Number of Artisanal and small scale mining permits Number of Dealers export permits No. of ASM export permits	3 AMPC 17 ASM permits	47 AMPC 42	47 AMPC 85



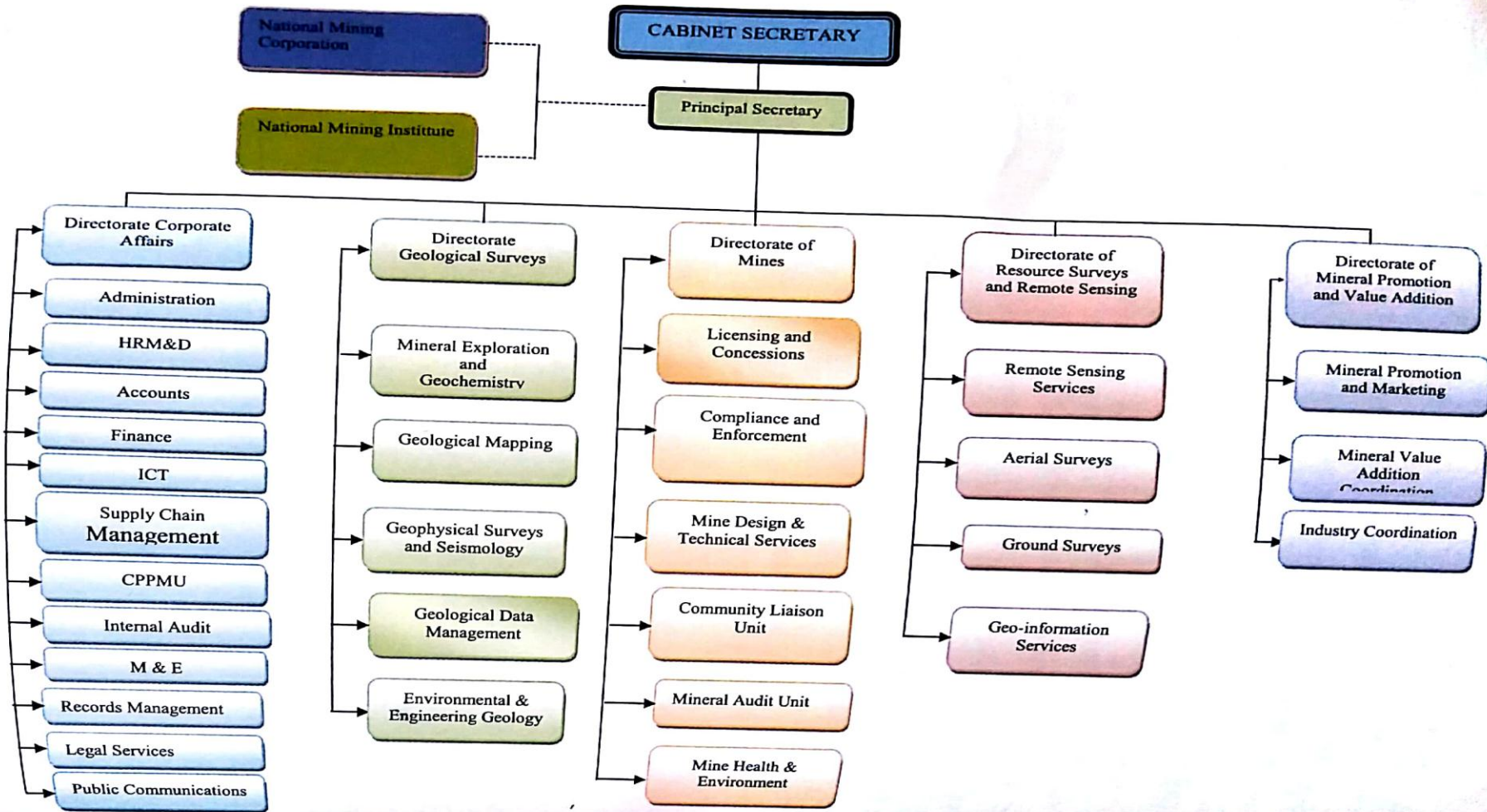
Key Result Area	Outcome	Key Performance Indicator	Baseline (2017/2018)	Target	
				Mid-Term Period Target	End of Plan Period Target
KRA 9: International Accredited Mineral Certification Laboratory services	Quality mineral testing,	Number of tests	6927 tests	18,000 tests	36,000 tests
KRA 10: Minerals and Metal Commodity Exchange	Trading in minerals and metal commodities	established framework (legal and institution)  value traded	mining Act 2016 section 28	Legal and institution frameworks	10 Bn Kenya shillings traded
KRA 11: Human Resource Capacity	Enhanced human resources capacity	No. of staff recruited annually  No. of staff trained Per annum  Number of staff promoted per annum	99 recruited  54 trained  33 staff Promoted	300 staff recruited     66 promotions	600 staff recruited     180 promotions
KRA 12: Partnerships and collaboration	Enhanced partnerships and resource mobilization for the Mining sector	Amount in Usd (Mn) mobilized  Number of MOUs signed  Number of other partnerships (KCM, CSOs, KEPISA, )	350 million US dollars (World Bank)	1 bn Kenya shillings  1 MOU (Kenya Revenue Authority)	10 Bn Kenya shillings  1 MOU (Kenya Revenue Authority)

Key Result Area	Outcome	Key Performance Indicator	Baseline (2017/2018)	Target	
				Mid-Term Period Target	End of Plan Period Target
KRA 13: Leadership, Integrity and Governance in the mining sector	Harmony and maximum benefits to the society from mining  Transparent licensing regime	Number of Community Development Agreement (CDA )  Government ownership in large companies  Royalty sharing  no. of disputes   No. Local content (human resource capacity building and business opportunities) implemented	0  0 300Mn 5  200 trained 600 employed 3.5bn	2 CDA  3 government ownership 750Mn 2 disputes	5 CDA  5 government ownership 1.2 Bn 0 disputes
KRA 14: National Mining Corporation	An investment arm of government in the mining sector	10% free carrying interest	- - - -	1 company  Ksh. 1Mn	2 companies  Ksh 500Mn
KRA 15: Cross Cutting Issues					

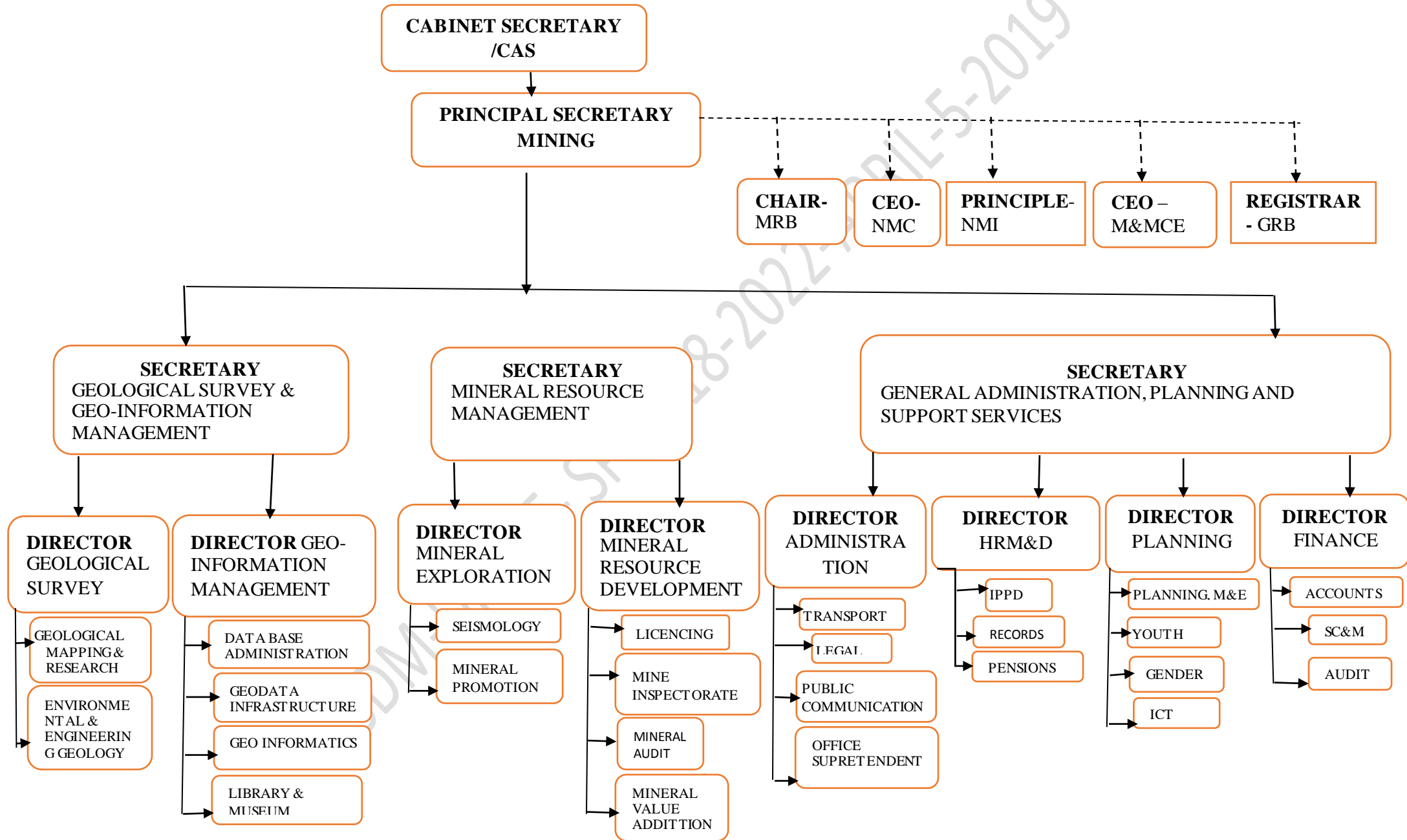
**ANNEX 111: CURRENT ORGANIZATIONAL STRUCTURE**

SDM-DRAFT-SP-2018-2022-APRIL-5-2019

# MINISTRY OF MINING ORGANISATION STRUCTURE



**ANNEX IV: PROPOSED ORGANIZATIONAL STRUCTURE**



SDM-DRAFT-SP-2018-2022-APRIL-5-2019