



AN INTRODUCTION FROM **THE KENYA** **MINISTRY OF MINES**

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REPUBLIC OF KENYA

Ministry of Mining



Dan Kazungu, Cabinet Secretary, Ministry of Mining, Republic of Kenya, introduces our special focus on the growing mining sector in Kenya

CAN YOU GIVE US A BRIEF HISTORY OF THE MINISTRY OF MINES IN KENYA?

The ministry of mining was established in 2013 through a decision by president Uhuru Kenyatta to create a new ministry mandated solely to grow the mining sector after having been given prominence by vision 2030 pillar seven, which identified mining or the extractives sector as a key contributor to a diversified economy with the potential for jobs and wealth creation for Kenya.

WHAT IS THE HISTORY OF THE MINING SECTOR IN KENYA?

Traditionally, mining was not the primary focus for Environment and natural resources management - mining was largely ignored. Its therefore no wonder that Kenya never realized the full potential of mining until 2013 after President Uhuru Kenyatta's administration whose transformation agenda included bringing mining to the forefront.

With that, Kenya's mining journey began in earnest and the country

kicked off on a reform agenda to transform mining to be more inclusive, modern, ensure the sector attracts responsible investors and to legitimize artisanal and small-scale miners while having community (Kenyans) benefits taken care of.

WHAT IS THE ROLE AND THE VISION OF THE MINISTRY IN TODAY'S INDUSTRY?

The goal of the ministry is to transform mining to become a key contributor to the economic growth and transformation of the country. The aim is to see growth and GDP in the mining sector hit double digits. We see Kenya as a hub for mineral trading and value addition for east and central Africa, leading in technical expertise, logistics, funding for mineral projects and services. We have plans to consolidate leadership through the set-up of a regional mineral and metals exchange.

To achieve this, the ministry is tasked to promote Kenya as a minerals hub for players across the board by carrying out the right reforms and creating an environment that ensures that mining

investments thrive based on a win-win formula, i.e. for the investor, national government, county government and the communities. The ministry is making deliberate efforts in the spirit of inclusivity to Kenyans who have been excluded from the mining eco-system to now be a part of it. In addition, efforts are being made to attract large-scale mining in the country to bring in investment, technology transfer, technical expertise and highly specialised jobs and opportunities.

CAN YOU TELL US ABOUT THE CHANGING FACE OF KENYA'S MINING INDUSTRY?

As a country Kenya is proud to state that in the first year of its reform, efforts to create a robust mining climate have started to bear fruit. According to the global mining investment attractiveness index by the Fraser institute, Kenya has jumped 16 places up to position 86 in 2016 from position 102 in 2015 in a global mining attractiveness survey.

Today, Kenyans are more aware of the opportunities in the mining sector (especially artisanal miners) that are

now claiming their space encouraged by the progressive mining law in place. Small and Medium Scale miners are showing increased interest too. Exploration and mining companies are in Kenya carrying out exploration leading to the announcement of what is considered the biggest gold discovery on the continent - 1.3mn ounces of inferred gold along the Liranda corridor in Ikolomani in Western Kenya.

Large-scale mining investments are coming to Kenya for example Base Resources (Base Titanium) that is the single largest mining company in the country, Acacia Mining, Gold Plat, Tata (Magadi soda), Lafarge limestone project.

WHY HAS IT TAKEN SO LONG, IN YOUR OPINION, FOR KENYA TO REALISE THE ENORMOUS ECONOMIC POTENTIAL OF ITS NATURAL RESOURCES?

It all comes down to leadership and vision. Over the years industry players have been talking about mining opportunities. It takes leadership to transform this, to real worth. This

is what formed the vision to grow Kenya's into a medium sized economy. The other reason is socio-economic socialisation as over the years, Kenya was presumed to be an agricultural economy and so little attention was paid to mineral exploitation.

YOUR MINISTRY'S WORK, LEGISLATION AND COLLABORATIVE APPROACH HAS BEEN PRAISED BY SOME OF THE MAJOR MINING OPERATIONS IN THE COUNTRY. HOW IMPORTANT IS TO MAINTAIN GOOD RELATIONSHIPS?

As a country, we believe strongly that to create a robust investment environment, relationships are extremely key and not about short-term gains. Mining projects are by nature long-term and therefore the relationships built should be long-term. This is the natural habit to adopt, not just to please investors but also to create a "win-win-win-win" in the sector. This is the only sustainable way; – win for the investor who takes the risk (sometimes massive



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risks) and creates jobs, win for the national government that creates the enabling environment for investments to flourish and prosper, win county governments as that is where all mining projects are established and last win for the local community as Kenyans are the core beneficiaries of the mining activities in the country.

WHAT OTHER WORK IS THE MINISTRY DOING TO SEEK OUT NEW POTENTIAL AREAS FOR EXPLORATION?

Private companies such as Base Titanium carry out geological surveys that share data with the ministry, which

is encouraged practice. The country has put in effort to do a comprehensive nationwide airborne geophysical mapping survey in order to identify new potential areas for mineral discovery.

Both investors and government have been keen to have the latest data on minerals in the country. The finalisation of this survey will be a key milestone for Kenya's mineral development, as it will drive key interest and attractiveness to Kenya as a modern mining jurisdiction.

YOU HAVE CREATED AN AMBITIOUS 20-YEAR STRATEGY FOR THE SECTOR WITHIN THE 2030 VISION. TELL US ABOUT

IT AND WHETHER YOU FEEL YOU ARE ON COURSE? WITH ELECTIONS APPROACHING, HAVE YOU LAID A FIRM FOUNDATION?

Kenya's 20-year strategy is part of what we call the 6-pack initiative that was a realization that in order to promote an attractive and robust proper mining environment, six key components have to be achieved; the strategy itself that outlines how Kenya will leapfrog this mining journey to become a key player in the region and in the world, mining policy that aims at creating the right environment for reform, repealing old laws and building institutions while looking at issues of inclusivity and environmental concerns, Mining Act 2016, the most progressive mining law in Africa, the mining regulations to enable the implementation of the mining law, a fiscal Policy framework to ensure Kenya has both an attractive and competitive tax and royalty regime and finally availability of the latest data. The idea here has been that for the country to get its basic right by laying the foundation for a successful sector. Kenya has also learned lessons from

her peers in mining that if the basics are not in place, things can go wrong.

CAN YOU DETAIL THE IMPORTANCE OF EVENTS SUCH AS THE KENYA MINING FORUM TO HELP PROMOTE THE SECTOR NATIONALLY AND INTERNATIONALLY?

The Kenya Mining Forum and other such like events are designed to bring investors into the country and the entire region for them to experience first-hand Kenya's mining sector. The first edition of the KMF in 2016, attracted close to 400 investors from 15 nationalities. The second edition is expected to be even bigger than the first.

TELL US HOW IMPORTANT YOU THINK THE UPCOMING MINING FORUM IS IN NOVEMBER.

I welcome you all to Nairobi for the second edition of the Kenya Mining Forum in November. We are ready to network, share thoughts and experiences and above all we want to do business because Kenya is open for Mining Business. ■