



REPUBLIC OF KENYA

**MINISTRY OF MINING, BLUE ECONOMY
AND MARITIME AFFAIRS**

STATE DEPARTMENT FOR MINING

SUB-SECTOR REPORT MTEF PERIOD 2026/27 - 2028/29

October, 2025

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LIST OF ACRONYMS AND ABBREVIATIONS

AIA	Appropriations in Aid
AMCs	Artisanal Mining Committees
ANFO	Ammonium nitrate–fuel oil
ARUD	Agriculture, Rural and Urban Development
ASM	Artisanal and Small-scale Mining
AWEIK	Association for Women in Extractives and Energy in Kenya
BETA	Bottom-up Economic Transformation Agenda
FY	Financial Year
GRB	Geologist Registration Board
GSK	Geological Society of Kenya
HRM&D	Human Resource Management and Development Division
ICT	Information & Communication Technologies
IGRTC	Inter-Governmental Relations Technical Committee
ISO	International Organization for Standardization
KCM	Kenya Chamber of Mines
KNBS	Kenya National Bureau of Statistics
LIMIS	Laboratory Integrated Management Information Systems
MDAs	Ministries, Departments and Agencies
MRB	Mineral Rights Board
MTEF	Medium Term Expenditure Framework
NEMA	National Environment Management Authority
NHIF	National health Insurance Fund
NGO's	Non-Governmental Organizations
NLC	National Lands Commission
NAMICO	National Mining Corporation
NSSF	National Social Security Fund
OMC	Online Mining Cadastre
OMTCP	Online Mining Transaction Cadastre Portal
PFMA	Public Finance Management Act
RMS	Royalty Management System
SAGA's	Semi-Autonomous Government Agencies
SDGs	Sustainable Development Goals
ToR	Terms of Reference
VAT	Value Added Tax

EXECUTIVE SUMMARY

This Programme Performance Review (PPR) Report outlines the key achievements and challenges of the mining sector over the Financial Years 2022/23 to 2024/25.

The mining sector is mandated to formulate policies on the extractive industry, undertake mineral exploration and policy management, prepare mineral resource inventories and mapping, and coordinate the development of mining and mineral policies. It is also responsible for developing quarrying and industrial mineral management policies, overseeing health and safety in mining operations, supporting capacity development and value addition, and maintaining geological data through research, collection, collation, and analysis.

During the review period, the sector implemented several strategic initiatives aimed at strengthening governance and promoting sustainable mineral development. Key among these were the modernization of the Mineral Testing and Analysis Laboratory to achieve ISO certification, and the establishment of a Geological Data Bank to enhance research and data storage. The sector also conducted mine inspections to ensure regulatory compliance and developed the Royalty Management System (RMS) to improve the efficiency and transparency of revenue collection from mineral resources.

Nonetheless, the implementation of these initiatives was hampered by persistent challenges. The proliferation of illegal mining activities remained a significant concern, particularly in mineral-rich areas such as the Western Kenya Gold Belt, the Taita Taveta Gemstone Belt, and the Coastal Industrial Minerals Belt. In addition, budgetary constraints and delayed exchequer releases negatively affected the timely execution of critical programs and projects.

Despite these constraints, the mining sector recorded notable progress in enhancing institutional capacity, improving regulatory oversight, and setting the foundation for the long-term sustainable development of the country's mineral resources.

CHAPTER ONE: INTRODUCTION

1.1 BACKGROUND

The mining sector is one of the priority sectors under the Economic Pillar of Kenya Vision 2030, with the potential to spur the country's economic growth and development through increased export earnings, development of infrastructure, creation of employment and improvement of social welfare. The sector is key in the realization of the Sustainable Development Goals (SDGs), particularly Goals 7, 8 and 9 on affordable, clean, and reliable energy; decent work and economic growth; and industry, innovation and infrastructure respectively.

The sector also contributes to the realization of the African Union Agenda 2063 that advocates for integrated communities driven by its citizens, as well as other regional and international development frameworks. Moreover, the sector contributes directly to Bottom-up Economic Transformation Agenda (BETA) through a number of ways including Artisanal and Small-scale Mining (ASM). The government's affordable housing Agenda is also a significant beneficiary of this sector through the provision of construction raw materials including those that are used as intermediary and final products towards the development of affordable houses.

Financing and resourcing the mining sector will contribute towards implementation of programmes and projects which will enhance discovery, development and exploitation of mineral deposits that will in turn give an impetus to job creation, forex reserves conservation, import substitution for mineral-based products and ultimately accelerate delivery of the five golden keys for BETA.

This Report aims to achieve the following:

- i. Review past programme performance with an objective of reporting on expenditure trends and output levels;
- ii. Report on challenges and lessons learnt in budget formulation and implementation;
and
- iii. Make recommendations on the findings of the report.

The specific objective of the report is to guide in allocation of resources in the Medium Term in line with Section 36 of the Public Finance Management Act, 2012.

1.2 VISION

A vibrant mining sector contributing to broad based growth for socio-economic transformation.

1.3 MISSION

To maximize benefits accruing from mineral resources value chains for socio-economic development in a sustainable environment.

1.4 STRATEGIC GOALS/OBJECTIVES

The main goal of the sector is to enhance commercialization of mineral discoveries, develop the requisite skills and infrastructure for mineral production, manage geo-scientific data, mineral licensing and concession, promote minerals value addition and marketing, policy and legal framework and efficient and effective support services for management of mineral and geo-information data.

To achieve this, the following are the objectives of the mining sector:

- i. To promote sound and responsive policies in the mining sector;
- ii. To provide updated geo-scientific data to prospective investors, research institutions, planners and infrastructure developers;
- iii. To create, maintain and update geosciences databases;
- iv. To provide efficient, predictable and transparent mining licensing procedures;
- v. To enhance revenues from the mining sector;
- vi. To promote mine environment management and safety;
- vii. Increased contribution of ASM in the mining sector;
- viii. To provide quality and recognized mineral testing services in Kenya and in the region;
- ix. To harness skills and develop local expertise; and
- x. Minerals sector capacity development.

1.5 MANDATE

The State Department's mandate as outlined in Executive Order No. 1 of 2025 as follows:

- i. Policy on Extractive Industry;

- ii. Mineral Exploration and Mining Policy Management;
- iii. Inventory and Mapping of Mineral Resources;
- iv. Mining and Minerals Development Policy and Standards;
- v. Maintenance of Geological Data (Research, Collection, Collation, Analysis);
- vi. Policies on the Management of Quarrying of Rocks and Industrial Minerals;
- vii. Management of Health Conditions and Health and Safety in Mines; and
- viii. Mining Capacity Development and Value Addition.

1.6 AUTONOMOUS AND SEMI-AUTONOMOUS GOVERNMENT AGENCIES

The mining sub-sector provides oversight over one Semi-Autonomous Government Agency and two Boards with distinct mandates and responsibilities as outlined below:

1.6.1 National Mining Corporation (NAMICO)

The Mining Act Cap 306 establishes the National Mining Corporation (NAMICO) to be the investment arm of the national government in the mining industry. NAMICO's mission is to invest in responsible mining and mineral resources development in collaboration with stakeholders for Kenya's socio-economic prosperity in a dynamic global market. The ultimate goal is to become a leading corporation in sustainable mineral resource development and investment.

1.6.2 Geologists Registration Board (GRB)

This is the geologists' professional body established under the Geologists Registration Act Cap 535 whose responsibilities are registration of professional geologists, regulating the activities and conduct of registered geologists.

1.6.3 Mineral Rights Board (MRB)

The Board is established under section 30 of the Mining Act Cap 306. The mandate of the board is to provide, advise and give recommendations on mineral rights applications and agreements, designation of areas for ASM operations, exclusion of mining areas, declaration of strategic minerals and fees, charges and royalties payable to the country.

CHAPTER TWO: PROGRAMME PERFORMANCE REVIEW FINANCIAL YEARS 2022/23- 2024/25

2.1 INTRODUCTION

This Section highlights achievements made by the mining sub-sector in the Financial Years 2022/23- 2024/25.

2.1.1 Sub-Programme 1.1: Geological Survey

During the period under review, the mining sub-sector successfully implemented a broad range of exploration and geo-hazard mapping projects, underscoring its commitment to enhancing national geoscience capacity. Key mineral exploration activities included copper in Tharaka Nithi, coltan in Tana River, and Volcanic Massive Sulphide (VMS) deposits in Kamser-Homabay county, as well as targeted assessments for copper at Kinyiki Hill- Makueni county and iron ore in Ikutha - Kitui county.

To complement existing knowledge on geological risks, the sub-sector also carried out comprehensive geo-hazard and landslide mapping in Elgeyo Marakwet, Nakuru, Murang'a, and Baringo counties, contributing to improved disaster preparedness and resilience. The integrated outputs from these initiatives provide critical data to support investment planning, environmental management, and policy formulation, positioning the Kenya Geological Survey as a vital source of geoscience data for informed national decision-making.

In addition, the sub-sector continued with the modernization of the mineral certification laboratory, which reached 31% completion level during the reporting period. This effort aims to attain ISO certification, thereby ensuring high standards in mineral analysis and certification. Key milestones included the acquisition of modern analytical equipment to enhance the testing of samples collected by field officers and the public. However, the targeted 100% completion was not achieved due to delays in the delivery of specialized imported equipment, which require significant shipping and clearance time.

Implementation of the Laboratory Integrated Management Information System (LIMIS) has streamlined workflows and improved efficiency in service delivery. To enhance services at the county levels, the sub-sector also procured customized laboratory containers for the establishment of regional laboratories, with ongoing efforts to equip them for full operationalization. These accomplishments reflect steady progress in building a comprehensive geological database, strengthening mineral quality assurance systems, and promoting Kenya as a suitable mining investment destination.

2.1.2 Sub-Programme 2.2: Geo Information Management

During the Financial Years 2022/23 to 2024/25, the mining sub-sector successfully implemented the National Geological Data Bank Project, achieving significant milestones. Notably, 90% of all hard copy geological reports, maps, and briefs were scanned and digitized.

In the period under review, a total of 30 geological maps were vectorized, enhancing the usability and precision of the data. The overarching objective of the project is to digitize, streamline the management of, and improve access to geoscientific data, thereby supporting informed decision-making and investment in the mining sub-sector.

2.1.3 Sub-Programme 1.1: Mineral Resources Development

During the period under review, significant progress was made in implementing strategic interventions aligned with the Bottom-Up Economic Transformation Agenda (BETA) within the mining sub-sector. Notably, 4,500 artisanal miners were trained to facilitate the establishment of Mining Marketing Co-operatives across the country far surpassing the FY 2024/25 target of 2,000. This marks a substantial improvement compared to previous years, where 2,000 and 2,225 artisanal miners were trained against targets of 1,500 and 318 in FY 2023/24 and FY 2022/23, respectively.

Further, the gazettelement of County Artisanal Mining Committees (AMCs) was carried out to support the processing and issuance of artisanal mining permits at the county level. The number of gazetted AMCs increased significantly from 9 to 36, exceeding the target range of 3 to 25

during the period under review. However, no permits were issued during this time due to incomplete documentation and late applications from applicants. The formal awarding of mineral rights to artisanal and small-scale miners remains a critical step toward integrating this segment into the formal economy, in line with the broader priorities of BETA.

In terms of mineral value addition projects, notable progress was achieved with the completion of the Voi Gemstone Value Addition Centre, identification of investors for the Kakamega Gold Refinery, Vihiga granite cutting, polishing & processing centre, and the revival of the fluorspar mining in Kerio Valley in Elgeyo Marakwet County. These initiatives are expected to play a pivotal role in boosting local value addition, enhancing job creation, increasing government revenue, and promoting foreign exchange earnings, furthering the government's commitment to transforming Kenya's mineral resources sub-sector.

During the review period, the mining sub-sector consistently surpassed its revenue targets in FY 2022/23 and FY 2023/24. It generated Ksh. 3.721 billion and Ksh. 3.286 billion respectively, against targets of Ksh. 2.364 billion and Ksh. 2.833 billion. However, in FY 2024/25, the sub-sector slightly under-performed, recording Ksh. 3.812 billion against a target of Ksh. 4.026 billion. This shortfall was mainly attributed to the depletion of ore reserves and the eventual closure of Base Titanium operations in December 2024.

Beyond generating foreign exchange through mineral exports, the mining sub-sector significantly contributes to job creation by supplying essential industrial and construction raw materials such as sand, ballast, limestone, iron ore, and gypsum for domestic use. In the FY 2024/25, the sub-sector exported minerals valued at Ksh. 27,912.24 million, generating royalties amounting to Ksh. 947 million, as detailed in the table below. This represents a decline compared to FY 2023/24, during which mineral exports totaled Ksh. 38,600.61 million and yielded Ksh. 1,901.11 million in royalties. The reduction in export value and royalty revenues is partly attributed to the closure of Base Titanium operations in Kwale County.

Table 1.1: Export and royalty data summary for the FY 2024-2025 in KSh. millions

S.No	Mineral Category	Quantity	Unit	Value in Ksh. (Millions)	Royalty in Ksh. (Millions)
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S.No	Mineral Category	Quantity	Unit	Value in Ksh. (Millions)	Royalty in Ksh. (Millions)
1.	Titanium	100,107,023.20	Kgs	7,861.53	391.23
2.	Soda Ash	232,764,700.00	Kgs	6,567.20	235.64
3.	Gold	329.104096	Kgs	3,278.24	114.80
4.	Salt	470,706,522.00	Kgs	7,863.85	112.72
5.	Base Metals	31,105,247.35	Kgs	555.37	35.58
6.	Rough Gemstones	259728.346	Kgs	431.94	23.11
7.	Carbon Dioxide	12,038,150.00	Kgs	468.77	15.70
8.	Construction	65,351,899.41	Kgs	668.87	15.40
9.	Cut Gemstones	261894.2447	carats	165.76	1.66
10.	Soapstone	905765.6	Kgs	46.27	0.99
11.	Diatomite	331000	Kgs	4.30	0.17
12.	Samples	158906.16	Kgs	0.16	0.00
	Total	913,991,165.41		27,912.24	947.00

Source: State Department for Mining. Currency converted at USD 1 = Ksh. 130.

2.1.4 Sub-Programme 1.2: Geological Survey and Mineral Exploration

In terms of regulatory oversight, the sub-sector conducted 85 inspections of exploration operations against a target of 70, and 160 inspections of mineral dealing premises against a target of 120. These efforts aimed to ensure compliance with mineral rights obligations and curb illegal mining operations. The overachievement in inspections was attributed to enhanced operational capacity, particularly improved mobility and enhanced facilitation.

Additionally, the sub-sector launched the development of an Explosives Management System (EMS) to enhance the safe and secure management of commercial explosives. A review of the Explosives Act (Cap. 115) was also initiated to align it with current realities and address emerging challenges. To ensure regulatory compliance, a total of 771 site inspections related to regulation of fireworks were carried out, significantly exceeding the target of 85. Moreover, 2,683 and 2,560 various explosives licences and permits were issued in FY 2024/25 and 2023/24, respectively, against targets of 1,250 and 1,200.

2.1.5 Sub-Programme 3.1 General Administration, Planning & Support Services

During the review period, the National Mining Corporation (NAMICO) conducted preliminary assessments of strategic minerals in seven counties: Isiolo, Kitui, Marsabit, Tharaka Nithi, Samburu, West Pokot, and Wajir. These assessments were aimed at identifying market opportunities for Artisanal and Small-scale Miners (ASMs), protecting them from market exploitation, and enhancing the value of their work. The findings from these assessments provide crucial geological data to guide future detailed studies and support efforts to attract both local and international investment into the mining sub-sector.

NAMICO hosted its inaugural Mining Expo during the year under review, which attracted a broad range of international stakeholders. This event led to the signing of 36 Memorandums of Understanding (MoUs) and the formulation of two Joint Ventures (JVs) focused on strategic mineral development. One JV involves gold development in Kakamega County, while the other focuses on converting historical copper tailings in Macalder, Migori County, into copper cathodes. Both projects are expected to boost local economies and improve livelihoods. Additionally, two concept notes were developed for projects targeting chromite and copper (and associated minerals) across the country. These initiatives are aligned with the Vision 2030 flagship project on mineral value addition, and upon successful evaluation, they will be prioritized for government funding.

To support investor negotiations and ensure national interests are safeguarded, NAMICO developed a benefit-sharing framework. This framework is especially important for mining agreements with international implications and is designed to ensure transparency and public participation throughout the negotiation process. NAMICO's overall implementation strategy emphasized stakeholder engagement, the promotion of joint ventures, and fostering public-private partnerships to increase the mining sub-sector's contribution to the national economy.

In line with Section 48 of the Mining Act Cap 306, NAMICO also advanced its efforts in collecting Free-Carried Interest (FCI) on behalf of the State. Notably, the Corporation finalized a 15% shareholding agreement with Sofax Fluorspar Kenya Ltd, paving the way for fluorspar extraction in Elgeyo Marakwet County beginning mid-2025/26. This project is expected to

generate significant revenue for the Corporation. Furthermore, NAMICO pursued FCI arrangements with 12 additional mining companies to expand its revenue base and ensure compliance with the Mining Act Cap 306.

To strengthen its institutional capacity and public confidence, NAMICO appointed a new Chief Executive Officer and recruited four managers during the reporting period. These leadership and operational changes are expected to enhance efficiency and effectiveness in delivering NAMICO's mandate within the mining sub-sector.

ANNEX 4: PROGRAMME PERFORMANCE REVIEW FINANCIAL YEAR 2022/23-2024/25

ANNEX 4(A): REVIEW OF PROGRAMME PERFORMANCE FOR FY 2022/23-2024/25

Table 2.1.1: Analysis of Programme Targets and Actual Targets

Programme	Delivery Unit	Key Output	Key Performance Indicators	Planned Target			Achieved Target			Remarks
				2022/23	2023/24	2024/25	2022/23	2023/24	2024/25	
STATE DEPARTMENT FOR MINING										
Programme 1: Geological Surveys and Geo Information Management										
Outcome: Improved Geological and Mineral Occurrence Database										
Sub-Programme: 1.1 Geological Survey	Directorate of Geological Survey and Geo-Information Management	Geological Mapping of mineral resources	No. of Geo-Technical Investigations reports and maps	-	4	4	-	0	4	The target was not achieved due to budget cut in FY 2023/24
			Length of Transport Corridors Mapped in Km	25	25	40	0	0	0	The performance was affected by ground-truthing activities in FY 2023/24 and budget cuts in FY 2022/23 and 2024/25
			No. of seismic suitability Reports	1	2	2	1	2	2	The targets were achieved.
			No. of seismic monitoring stations installed	-	1	1	-	0	0	Targets not achieved due to land acquisition processes that are ongoing.
			No. of geologically mapped locations for Artisanal mining	-	5	12	-	5	0	The target was achieved in FY 2023/24. However, in FY 2024/25 it was affected by budget cuts.
			No. of Degree Sheets Mapped Countrywide	-	1	2	-	0	0	The target was not achieved due to a shift in priorities towards areas with high mineral potential.

Programme	Delivery Unit	Key Output	Key Performance Indicators	Planned Target			Achieved Target			Remarks
				2022/23	2023/24	2024/25	2022/23	2023/24	2024/25	
		Industrial Mineral Discoveries	No. of Industrial Minerals discovered	4	4	2	2	10	2	Target achieved with multiple occurrences for, among others copper, limestone, gypsum etc
		Agro-Minerals Discoveries	No. of Agro-Minerals discovered	2	2	2	0	2	2	
		Rare-earth and Metallic Minerals assessment	No. of Rare-earth and Metallic minerals assessed	1	2	1	1	2	1	Targets achieved
		Types of Rocks and Minerals assessments	No. of Rocks-types and Mineral samples identified	-	10	10	-	15	12	Targets achieved due to increased lab capacity for sample testing. A rock type could stretch in several locations.
		Mining Investment Handbook	No. of Mining Investment Handbooks	-	1	1	-	1	1	Targets achieved
		Documentary on Investment Opportunities in the Extractive Sector	No. of documentaries on Investment Opportunities in Mining	1	1	1	0	0	0	Activity not undertaken due to budget cut
		Minerals Quality Assurance	% Completion of ISO Certification of Laboratory	20	40	60	9	40	60	Targets achieved

Programme	Delivery Unit	Key Output	Key Performance Indicators	Planned Target			Achieved Target			Remarks
				2022/23	2023/24	2024/25	2022/23	2023/24	2024/25	
			% Completion of the Laboratory Integrated Management Information Systems (LIMIS)	50	60	100	55	90	95	User acceptance, testing and training undertaken pending system change-over
			% Completion of Lapidary Upgrade	-	40	60	-	0	0	Targets not achieved due to budget cuts in Supplementary I
			No. of Regional Mineral Laboratories Established	-	1	2	-	0	0	Customized laboratory units have been procured for Kakamega, Mombasa, Embu, Garissa and Kitui; and are awaiting equipping.
Sub-Programme 1.2: Geo-Information Management	Directorate of Geological Survey and Geo-Information Management	National Geological Data Centre	% Completion of Geological Data Centre	75	75	90	42	75	75	Target not achieved due to budget cuts
			% Completion of a Geological Lexicon	30	70	90	0	0	0	Targets not achieved due to late approval of Supplementary III in FY 2024/25
			Mineral Occurrence Map of Kenya updated	1	1	1	1	1	1	Targets achieved
			Updated Geological Map of Kenya	1	1	1	1	1	1	Targets achieved

Programme	Delivery Unit	Key Output	Key Performance Indicators	Planned Target			Achieved Target			Remarks
				2022/23	2023/24	2024/25	2022/23	2023/24	2024/25	
			% Completion of Exploratory Drill Core Repository Upgrade	-	-	50	-	-	0	Target not achieved due to budget cuts in Supplementary I
			No. of Officers Trained on Geo-Data Management	-	10	20	-	0	0	Target not met due budget cuts during Supplementary I
		Regulated geology practitioners	No. of geologists regulated.	-	135	135	-	68	21	Fewer applications received and processed
Programme 2: Mineral Resource Management										
Outcome : Effective Mineral Resources Management , Licensing and Concession, Minerals Value Addition and Marketing										
Sub-Programme 2.1: Mineral Resources Development	Directorate of Mines	Mineral Rights and Mineral Dealings	No. of Exploration operation inspected	-	-	70	-	-	85	Target surpassed due to enhanced capacity and facilitation
			No. of mining operations inspected	-	-	100	-	-	224	
			No. of Mineral Dealership operation inspected	-	-	120	-	-	160	
		Revenue Collection	Amount of revenue generated (Kshs. million)	2,364	2,833	4,026	3,721	3,286.24	3,812	In FY 2024/25, the target was not achieved due to the closure of Base Titanium operations.
		Royalty Management System (RMS)	% Completion of the RMS	50	70	90	5	50	90	The Target was not achieved for the FY 2022/23 due to late award of contract in the 4th quarter.

Programme	Delivery Unit	Key Output	Key Performance Indicators	Planned Target			Achieved Target			Remarks
				2022/23	2023/24	2024/25	2022/23	2023/24	2024/25	
		Exports and Imports permits processed	No. of Exports and Imports permits processed	-	2,000	3,000	-	4,108	3,675	Influx of Artisanal Miners led to more traders joining the mining sector and formalization of ASMs
		Monitoring of Compliance and enforcement	No. of quarterly Monitoring of Compliance and enforcement Reports	4	4	4	4	4	4	Targets achieved
		Trained mining inspectors	No. of officers trained	49	75	49	49	25	51	Targets achieved through RMS training
		Trained Artisanal Miners	No. of artisanal miners trained	318	1,500	2,000	2,225	2,000	4,500	Training and sensitization conducted at the regional level with enhanced ASM co-operatives mobilization.
		Artisanal Mining Committees in Counties established	No. of Artisanal Mining Committees	3	16	25	9	18	36	Target achieved due to prioritization and implementation of the AMC manual
		Artisanal Mining Permits Granted	No. of Artisanal Mining Permits Granted	-	20	30	-	0	0	Targets not achieved due to incomplete documentation by the applicants.

Programme	Delivery Unit	Key Output	Key Performance Indicators	Planned Target			Achieved Target			Remarks
				2022/23	2023/24	2024/25	2022/23	2023/24	2024/25	
		Artisanal and Small Scale Miners marketing Co-operatives formed	No. of Co-operatives formed	-	50	50	-	150	105	Targets overachieved due to enhanced facilitation and involvement of the regional offices in the coordination process.
		Areas identified for Artisanal and Small-scale Mining Operations	No. of areas identified for Artisanal and Small-scale Mining Operations	-	4	12	-	8	36	The overachievements were attributed to enhanced capacity in the regional offices.
		Mining regulations	No. of Regulations drafted	4	2	1	6	6	1	The targets were achieved. However, in FY 2022/23 and 2023/24 the overachievements were attributed to review of additional regulations
			No. of Counties sensitized on Regulations	4	20	-	0	47	-	All the 47 counties underwent group training in the FY 2023/24 and therefore not targeted for implementation in FY 2024/25
			No. of reports on Monitoring of Compliance and enforcement	4	4	4	4	4	4	Targets achieved

Programme	Delivery Unit	Key Output	Key Performance Indicators	Planned Target			Achieved Target			Remarks
				2022/23	2023/24	2024/25	2022/23	2023/24	2024/25	
		National Mining Strategy	% Completion of the National of Mining Strategy 2022-2042	100	100	-	10	100	-	The target was achieved in FY 2023/24 and not targeted for implementation in FY 2024/25.
Sub-Programme 2.4: Mineral Resource Development	Mineral Value Addition	Voi Gemstone value addition centre	% completion	100	100	100	89	91	91	The target not achieved due to the pending allocation of KES 10M for equipping set for FY 2025/26.
Sub-Programme 2.2: Geological survey and mineral exploration	Directorate of Commercial Explosives	Commercial Explosives Regulated	No. of Commercial explosives and licenses issued	650	1,200	1250	1184	2560	2683	Demand for explosives increased especially fireworks during new Year celebrations
		Inspection imported/exported explosives and fireworks	No. of permits processed	110	110	115	105	144	223	Imports increased due to increased demand for explosives usage and enhanced facilitation.
		Fireworks Regulated	No. of Sites Inspected	30	25	30	21	300	450	Overachieved due to increased demand for explosives usage and enhanced facilitation.

Programme	Delivery Unit	Key Output	Key Performance Indicators	Planned Target			Achieved Target			Remarks
				2022/23	2023/24	2024/25	2022/23	2023/24	2024/25	
		Capacity Development of inspector of explosives	No. of officers Trained	-	16	16	-	0	11	The first batch of ToTs training on Explosives Management System was conducted and the remaining to be trained in the next FY
		Mapping of Vibration and Noise levels in blasting sites	No. of Sites mapped	-	5	20	-	2	3	The ongoing formalization quarries led to less blasting activities therefore significant reduction in mapping of vibrations
Programme 3: General Administration Planning and Support Services										
Outcome : Improved Service Delivery										
Sub-Programme 3.1: General Administration and Support Services	Sub-Programme 4.2: Administration and Support service	Monitoring and Evaluation (M&E) Services	No. of M&E reports	4	4	4	4	4	4	Targets achieved
		Strategic Planning	No. of developed/reviewed Ministerial Strategic Plan 2023-2027	-	1	-	-	1	-	Strategic Plan was not targeted for review
		Capacity Building and Skills Enhancement	No. of Officers Trained	-	100	100	-	49	105	The target not achieved in FY 2023/24 due to budget cuts.

Programme	Delivery Unit	Key Output	Key Performance Indicators	Planned Target			Achieved Target			Remarks
				2022/23	2023/24	2024/25	2022/23	2023/24	2024/25	
	National Mining Corporation	Acquisition, partnerships and mineral development arrangements	No. of acquisitions, partnerships and mineral development arrangements signed	-	-	3	-	-	2	Two (2) Joint Ventures signed, one(1) JV nearing completion and 36 MOUs signed
		Increased investments in Exploration and Mining	No. of licences acquired	-	-	3	-	0	0	Nine (9) prospecting and four(4) trading licences have been lodged and processing is ongoing.
		Increased Investment In Value Addition of Minerals	No. of Mineral Value Addition Centres established	-	1	1	-	0	0	The project concept note developed and it's under review.

2.2 EXPENDITURE TREND ANALYSIS FOR THE FY 2022/23 - 2024/25

Table 2.2: Analysis of Recurrent Expenditure (Kshs. Million)

Sector: Environment Protection, Water and Natural Resources						
Vote 1192: State Department for Mining						
Economic Classification	Approved Budget Allocation			Actual Expenditure		
	2022/23	2023/24	2024/25	2022/23	2023/24	2024/25
Gross	237.70	1,924.05	1,691.37	227.30	1,507.61	1,547.76
AIA	25.00	100.00	668.37	14.60	42.20	668.37
NET	212.70	1,824.05	1,023.07	212.70	1,465.41	830.40
Compensation to Employees	0.00	403.75	529.20	0.00	413.36	515.13
Transfers	7.00	336.00	189.00	7.00	336.00	189.00
Other Recurrent	230.70	1,184.30	973.17	220.30	758.25	843.63
Of which						
<i>Utilities</i>	<i>4.80</i>	<i>13.10</i>	<i>10.10</i>	<i>4.70</i>	<i>6.40</i>	<i>9.98</i>
<i>Rent</i>	<i>0.00</i>	<i>5.00</i>	<i>4.5</i>	<i>0.00</i>	<i>3.63</i>	<i>4.5</i>
<i>Insurance</i>	<i>0.00</i>	<i>0.75</i>	<i>0.38</i>	<i>0.00</i>	<i>0.00</i>	<i>0.00</i>
<i>Subsidies</i>	<i>0.00</i>	<i>0.00</i>	<i>0.00</i>	<i>0.00</i>	<i>0.00</i>	<i>0.00</i>
<i>Gratuity</i>	<i>0.00</i>	<i>0.00</i>	<i>0.00</i>	<i>0.00</i>	<i>0.00</i>	<i>0.00</i>
<i>Contracted Guards and Cleaners Services</i>	<i>0.00</i>	<i>19.40</i>	<i>19.40</i>	<i>0.00</i>	<i>9.22</i>	<i>12.51</i>
<i>Others</i>	<i>225.90</i>	<i>1,146.05</i>	<i>938.79</i>	<i>215.60</i>	<i>739.01</i>	<i>816.64</i>

Table 2.3: Analysis of Development Expenditure (Kshs. Million)

Sector: Environment Protection, Water and Natural Resources							
Vote 1192	Description	Approved Budget Allocation			Actual Expenditure		
		2022/23	2023/24	2024/25	2022/23	2023/24	2024/25
State Department for Mining	Gross	131.10	885.50	210.00	122.30	205.99	128.75
	GoK	131.10	885.50	0.00	122.30	205.99	0.00
	Loans	0.00	0.00	0.00	0.00	0.00	0.00
	Grants	0.00	0.00	0.00	0.00	0.00	0.00
	Local AIA	0.00	0.00	210.00	0.00	0.00	128.75

Table 2. 1: Analysis of Programme Expenditure (Kshs. Million)

Programme	Approved Budget			Actual Expenditure		
	2022/23	2023/24	2024/25	2022/23	2023/24	2024/25
Programme 1: Mineral Resources Management						
Sub-Programme 1.1: Mineral Resources Development	0.40	17.83	0.00	0.30	7.50	0.00
Sub-Programme 1.2: Geological Survey and Mineral Exploration	83.70	423.38	648.62	74.90	227.84	606.19
Total Programme 1	84.10	441.21	648.62	75.20	235.34	606.19
Programme 2: Geological Survey and Geo Information Management						
Sub-Programme 2.1: Geological Survey	98.00	1,497.75	762.42	92.00	748.32	591.65
Sub-Programme 2.2: Geo Information Management	0.00	30.00	0.00	0.00	5.79	0.00
Total Programme 2	98.00	1,527.75	762.42	92.00	754.11	591.65
Programme 3 : General Administration, Planning & Support Services						
Sub-Programme 3.1 : General Administration & Support Services	186.80	840.59	490.32	182.00	724.15	478.67
Total Programme 3	186.80	840.59	490.32	182.00	724.15	478.67
Total Vote 1192	368.90	2,809.55	1,901.36	349.20	1,713.60	1,676.51

Table 2. 2: Analysis by Category of Expenditure: Economic Classification (Kshs. Million)

Economic Classification	Approved Budget			Actual Expenditure		
	2022/23	2023/24	2024/25	2022/23	2023/24	2024/25-
Programme 1: Mineral Resources Management						
Current Expenditure	23.60	251.21	592.62	19.70	179.83	566.54
Compensation of Employees	0.00	112.24	175.57	0.00	121.95	164.54
Use of goods and Services	22.20	116.52	356.15	18.50	49.84	345.61
Grants and other Transfers	0.00	0.00	0.00	0.00	0.00	0.00
Other Recurrent	1.40	22.46	60.90	1.20	8.04	56.38

Capital Expenditure	60.40	190.00	56.00	55.40	55.51	39.70
Acquisition of Non-Financial Assets	11.90	42.00	16.00	11.90	12.52	0.00
Capital Grants to Government Agencies	0.00	0.00	0.00	0.00	0.00	0.00
Other Development	48.50	148.00	40.00	43.50	42.98	39.70
Total Programme 1	84.00	441.21	648.62	75.10	235.34	606.24
Programme 2: Geological Survey & Geo-information Management						
Current Expenditure	27.30	832.25	608.42	25.70	603.63	502.55
Compensation of Employees	0.00	123.49	182.19	0.00	123.42	180.80
Use of goods and Services	27.30	498.57	305.93	25.70	297.30	264.27
Grants and other Transfers	0.00	0.00	0.00	0.00	0.00	0.00
Other Recurrent	0.00	210.19	120.30	0.00	182.91	57.47
Capital Expenditure	70.60	695.50	154.00	66.50	150.48	89.06
Acquisition of Non-Financial Assets	51.60	150.00	148.00	51.50	26.78	84.82
Capital Grants to Government Agencies	0.00	0.00	0.00	0.00	0.00	0.00
Other Development	19.00	545.50	6.00	15.00	123.70	4.24
Total Programme 2	97.90	1,527.75	762.42	92.20	754.11	591.61
PROGRAMME 3: General Administration, Planning and Support Services						
Current Expenditure	186.80	840.59	490.32	182.00	724.15	478.67
Compensation of Employees	0.00	168.02	171.44	0.00	167.98	169.78
Use of goods and Services	116.10	308.85	129.89	111.30	203.62	119.89
Grants and other Transfers	7.00	336.00	189.00	7.00	336.00	189.00
Other Recurrent	63.70	27.71	0.00	63.70	16.54	0.00
Capital Expenditure	0.00	0.00	0.00	0.00	0.00	0.00
Acquisition of Non-Financial Assets	0.00	0.00	0.00	0.00	0.00	0.00
Capital Grants to Government Agencies	0.00	0.00	0.00	0.00	0.00	0.00
Other Development	0.00	0.00	0.00	0.00	0.00	0.00
Total Programme 3	186.80	840.59	490.32	182.00	724.15	478.67
Total Vote 1192: State Department for Mining	368.70	2,809.55	1,901.37	349.30	1,713.59	1,676.52

Table 2. 3: Analysis of SAGAs Recurrent Budget vs. Actual Expenditure (Kshs. Million)

Economic Classification	Approved Budget Allocation			Actual Expenditure		
	2022/23	2023/24	2024/25	2022/23	2023/24	2024/25
Gross	7.00	336.00	189.00	7.00	280.00	189.00
AIA	0.00	0.00	0.00	0.00	0.00	0.00
NET	7.00	336.00	189.00	7.00	280.00	189.00
Compensation to Employees	0.00	12.97	25.02	0.00	12.87	25.02
Transfers	0.00	0.00	0.00	0.00	0.00	0.00
Other Recurrent	7.00	323.03	163.98	7.00	267.13	163.98
of which						
Utilities	0.00	0.40	0.49	0.00	0.10	0.24
Rent	0.00	13.40	24.50	0.00	13.40	24.33
Insurance	0.00	1.66	9.34	0.00	1.66	9.34
Subsidies	0.00	0.00	0.00	0.00	0.00	0.00
Gratuity	0.00	0.00	2.00	0.00	0.00	0.64
Contracted Guards and Cleaners Services	0.00	1.50	1.75	0.00	1.50	1.75
others	7.00	306.07	127.68	7.00	250.47	127.68
Total 1192SAGAs	7.00	336.00	189.00	7.00	280.00	189.00

2.3 CAPITAL PROJECTS PERFORMANCE ANALYSIS FY 2022/23 - 2024/25 (KSHS MILLION)

Table 2. 4: Analysis of Performance of Capital Projects FY 2022/23 - 2024/25

Project Code & Title	Estimated Cost of the Project			Timeline		FY 2022/23				FY 2023/24				FY 2024/25				Remarks	
	Total Estimated cost of project (Kshs . Millions) (a)	GoK	Foreign Financed	Start date	Expected completion date	Approved GoK Budget	Approved foreign Financed budget	Cumulative Expenditure as at 30th June 2023	Completion Status as at 30th June 2023 (%)	Approved GoK Budget	Approved foreign Financed budget	Cumulative Expenditure as at 30th June 2024	Completion Status as at 30th June 2024 (%)	Approved GoK Budget	Approved foreign Financed budget	Cumulative Expenditure as at 30th June 2025	Outstanding Balance as at 30th June 2025		Completion Status as at 30th June 2025 (%)
Vote 1192: State Department for Mining																			
Geological data bank	400.0	400.0	0.0	07/08/2015	06/06/2026	0.0	0.0	196.5	49%	5.8	0.0	202.3	51%	0.0	0.0	202.3	197.7	51%	Project is ongoing with geological data base infrastructure under installation
Mining cadastre portal	380.0	380.0	0.0	07/01/2016	30/06/2025	13.7	0.0	127.2	33%	18.4	0.0	145.6	38%	13.9	0.0	159.5	220.5	42%	Project is ongoing & additional modules required to support operationalization of the new mining regulations
Mineral Audit Support	445.0	445.0	0.0	07/01/2016	06/08/2026	1.8	0.0	215.8	59%	20.4	0.0	236.2	65%	25.8	0.0	262.0	183	59%	Implementation of the Royalty Management System (RMS)

Project Code & Title	Estimated Cost of the Project			Timeline		FY 2022/23				FY 2023/24				FY 2024/25					Remarks
	Total Estimated cost of project (Kshs . Millions) (a)	GoK	Foreign Financed	Start date	Expected completion date	Approved GoK Budget	Approved foreign Financed budget	Cumulative Expenditure as at 30th June 2023	Completion Status as at 30th June 2023 (%)	Approved GoK Budget	Approved foreign Financed budget	Cumulative Expenditure as at 30th June 2024	Completion Status as at 30th June 2024 (%)	Approved GoK Budget	Approved foreign Financed budget	Cumulative Expenditure as at 30th June 2025	Outstanding Balance as at 30th June 2025	Completion Status as at 30th June 2025 (%)	
																			ongoing
Rehabilitation of Madini Hse	300.0	300.0	0.0	07/03/2017	04/10/2025	17.2	0.0	89.2	30%	12.5	0.0	101.7	34%	0.0	0.0	101.7	198.3	34%	Project is ongoing with civil works (repair of leaking roofs and plumbing) being undertaken
Mineral Certification Lab	1,326.0	1,326.0	0.0	07/01/2015	06/06/2025	0.0	0.0	278.0	21%	79.4	0.0	357.4	27%	60.1	0.0	417.5	908.5	31%	Equipping of the Mineral Lab is ongoing
Geological mapping & mineral exploration	1,861.0	1,861.0	0.0	07/01/2015	01/03/2026	5.2	0.0	501.2	27%	65.2	0.0	566.4	30%	29.0	0.0	595.4	1,265.6	32%	Geological surveys and Geological equipment procurement is ongoing
Geo Technical Site Investigations	694.0	694.0	0.0	06/01/2019	01/06/2025	3.4	0.0	22.9	3%	0.0	0.0	22.9	3%	0.0	0.0	22.9	671.1	3%	Project is ongoing
Gemstone Centre-Taita Taveta	120.0	120.0	0.0	01/07/2016	30/06/2023	0.0	0.0	105.0	88%	4.2	0.0	109.2	91%	0.0	0.0	109.2	10.8	91%	Equipping ongoing

Project Code & Title	Estimated Cost of the Project			Timeline		FY 2022/23				FY 2023/24				FY 2024/25				Remarks
	Total Estimated cost of project (Kshs . Millions) (a)	GoK	Foreign Financed	Start date	Expected completion date	Approved GoK Budget	Approved foreign Financed budget	Cumulative Expenditure as at 30th June 2023	Completion Status as at 30th June 2023 (%)	Approved GoK Budget	Approved foreign Financed budget	Cumulative Expenditure as at 30th June 2024	Completion Status as at 30th June 2024 (%)	Approved GoK Budget	Approved foreign Financed budget	Cumulative Expenditure as at 30th June 2025	Outstanding Balance as at 30th June 2025	
Total	5,526.0	5,526.0	0.0			41.3	0.0	1,535.8		205.9	0.0	1741.7		128.8	0.0	1870.5	3,655.5	

2.4 PENDING BILLS ANALYSIS – OUTSTANDING LIABILITIES OVER FY 2022/23 – 2024/25

Table 2. 5: Summary of Pending Bills (Kshs. Million)

Type/nature	Due to lack of Exchequer			Due to lack of provision		
	2022/23	2023/24	2024/25	2022/23	2023/24	2024/25
1. Recurrent	3.20	22.44	56.92	0.00	30.70	0.00
Compensation of employees	0.00	0.00	0.00	0.00	0.00	0.00
Use of goods and services e.g utilities, domestic or foreign travel etc.	3.20	22.44	56.92	0.00	30.70	0.00
Social benefits e.g NHIF, NSSF	0.00	0.00	0.00	0.00	0.00	0.00
Other expense	0.00	0.00	0.00	0.00	0.00	0.00
2. Development	56.60	106.41	42.36	0.00	10.02	0.00
Acquisition of non-financial assets	56.60	106.41	42.36	0.00	10.02	0.00
Use of goods and services	0.00	0.00	0.00	0.00	0.00	0.00
Others -Specify	0.00	0.00	0.00	0.00	0.00	0.00
Total Pending Bills	59.80	128.85	99.29	0.00	40.72	0.00

2.5 COURT AWARDS ANALYSIS

There were no court awards for or against the State Department during the period under review.

CHAPTER THREE: MEDIUM TERM PRIORITIES AND FINANCIAL PLAN FOR THE MTEF PERIOD 2026/27-2028/29

The Chapter identifies programmes, sub-programmes, outcomes, outputs, key performance indicators and budgetary requirements for the sub-sector implementation in Medium Term Expenditure Framework (MTEF) period 2026/27 - 2028/29. The chapter further illustrates the resource requirements under each programme, sub programme, economic classifications as well as Semi-Autonomous Government Agencies (SAGAs). The chapter finally presents programmes ranking criteria that form the bases of resource allocation.

3.1 Prioritization of programmes and sub programmes

In the MTEF period 2026/27- 2028/29 the sub-sector has prioritized programs and sub programs intended to promote sustainable mineral development. The sub-sector has prioritized its programmes giving preference to programs/projects that align with the sector vision and national plans with optimal returns and short term completion period as per the criteria below:

- i. Strategic alignment with the sector vision, national plans and BETA;
- ii. Evidence of past performance and cost-effectiveness;
- iii. Financial envelope and resource constraints;
- iv. Cross-sectoral linkages and co-benefits;
- v. Stakeholder demands and risk considerations; and
- vi. Zero-Based Budget (ZBB) approach.

3.1.1 Programmes and their Objectives

During the Medium Term Expenditure Framework (MTEF) Period 2026/27 – 2028/29, the budget for the mining sub-sector will be implemented through three (3) programmes namely:

Table 3.1.1a: Strategic Objectives

S.No:	Programme	Objective	Strategic Contribution
1.	Geological Survey and Geo-information Management	To provide and manage Geo-scientific data to prospective clients and for easy access	Driving geological innovation, shaping risk management, and influencing long-term economic and environmental outcomes

S.No:	Programme	Objective	Strategic Contribution
2.	Mineral Resource Management	To effectively manage licensing and concession, promote minerals value addition and marketing.	Promoting value addition, enhancing marketing, and a centralized licensing authority
3.	General Administration, Planning and Support Services	To provide policy and legal framework and efficient and effective support services for management of mineral and geo-information data	Provides a policy and legal framework and efficient support services for sustainable resource management and societal benefits

3.1.2 Programmes, Sub- Programmes, Expected Outcomes, Outputs and Key Performance Indicators for the Sub-Sector

3.1.2.1 Sub-Programme 1.1: Geological Survey and Research

The sub-sector seeks to strengthen mineral exploration through systematic mapping and resource identification. Key targets include countrywide mapping of 2 degree sheets in each financial year within the MTEF period, analysing of 20, 25 and 30 mineralized samples in the FY 2026/27 2027/28, and 2028/29 respectively for identification of mineral composition and mineral resource mapping aimed at attracting and de-risking mining investments. In addition, the Sub-sector will complete the establishment of the Geo-Data Bank by FY 2027/28.

To guarantee mineral quality assurance and reinforce exploration activities, the sub-sector will accelerate ISO certification of the mineral testing laboratory, aiming for 100% completion by FY 2028/2029. This effort will be complemented by the upgrading of the lapidary facility. Additionally, to enhance service delivery at the county levels, two regional mineral testing laboratories will be established during the MTEF period.

3.1.2.2 Sub-Programme 1.2: Mineral Exploration and Evaluation

The sub-sector will identify, evaluate and document Kenya’s mineral potential, focusing on mineral exploration needed for industrialization and the green energy transition. Over the MTEF period, the sub-sector will conduct annual assessments of rare-earth and metallic minerals, supported by systematic collection and analysis of geo-chemical samples. A total of 12 minerals will be assessed within the MTEF period.

By basing exploration activities on solid scientific methods, the program aims to reduce the risks of mineral investment, encourage private sector involvement and establish Kenya as a competitive center for strategic minerals in the region.

3.1.2.3 Sub-Programme 1.3: Environmental and Engineering Geology

During the MTEF period, the sub-sector will establish 3 seismic monitoring station. In addition, Geo-technical site investigations will be undertaken with a view to supporting infrastructure projects, targeting fifteen sites by FY 2028/2029. These studies will help reduce risks of land subsidence and other ground stability issues, especially in vulnerable counties. The National Geo-hazard Atlas will be developed with the aim of boosting disaster preparedness, enhance construction safety, and build resilience against climate-related and geo-technical hazards.

3.1.2.4 Sub- Programme 2.1: Mining Licensing, Compliance and Enforcement

During the 2025/26 – 2027/28 MTEF budget period, the sub-sector shall continue to ensure compliance in the mining sub-sector through granting of mineral and dealings rights, monitoring for compliance of licence conditions and obligation, mine health safety and environment and ensuring that the relevant mining revenues due from the sub-sector are accurate, declared in time and remitted. This is in line with the provisions of the Mining Act Cap 306 and sustainable exploitation of mineral resources. The sub-sector shall process applications received for grant for mining and prospecting rights and dealings licences and permits. This would promote investments in mining sub-sector. The sub-sector aims at increasing mineral revenue from Ksh. 2.8 billion in FY 2025/2026 to Ksh. 3.6 billion in the FY 2028/2029.

The projects that have been running in the sub-sector are expected to continue during the budget period. The royalty management system and upgrade of the online mining cadaster are part of the projects aimed at enhancing efficiency. Training of inspectors of mines on the new and upgraded systems shall also be carried out to improve on efficiency of service delivery. Training of 3000, 3200 and 3500 artisanal miners in FYs 2026/27, 2027/28 and 2028/29 respectively will be undertaken to address the challenges that face the sub-sector relating to mineral rights acquisition, permit and rights obligations and conditions, accidents, safety and environmental concerns, conflicts and land consents acquisition. Designation for areas for ASM is also planned to continue while the formation of mineral marketing cooperatives by the artisanal miners will also be supported. Establishment of Artisanal and Small-Scale Miners Market Hubs is expected to be carried out starting in the FY 2027/28 to support the artisanal mining sub-sector aggregate their mineral products. Drafting and amendment of mining regulations and development of guidelines and manuals that give guidance on the implementation of the Mining Act Cap 306 will be undertaken during the budget period.

In order to address the environmental challenges related to post mining abandoned mines the sub-sector plans to carry out mapping of all the abandoned mines to determine the location, size, extent of environmental damage and propose the relevant rehabilitation method. Additional County Mining offices are also proposed for construction during the budget period to decentralize the mining services. The Mining institute is expected to be established during the MTEF period.

3.1.2.5 Sub- Programme 2.2: Commercial Explosives Regulation and Management

The sub-sector plans to undertake various programmes and projects including compliance inspections, policy development, incident response, dispute resolution, and training, can significantly enhance gender equity and address climate change. The sub-sector plan to undertake 460, 470 and 500 compliance and pre-licensing inspections during FY2026/27, 2027/28 and 2028/2029 respectively. The compliance inspections will ensure improved safety and compliance within facilities handling commercial explosives. Regular inspections ensure adherence to standards for storage, transportation, and use, which greatly reduces the risk of accidents, theft, or diversion to illegal markets.

Blasting vibrations monitoring is aimed at ensuring safety and compliance with established regulatory and environmental standards. Consistent vibration monitoring generates reliable records that can be used for regulatory reporting, dispute resolution, and community engagement. These records enhance transparency, build trust with stakeholders, and provide evidence of responsible operations. In this regard, the sub-sector plans to undertake mapping of blasting-induced vibrations for 40, 40 and 40 sites during the FY 2026/27, 2027/28 and 2028/2029 respectively.

The sub-sector plans to conduct 5, 10 and 20 surveillance operations on smuggling and the use of illegal explosives in FY 2026/27, 2027/28 and 2028/2029 respectively. This will contribute to enhanced national security and better control of commercial explosive materials. Surveillance provides data on smuggling trends and emerging threats, which guides policy decisions, strengthens legal frameworks, and informs resource allocation for future enforcement operations.

The review of the Explosives Act Cap 115 and its regulations will result in a more effective legal framework that addresses current and emerging challenges in the management of commercial explosives. The review will promote efficiency and accountability in regulatory processes and enhance coordination among government agencies, private sector operators, and security organs. In addition, the sub-sector plans to conduct capacity building sessions for 300 blasters during the period under review hence promote gender sensitivity and environmental sustainability which in return will equip all users with the

knowledge needed for responsible explosives use. The construction of government magazines for the storage of impounded or confiscated explosives will improved safety, security, and accountability in the management of seized commercial explosives.

3.1.2.6 Sub- Programme 2.3. Mineral Value Addition and Artisanal Mining Promotion Services

The sub-sector seeks to promote the bottom-up transformation agenda of empowering low-income earners to sustain local employment, create wealth at the grass root and promote industrial growth in mining industry. In this regard the sub-sector has initiated a training programme for the ASM on the importance of forming marketing cooperatives for ease of formalization, monitoring and evaluation as well as promoting best mining practices, equity in benefit sharing at the grass root and for sustainable development in the sub-sector. The sub-sector will continue establishing Artisanal Mining Committees (AMCs) in all the 47 counties with the aim of licensing the ASM to contain illegal mining, mineral smuggling and adverse environment degradation emanating from the Artisanal as currently witnessed. Continuous inspection of the artisanal mining operations will ensure health and safety of miners, as well as the environment.

The sub-sector intends to coordinate value addition services to ensure our locally mined minerals are processed locally before export. This process enhances mineral market value, enhance utilization of by products and creates local employment. The minerals are a major factor to our industry growth hence the emphasis in local utilization and enhancement. There are several programmes supporting creating local value addition centres geared toward empowering both local miners and large-scale players to add value to the extracted minerals.

The Gold Refinery in Kakamega County and Granite Value Addition Centre in Vihiga County are being established to promote gold processing and granite cutting in the country. In addition, Fluorspar mining and processing in Kerio Valley has been revived to promote local mineral processing.

3.1.2.7 Sub-Programme 3.1: General Administration and Support Services

The sub-sector is committed to developing and commercializing Kenya's strategic minerals and mineral deposits through mineral development and investment. This is in line with the expectation of the mining sub-sector to ensure the addition of value and increased competitiveness of minerals, improve livelihoods through employment and income generation for men and women, and support micro, small, and medium enterprises under the Bottom-Up Economic Transformation Agenda.

The National Mining Corporation will engage with three (3) mining companies and sign shareholding agreements to collect the Free-Carried Interest in the FY 2025/2026 and eleven in the MTEF period. The Corporation will set up a strategic mineral trading center to streamline mineral trade, raise revenue and guarantee better returns to government, miners and mineral traders. Further, the sub-sector will develop and commercialize copper, chromite and their associated minerals by undertaking feasibility studies in the FY 2026/2027 and mineral rights acquisition, and exploration over the MTEF period. Harnessing Kenya's strategic mineral resources has the potential to transform local economies directly and indirectly through jobs creation and income generation, thus improving the overall living standard of the population, including youth, women and the elderly.

Lastly, the sub-sector will conduct quarterly monitoring and evaluation of its programmes/projects and undertake mid-term review of the ministerial Strategic Plan 2023/2027. The sub-sector will also undertake capacity building of its officers through enrolment in specialized and promotional courses to enhance their skills by training 420 officers in the MTEF period.

Table 3.1.1: Programmes/ Sub-Programme, Outcome, Outputs and Key Performance Indicator (KPIs)

Programme	Delivery Unit	Key Output	Key Performance Indicators	Target 2024/25	Achievement 2024/25	Baseline 2025/26	2026/27	2027/28	2028/29
Programme 1: Geological Surveys and Geo Information Management									
Outcome: Improved Geological and Mineral Occurrence Database									
Sub-Programme: 1.1 Geological Survey and Research	Directorate of Geological Survey and Research	Geological database services	No. of Degree Sheets Mapped Countrywide	2	0	1	2	2	2
			No. of Regional mineralized samples analyzed	10	4	10	20	25	30
			No. of Mineral resources discovered	4	4	15	5	5	5
			% Completion of Geological Data Bank	51	51	57	78	100	-
		Minerals testing and identification services	% Completion of the Laboratory Integrated Management Information Systems (LIMIS)	100	95	100	-	-	-
			% Completion of Mineral Certification Lab	36	31	38	45	52	67
			No. of Regional Mineral Laboratories Established	2	0	1	2	2	2
		Regulated geology practitioners	No. of geologists regulated.	135	21	165	170	180	200

Programme	Delivery Unit	Key Output	Key Performance Indicators	Target 2024/25	Achievement 2024/25	Baseline 2025/26	2026/27	2027/28	2028/29
Sub-Programme: 1.2 Mineral Exploration and Evaluation	Directorate of Mineral Exploration and Evaluation	Viable minerals for exploitation/mining services	No. of viable minerals assessed	1	1	3	3	4	5
Sub-Programme: 1.3 Environmental and Engineering Geology	Directorate of Environmental and Engineering Geology	Safety of property and life	No. of Geo-Technical Sites Investigated	4	4	10	4	5	6
			% of National Geo-hazard Atlas Developed	-	-	0	5	20	50
Programme 2: Mineral Resource Management									
Outcome : Enhanced Mineral Resource Management and Development									
Sub-Programme 2.1: Mining Licensing, Compliance and Enforcement	Directorate of Licensing, Compliance and Enforcement Services	Compliance and enforcement services	No. of Exploration operation inspected	70	85	80	198	233	278
			No. of mining operations inspected	100	224	110	166	185	204
			No. of Mineral Dealers operation inspected	120	160	130	210	245	267
			Amount of mineral revenue generated (Kshs. million)	4,026	3,812	2,800	3,150	3,300	3,600
			Amount of A-in-A generated (Kshs.Million)	668	652	750	850	960	1050
			% Completion of the RMS	90	90	100	-	-	-

Programme	Delivery Unit	Key Output	Key Performance Indicators	Target 2024/25	Achievement 2024/25	Baseline 2025/26	2026/27	2027/28	2028/29
			No. of artisanal miners trained	2,000	4,500	2,500	3,000	3,200	3,500
			% of Artisanal Mining Permits issued	100	0	100	100	100	100
			No. of abandoned mines mapped	-	-	40	40	50	55
		Licences and permits granted	% Completion of upgrading of Cadastre system	-	-	40	73	100	-
			No. of Export permits issued	3,000	3,675	4,000	4,500	5,000	5,500
			No. of Regulations developed	1	1	2	3	3	3
		Minerals Value addition services	No. of market hubs established	-	-	0	2	4	4
Sub-Programme 2.2: Commercial Explosives Regulation and Management	Directorate of Commercial Explosive	Safety and compliance of commercial explosives	No. of inspections conducted	450	610	250	460	470	500
			No. of Sites mapped for vibration and Noise levels in blasting sites	20	3	20	40	40	40
			No. of amended Explosives Act and regulations	-	-	-	1	-	-
		Commercial explosives Licences and permit granted	No. of blasting Explosives permits and licences issued	-	-	-	1,500	2,000	2,300

Programme	Delivery Unit	Key Output	Key Performance Indicators	Target 2024/25	Achievement 2024/25	Baseline 2025/26	2026/27	2027/28	2028/29
			No. of fireworks licences and permits issued	-	-	-	300	350	400
		Surveillance of smuggling and use of illegal explosives	No. of surveillance operations conducted	-	-	2	5	10	20
		Review of Explosives Act Cap 115 and regulations	No. of amended Explosives Act and regulations	-	-	-	1	-	-
Sub-Programme 2.3 : Mineral Value Addition and Artisanal Mining Promotion Services	Directorate of Licensing, Compliance and Enforcement Services	Regional Mining Offices Established	No. of additional Regional Mining Offices Established	-	-	0	0	2	4
		Trained Artisanal Miners	No. of artisanal miners trained	2,000	4,500	-	-	-	-
		Sensitized Artisanal Miners	No. of artisanal miners sensitized	-	-	2,500	3,000	3,200	3,500
		Artisanal Mining Committees in Counties established	No. of Artisanal Mining Committees	25	36	42	47	10	15
		Artisanal Mining Permits Granted	No. of Artisanal Mining Permits Granted	30	0	60	-	-	-
		Artisanal Mining Permits Issued	% of Artisanal Mining Permits issued	-	-	-	100	100	100
		Small Scale Miners marketing Co-operatives formed	No. of Co-operatives formed	50	105	50	20	15	10

Programme	Delivery Unit	Key Output	Key Performance Indicators	Target 2024/25	Achievement 2024/25	Baseline 2025/26	2026/27	2027/28	2028/29
		Areas identified for Artisanal and Small-scale Mining Operations	No. of areas identified for Artisanal and Small-scale Mining Operations	12	38	15	22	25	30
		Artisanal and Small-Scale Miners Market Hubs established	No. of market hubs	-	-	0	2	4	4
Programme 3: General Administration Planning and Support Services									
Outcome : Improved Service Delivery									
Sub-Programme 3.1: General Administration and Support Services	National Mining Corporation	Strategic minerals developed	Value of Free Carried Interest earned (Khs.M)	-	-	-	50	88	153
			Value of dividends earned (Khs. M)	-	-	-	-	8	15
	Minerals Right Board	Licence applications processed	% of licence applications processed	-	-	100	100	100	100
	Administration and Support service	Monitoring and Evaluation (M&E) Services	No. of M&E reports	4	4	4	4	4	4
		Strategic Planning	No. of developed/reviewed Ministerial Strategic Plan 2023-2027	-	-	-	1	-	1
		Capacity Building and Skills Enhancement	No. of Officers Trained	100	105	50	120	140	160

3.1.3 Analysis of Sub-Sector Resource Requirements versus Allocation by:

Table 3. 1.3: Sub-sector Recurrent Requirements /Allocations (Amount KSh. Million)

Vote Details	Economic Classification	Approved Estimates	Requirement			Allocation			Remarks
			2025/26	2026/27	2027/28	2028/29	2026/27	2027/28	
Vote 1192: State Department for Mining	Gross	1,363.41	5,682.05	4,006.63	4,295.27	1,483.72	1,518.42	1,552.94	
	AIA	750.00	750.00	750.00	750.00	750.00	750.00	750.00	
	NET	613.41	4,932.05	3,256.63	3,545.27	733.72	768.42	802.94	
	Compensation to Employees	501.00	628.41	647.26	666.68	589.92	607.62	625.84	
	Transfers	80.10	3,286.92	1,569.12	1,761.64	80.10	94.00	107.00	
	Other Recurrent	782.31	1,766.72	1,790.25	1,866.95	813.70	816.80	820.10	
	of which								
	<i>Utilities</i>	<i>14.58</i>	<i>22.15</i>	<i>18.17</i>	<i>19.08</i>	<i>22.15</i>	<i>18.17</i>	<i>19.08</i>	
	<i>Rent</i>	<i>4.00</i>	<i>4.00</i>	<i>4.00</i>	<i>4.00</i>	<i>4.00</i>	<i>4.00</i>	<i>4.00</i>	
	<i>Insurance</i>	<i>0.38</i>	<i>0.75</i>	<i>0.75</i>	<i>0.75</i>	<i>0.75</i>	<i>0.75</i>	<i>0.75</i>	
	<i>Subsidies</i>	<i>0.00</i>	<i>0.00</i>	<i>0.00</i>	<i>0.00</i>	<i>0.00</i>	<i>0.00</i>	<i>0.00</i>	
	<i>Gratuity</i>	<i>0.00</i>	<i>0.00</i>	<i>0.00</i>	<i>0.00</i>	<i>0.00</i>	<i>0.00</i>	<i>0.00</i>	
	<i>Contracted Guards and Cleaners Services</i>	<i>12.00</i>	<i>12.00</i>	<i>12.00</i>	<i>12.00</i>	<i>12.00</i>	<i>12.00</i>	<i>12.00</i>	
	<i>others</i>	<i>751.36</i>	<i>1,727.81</i>	<i>1,755.34</i>	<i>1,831.13</i>	<i>774.80</i>	<i>781.88</i>	<i>784.27</i>	

Table 3.1.4: Sub-Sector Development Requirements /Allocations (Amount KSH. Million)

Description	Approved Budget Allocation	Requirement			Allocation		
	2025/26	2026/27	2027/28	2028/29	2026/27	2027/28	2028/29
Gross	267.19	2,629.78	2,906.89	3,069.55	478.20	633.74	831.51
GOK	267.19	2,429.78	2,706.89	2,869.55	278.20	433.74	631.51
Loans	0.00	0.00	0.00	0.00	0.00	0.00	0.00
Grants	0.00	0.00	0.00	0.00	0.00	0.00	0.00
Local AIA	0.00	200.00	200.00	200.00	200.00	200.00	200.00

Table 3.1.5: Analysis of Programmes and Sub –Programmes (Current and Capital) Resource Requirements (KSh. Million)

	Approved Budget			Projection (Requirement)								
	2025/26			2026/27			2027/28			2028/29		
	Current	Capital	Total	Current	Capital	Total	Current	Capital	Total	Current	Capital	Total
Programme 1: Geological Survey and Geo- information Management												
S.P.1.1: Geological Survey and Research	176.53	92.17	268.70	402.75	534.33	937.08	419.74	509.21	928.95	437.51	215.49	653.00
S.P.1.2: Mineral Exploration and Evaluation	155.15	83.83	238.98	242.56	940.50	1,183.06	254.04	643.00	897.04	266.08	496.56	762.64
S.P.1.3: Environmental and Engineering Geology	38.88	20.00	58.88	74.13	260.50	334.63	77.40	212.00	289.40	80.82	165.00	245.82
Total Programme 1	370.56	196.00	566.56	719.44	1,735.33	2,454.77	751.18	1,364.21	2,115.39	784.41	877.05	1,661.46
Programme 2: Mineral Resources Management												
S.P.2.1 Mining Licensing, Compliance and Enforcement	298.01	71.19	369.20	3,427.79	582.45	4,010.24	1,252.52	950.18	2,202.70	1,181.75	1,613.00	2,794.75
S.P. 2.2 Commercial Explosives Regulation and Management	86.99	0.00	86.99	201.76	50.00	251.76	194.30	150.00	344.30	203.24	105.00	308.24
S.P. 2.3 Mineral Value Addition and Artisanal Mining Promotion Services	232.76	0.00	232.76	626.01	136.00	762.01	616.00	282.50	898.50	640.57	274.50	915.07
Total Programme 2	617.76	71.19	688.95	4,255.56	768.45	5,024.01	2,062.82	1,382.68	3,445.50	2,025.56	1,992.50	4,018.06

Programme 3: General Administration Planning and Support Services												
S.P. 3.1: General Administration and Support Services	375.10	0.00	375.10	706.81	126.00	832.81	1,192.34	160.00	1,352.34	1,484.96	200.00	1,684.96
Total Programme 3	375.10	0.00	375.10	706.81	126.00	832.81	1,192.34	160.00	1,352.34	1,484.96	200.00	1,684.96
Total Vote 1192	1,363.41	267.19	1,630.60	5,681.81	2,629.78	8,311.59	4,006.34	2,906.89	6,913.23	4,294.93	3,069.55	7,364.48

Table 3.1.6: Analysis of Programmes and Sub-Programmes (Current and Capital) Resource Allocation (Ksh Million)

	Approved Budget			Allocation								
	2025/26			2026/27			2027/28			2028/29		
	Current	Capital	Total	Current	Capital	Total	Current	Capital	Total	Current	Capital	Total
Programme 1: Geological Survey and Geo-information Management												
S.P.1.1: Geological Survey and Research	176.53	92.17	268.70	177.53	155.00	332.53	181.05	254.42	435.47	184.69	273.70	458.39
S.P.1.2: Mineral Exploration and Evaluation	155.15	83.83	238.98	157.51	120.00	277.51	158.49	150.00	308.49	159.49	225.00	384.49
S.P.1.3: Environmental and Engineering Geology	38.88	20.00	58.88	39.90	0.00	39.90	40.55	0.00	40.55	41.23	120.00	161.23
Total Programme 1	370.56	196.00	566.56	374.93	275.00	649.93	380.09	404.42	784.51	385.41	618.70	1,004.11
Programme 2: Mineral Resources Management												
S.P.2.1 Mining Licensing, Compliance	298.01	71.19	369.20	303.15	203.20	506.35	304.98	229.32	534.30	306.87	162.81	469.68

and Enforcement												
S.P. 2.2 Commercial Explosives Regulation and Management	86.99	0.00	86.99	87.59	0.00	87.59	88.72	0.00	88.72	89.88	50.00	139.88
S.P. 2.3 Mineral Value Addition and Artisanal Mining Promotion Services	232.76	0.00	232.76	309.32	0.00	309.32	313.60	0.00	313.60	318.00	0.00	318.00
Total Programme 2	617.76	71.19	688.95	700.07	203.20	903.27	707.30	229.32	936.62	714.75	212.81	927.56
Programme 3: General Administration Planning and Support Services												
S.P. 3.1: General Administration and Support Services	375.10	0.00	375.10	408.72	0.00	408.72	431.02	0.00	431.02	452.79	0.00	452.79
Total Programme 3	375.10	0.00	375.10	408.72	0.00	408.72	431.02	0.00	431.02	452.79	0.00	452.79
Total Vote 1192	1,363.41	267.19	1,630.60	1,483.72	478.20	1,961.92	1,518.42	633.74	2,152.16	1,552.94	831.51	2,384.45

Table 3. 1.7: Programmes and Sub-programmes by Economic Classification (Amount Ksh Million)

	Approved Estimates 2025/26	Requirement			Allocation		
		2026/27	2027/28	2028/29	2026/27	2027/28	2028/29
Programme 1: Geological Survey and Geo-information Management							
Current Expenditure	370.56	719.68	751.43	784.67	374.93	380.09	385.41
2100000 Compensation to Employees	167.56	172.65	177.81	183.13	171.93	177.09	182.41
2200000 Use of Goods and Services	203.00	486.19	509.74	534.47	203.00	203.00	203.00
2600000 Current Transfers to Govt. Agencies	0.00	0.00	0.00	0.00	0.00	0.00	0.00
3100000 Non Financial Assets	0.00	60.83	63.87	67.07	0.00	0.00	0.00

		Requirement			Allocation		
Capital Expenditure	196.00	1,735.33	1,364.21	877.05	275.00	404.42	618.70
2200000 Use of Goods and Services	10.00	221.83	246.33	212.49	39.00	61.66	162.19
2600000 Current Transfers to Govt. Agencies	0.00	0.00	0.00	0.00	0.00	0.00	0.00
3100000 Non Financial Assets	186.00	1,513.50	1,117.88	664.56	236.00	342.76	456.51
Total Expenditure P.1	566.56	2,455.01	2,115.64	1,661.72	649.93	784.51	1,004.11
S.P. 1.1: 1021030 Geological Survey and Research							
Current Expenditure	176.53	402.75	419.74	437.51	177.53	181.05	184.69
2100000 Compensation to Employees	116.53	118.25	121.77	125.41	117.53	121.05	124.69
2200000 Use of Goods and Services	60.00	223.67	234.09	245.04	60.00	60.00	60.00
2600000 Current Transfers to Govt. Agencies	0.00	0.00	0.00	0.00	0.00	0.00	0.00
3100000 Non Financial Assets	0.00	60.83	63.87	67.07	0.00	0.00	0.00
Capital Expenditure	92.17	534.33	509.21	215.49	155.00	254.42	273.70
2200000 Use of Goods and Services	0.00	108.33	80.33	55.49	39.00	61.66	102.19
2600000 Current Transfers to Govt. Agencies	0.00	0.00	0.00	0.00	0.00	0.00	0.00
3100000 Non Financial Assets	92.17	426.00	428.88	160.00	116.00	192.76	171.51
Total Expenditure	268.70	937.08	928.95	653.00	332.53	435.47	458.39
S.P.1.2: Mineral Exploration and Evaluation							
Current Expenditure	155.15	242.80	254.29	266.33	157.51	158.49	159.49
2100000 Compensation to Employees	30.15	32.51	33.49	34.49	32.51	33.49	34.49
2200000 Use of Goods and Services	125.00	210.29	220.80	231.84	125.00	125.00	125.00
2600000 Current Transfers to Govt. Agencies	0.00	0.00	0.00	0.00	0.00	0.00	0.00
3100000 Non Financial Assets	0.00	0.00	0.00	0.00	0.00	0.00	0.00
Capital Expenditure	83.83	940.50	643.00	496.56	120.00	150.00	225.00
2200000 Use of Goods and Services	0.00	80.50	143.00	124.00	0.00	0.00	60.00
2600000 Current Transfers to Govt. Agencies	0.00	0.00	0.00	0.00	0.00	0.00	0.00
3100000 Non Financial Assets	83.83	860.00	500.00	372.56	120.00	150.00	165.00

		Requirement			Allocation		
Total Expenditure	238.98	1,183.30	897.29	762.89	277.51	308.49	384.49
S.P.1.3: Environmental and Engineering Geology							
Current Expenditure	38.88	74.13	77.40	80.82	39.90	40.55	41.23
2100000 Compensation to Employees	20.88	21.90	22.55	23.23	21.90	22.55	23.23
2200000 Use of Goods and Services	18.00	52.24	54.85	57.59	18.00	18.00	18.00
2600000 Current Transfers to Govt. Agencies	0.00	0.00	0.00	0.00	0.00	0.00	0.00
3100000 Non Financial Assets	0.00	0.00	0.00	0.00	0.00	0.00	0.00
Capital Expenditure	20.00	260.50	212.00	165.00	0.00	0.00	120.00
2200000 Use of Goods and Services	10.00	33.00	23.00	33.00	0.00	0.00	0.00
2600000 Current Transfers to Govt. Agencies	0.00	0.00	0.00	0.00	0.00	0.00	0.00
3100000 Non Financial Assets	10.00	227.50	189.00	132.00	0.00	0.00	120.00
Total Expenditure	58.88	334.63	289.40	245.82	39.90	40.55	161.23
Programme 2: Mineral Resources Management							
Current Expenditure	617.76	4,255.56	2,062.86	2,025.65	700.07	707.30	714.75
2100000 Compensation to Employees	158.11	278.19	286.58	295.22	240.42	247.66	255.11
2200000 Use of Goods and Services	459.65	951.96	957.09	997.66	459.65	459.65	459.65
2600000 Current Transfers to Govt. Agencies	0.00	2,934.92	744.20	657.25	0.00	0.00	0.00
3100000 Non Financial Assets	0.00	90.49	74.99	75.52	0.00	0.00	0.00
Capital Expenditure	71.19	768.45	1,382.68	1,992.50	203.20	229.32	212.81
2200000 Use of Goods and Services	20.00	512.00	315.00	392.00	91.00	53.00	115.00
2600000 Current Transfers to Govt. Agencies	0.00	0.00	0.00	0.00	0.00	0.00	0.00
3100000 Non Financial Assets	51.19	256.45	1,067.68	1,600.50	112.20	176.32	97.81
Total Expenditure	688.95	5,024.01	3,445.54	4,018.15	903.27	936.62	927.56
S.P. 2.1: Mining Licensing, Compliance and Enforcement							

		Requirement			Allocation		
Current Expenditure	298.01	3,427.75	1,252.52	1,181.79	303.15	304.98	306.87
2100000 Compensation to Employees	54.43	59.57	61.41	63.29	59.57	61.41	63.29
2200000 Use of Goods and Services	243.58	368.76	382.42	396.76	243.58	243.58	243.58
2600000 Current Transfers to Govt. Agencies	0.00	2,934.92	744.20	657.25	0.00	0.00	0.00
3100000 Non Financial Assets	0.00	64.49	64.49	64.49	0.00	0.00	0.00
Capital Expenditure	71.19	582.45	950.18	1,613.00	203.20	229.32	162.81
2200000 Use of Goods and Services	20.00	379.00	255.00	370.00	91.00	53.00	65.00
2600000 Current Transfers to Govt. Agencies	0.00	0.00	0.00	0.00	0.00	0.00	0.00
3100000 Non Financial Assets	51.19	203.45	695.18	1,243.00	112.20	176.32	97.81
Total Expenditure	369.20	4,010.20	2,202.70	2,794.79	506.35	534.30	469.68
S.P. 2.2: Commercial Explosives Regulation and Management							
Current Expenditure	86.99	201.76	194.30	203.24	87.59	88.72	89.88
2100000 Compensation to Employees	36.99	37.59	38.72	39.88	37.59	38.72	39.88
2200000 Use of Goods and Services	50.00	138.17	145.07	152.33	50.00	50.00	50.00
2600000 Current Transfers to Govt. Agencies	0.00	0.00	0.00	0.00	0.00	0.00	0.00
3100000 Non Financial Assets	0.00	26.00	10.50	11.03	0.00	0.00	0.00
Capital Expenditure	0.00	50.00	150.00	105.00	0.00	0.00	50.00
2200000 Use of Goods and Services	0.00	50.00	50.00	5.00	0.00	0.00	50.00
2600000 Current Transfers to Govt. Agencies	0.00	0.00	0.00	0.00	0.00	0.00	0.00
3100000 Non Financial Assets	0.00	0.00	100.00	100.00	0.00	0.00	0.00
Total Expenditure	86.99	251.76	344.30	308.24	87.59	88.72	139.88
S.P. 2.3: Mineral Value Addition and Artisanal Mining Promotion Services							
Current Expenditure	232.76	626.06	616.05	640.62	309.32	313.60	318.00
2100000 Compensation to Employees	66.69	181.02	186.45	192.05	143.25	147.53	151.93
2200000 Use of Goods and Services	166.07	445.04	429.60	448.57	166.07	166.07	166.07

		Requirement			Allocation		
2600000 Current Transfers to Govt. Agencies	0.00	0.00	0.00	0.00	0.00	0.00	0.00
3100000 Non Financial Assets	0.00	0.00	0.00	0.00	0.00	0.00	0.00
Capital Expenditure	0.00	136.00	282.50	274.50	0.00	0.00	0.00
2200000 Use of Goods and Services	0.00	83.00	10.00	17.00	0.00	0.00	0.00
2600000 Current Transfers to Govt. Agencies	0.00	0.00	0.00	0.00	0.00	0.00	0.00
3100000 Non Financial Assets	0.00	53.00	272.50	257.50	0.00	0.00	0.00
Total Expenditure	232.76	762.06	898.55	915.12	309.32	313.60	318.00
Programme 3: General Administration Planning and Support Services							
Current Expenditure	375.10	706.81	1,192.34	1,484.96	408.72	431.02	452.79
2100000 Compensation to Employees	175.33	177.56	182.87	188.33	177.56	182.87	188.33
2200000 Use of Goods and Services	119.67	177.24	184.56	192.23	151.05	154.15	157.45
2600000 Current Transfers to Govt. Agencies	80.10	352.00	824.92	1,104.39	80.10	94.00	107.00
3100000 Non Financial Assets	0.00	0.00	0.00	0.00	0.00	0.00	0.00
Capital Expenditure	0.00	126.00	160.00	200.00	0.00	0.00	0.00
2200000 Use of Goods and Services	0.00	0.00	0.00	0.00	0.00	0.00	0.00
2600000 Current Transfers to Govt. Agencies	0.00	126.00	160.00	200.00	0.00	0.00	0.00
3100000 Non Financial Assets	0.00	0.00	0.00	0.00	0.00	0.00	0.00
Total Expenditure	375.10	832.81	1,352.34	1,684.96	408.72	431.02	452.79
S.P. 3.1: General Administration and Support Services							
Current Expenditure	375.10	706.81	1,192.34	1,484.96	408.72	431.02	452.79
2100000 Compensation to Employees	175.33	177.56	182.87	188.33	177.56	182.87	188.33
2200000 Use of Goods and Services	119.67	177.24	184.56	192.23	151.05	154.15	157.45
2600000 Current Transfers to Govt. Agencies	80.10	352.00	824.92	1,104.39	80.10	94.00	107.00
3100000 Non Financial Assets	0.00	0.00	0.00	0.00	0.00	0.00	0.00
Capital Expenditure	0.00	126.00	160.00	200.00	0.00	0.00	0.00

		Requirement			Allocation		
2200000 Use of Goods and Services	0.00	0.00	0.00	0.00	0.00	0.00	0.00
2600000 Current Transfers to Govt. Agencies	0.00	126.00	160.00	200.00	0.00	0.00	0.00
3100000 Non Financial Assets	0.00	0.00	0.00	0.00	0.00	0.00	0.00
Total Expenditure	375.10	832.81	1,352.34	1,684.96	408.72	431.02	452.79
Total Vote 1192	1,630.60	8,311.83	6,913.52	7,364.82	1,961.92	2,152.16	2,384.45

Table 3.1.8: Analysis of Recurrent Resource Requirement vs. Allocation for SAGAs (Amount Ksh Million)

Economic Classification	Approved Estimates	Requirement			Allocation			Remark
	2025/26	2026/27	2027/28	2028/29	2026/27	2027/28	2028/29	
1. National Mining Corporation (NAMICO)								
Gross	80.10	352.00	824.92	1,104.39	80.10	94.00	107.00	
AIA	0.00	0.00	0.00	0.00	0.00	0.00	0.00	
NET	80.10	352.00	824.92	1,104.39	80.10	94.00	107.00	
Compensation to Employees	44.92	110.12	167.62	222.70	49.30	54.20	61.92	
Other Recurrent	35.18	241.88	657.30	881.70	30.80	39.80	45.08	
<i>of which</i>								
<i>Insurance</i>	<i>0.50</i>	<i>27.99</i>	<i>57.46</i>	<i>98.60</i>	<i>0.55</i>	<i>1.95</i>	<i>3.63</i>	
<i>Utilities</i>	<i>0.40</i>	<i>1.00</i>	<i>2.65</i>	<i>3.40</i>	<i>0.40</i>	<i>2.65</i>	<i>3.40</i>	
<i>Rent</i>	<i>24.50</i>	<i>24.50</i>	<i>27.20</i>	<i>27.50</i>	<i>24.50</i>	<i>27.20</i>	<i>27.50</i>	
<i>Subscription to International Organization</i>	<i>0.00</i>	<i>0.00</i>	<i>0.00</i>	<i>0.00</i>	<i>0.00</i>	<i>0.00</i>	<i>0.00</i>	
<i>Subscription to Professional Bodies</i>	<i>0.00</i>	<i>0.12</i>	<i>0.46</i>	<i>0.53</i>	<i>0.00</i>	<i>0.00</i>	<i>0.00</i>	

<i>Contracted Professional (Guards & Cleaners)</i>	1.40	1.75	2.25	2.40	1.10	2.00	2.40	
<i>Gratuity</i>	4.15	6.24	7.28	10.58	4.25	6.00	8.15	
<i>others</i>	4.23	180.28	560.00	738.68	0.00	0.00	0.00	

CHAPTER FOUR: CROSS-SECTOR LINKAGES AND EMERGING ISSUES/CHALLENGES

4.1 Cross Sector Linkages

The performance of programmes and projects within the mining sub-sector are interlinked with other sectors through forward and backward linkages. The cross sector linkages of mining sub-sector and other sectors are explained in the table below:

Table 4.1.1: Cross Linkage with Other Sectors

S/N o.	Sector/Subsector	Cross-Linkage with Mining Subsector
1.	The National Treasury and Economic Planning	Resource mobilization and funding, maintenance of macro-economic stability, management of mineral proceeds and providing guidance and oversight on overall planning, monitoring, evaluation and reporting.
2.	Energy Infrastructure and ICT	The sub-sector provides energy essential in driving mining operations. The sub-sector conducts coal exploration, which will eventually be used by the energy sector in the production of energy. Railways, roads and ports for facilitation of transport of the mining products; minerals and mineral products used as in-put materials in design of transport infrastructure.
3.	Investments, Trade and Industry	Coordination of industrial policies around mineral value addition, investment and trade through imports of minerals and minerals products, tools and equipment essential in driving metallurgy, engineering and economy. KEBS in collaboration with Kenya Revenue Authority (KRA) ensures imported explosives meet Kenyan and International standards.
4.	Foreign Affairs	Coordination on bilateral joint cooperation on mining initiatives with other countries. Such initiatives include the Africa Mining Vision, Extractives Industries Transparency Initiative and implementation of Africa's Green Minerals Strategy (AGMS).
5.	East Africa Community and Regional Development	Coordination on East Africa Community regional infrastructure projects, detection and deterrence of smuggling of minerals and mineral products. Enhance joint border operations to prevent smuggling of explosives.

S/N o.	Sector/Subsector	Cross-Linkage with Mining Subsector
6.	Environment, Water and Natural Resources	<p>Conservation and rehabilitation of disused and abandoned mines and quarries;</p> <p>NEMA – Providing approval for Environmental and Social Impact Assessment and Strategic Environmental Assessment reports for mining projects.</p> <p>Joint mapping of land degradation and geo-hazard prone areas is conducted by the sub-sector.</p> <p>NEMA ensures blasting operations meet environmental standards.</p> <p>Implementation of the Minamata Convention on Mercury against mercury poisoning.</p> <p>Sub-sector coordinates Tree Planting, which is one of the post-mining land restoration initiatives.</p>
7.	National Lands Commission (NLC)	Gives consent to private investors to access public land for exploration and mining and collection of stamp duty on issued mineral rights and dealers.
8.	Interior and Coordination of National Government	Crack down on illegal mining operations and unlicensed operators as well as providing mining operators/investors security against external aggression or interferences. Provides security vetting for companies and individuals applying for explosives licences and permits.
9.	Education	The sub-sector depends on trained personnel such as geologists, geophysicists, mining engineers and natural resource scientists. Further, the sub-sector intends to establish a National Mining Institute. This will require approval of the curriculum by the Ministry of Education, as well as collaboration with research agencies and Universities.
10.	Office of the Attorney General	Legal representation and advice during international and national litigation on mining matters and also provides guidance on legal reviews and amendments.
11.	Social Protection Culture and Recreation (SPCR)	<p>SPCR ensures safe mining conditions for workers including ASMs.</p> <p>Mining sub-sector creates jobs and improves livelihoods;</p>

4.2 Emerging Issues

The sub-sector faces a number of emerging issues that affect programme and project implementation. Most of these issues are beyond the control of the sub-sector and the

government. Some are driven by international and regional geo-politics, the state of the world economy and other exogenous factors. To effectively deal with these issues, there is a need for lobbying, collaboration, coordination and cooperation to fully address the issues. Some of the major emerging issues are as follows:

- i. Restructuring and realignment of mineral supply chains occasioned by shifts in tax policies and broader global economic changes shaped by geopolitics, protectionism, cross border wars and mineral-based conflicts;
- ii. Increased demand as a result of adoption of green energy minerals and technological advancement that incorporates Artificial Intelligence.
- iii. Shift in demand for and supply of natural minerals as a result of production of synthetic minerals (e.g. Soda Ash, Carbon dioxide and Gemstones); and
- iv. Realignment of policies to integrate the circular economy (recycling of the used iron or aluminum products).
- v. Gaps in harmonization of regulations across regional blocs (e.g., EAC)

4.3 Challenges

The Mining sub-sector experienced a number of challenges partly attributed to its capital-intensive nature, high upfront costs, and long lead times before projects come to fruition, coupled with the high-risk nature of the mining projects.

These challenges have affected smooth implementation of planned projects and programmes, resulting in delays, stalling of projects/programs, and servicing of various specialized equipment.

The following are major challenges facing the sub-sector.

- i. Mineral extraction and trading without requisite mineral and dealer rights. This has led to undervaluing of minerals, illegal mining, child labour, smuggling of minerals in the pretense of mineral testing and analysis and large scale miners using artisanal miners to do mining on their behalf;
- ii. Local, national and geo-political interference that affect mineral exploitation. Mining is a national responsibility under the fourth schedule of the Kenya Constitution. However, there is interference from the County Governments taking charge of minerals and mineral activities in their jurisdiction;
- iii. High local energy cost dis-incentivizing mineral processing and value addition initiatives;

- iv. Illegal use of explosives and hazardous chemicals like mercury and cyanide in gold processing has led to increased cases of ecological deterioration, mine accidents, deaths and diseases;
- v. High capital investment required to implement mining projects making it difficult for sub-sector to raise adequate capital to finance projects;
- vi. Limited information on mineral potential to inform investment in the sector; occasioned by among others limited resources to undertake geological exploration and mapping and establishment of geological data bank;
- vii. Inadequate seismic data to inform design and development of resilient engineering infrastructures; occasioned by limited seismic capturing and recording stations;
- viii. High Community/Stakeholders expectations coupled with divergent interests which affects projects implementation pace;
- ix. Inadequate specialized training for technical staff;
- x. High incidences of insecurity in mining areas, affecting exploration, exploitation, and development;
- xi. Existing regulatory frameworks governing the mining sector contain gaps that hinder effective oversight, enforcement, and sustainable resource management;
- xii. The expansion of human settlements into designated mining zones has increasingly posed challenges to mining operations. This encroachment not only creates conflicts over land use but also hampers access to mineral resources and raises safety and regulatory concerns and;
- xiii. Many former mining sites have been left unrehabilitated, resulting in significant environmental degradation. These abandoned mines contribute to land instability, water contamination, and pose health and safety risks to nearby communities.

CHAPTER FIVE: CONCLUSION

The mining sub-sector falls under the economic Pillar of the Kenya Vision 2030 as an enabler and plays a pivotal role in Kenya's economic development. The sub-sector provides policy guidance to the following strategic government institutions: National Mining Corporation (NAMICO), the Mineral Rights Board (MRB) and Geologist's Registration Board (GRB), and endeavours to promote sustainable development through enhanced commercialization of discoveries; and developing requisite skills and infrastructure for production of mineral resources.

In line with Kenya Vision 2030, the mining sub-sector has continued to implement its flagship projects, whose performance has a potential of contributing significantly to double-digit economic growth, employment creation, foreign exchange, infrastructural development and provision of raw materials for industrial development. Similarly, through facilitation for the extraction of various specialty minerals such as Titanium Sands and Soda Ash, the sub-sector contributes significantly to global supply of minerals and foreign exchange earnings for the country.

Mining contributes to the country's GDP through foreign exchange earnings on an annual basis resulting in enhanced balance of trade. For the sub-sector to continue on the positive trajectory, there is need for continued support through full adoption and operationalization of the sub-sector legal and policy reforms. Furthermore, activities towards a heightened mining investment environment require massive budgetary outlay given the capital-intensive nature of the sub-sector. These activities include; national assessment of rare earth and metallic minerals; mineral mapping for agro-minerals and strategic minerals for clean energy transitions; digitization and integration of technical reports and geological maps, inspection of mines, regulation of commercial explosives, mineral value addition and formalization of artisanal mining.

Moreover, continued collaboration with the private sector will boost commercialization of mineral discoveries in the country. For effective collaboration, the right investment climate coupled with the right investment policies, attractive investment incentives and quick turnaround times for processes and procedures entrusted to the government is critical in growing the sub-sector, sector and economy. Above all, enhanced field-based data collection on projects,

improved analytical and interpretation skills within the sub-sector as well as laboratory capabilities that play a key role in enhancing the mining investment environment.. Towards this end, there will be a need for adequate allocation of requested funds and timely processing of approval requests for timely implementation of the programmes and projects to realize the set targets for the MTEF period.

CHAPTER SIX: RECOMMENDATIONS

Successful implementation of the identified projects and programmes over the MTEF period will require a raft of measures to be undertaken. These measures will guide the sub-sector to perform and be responsive in addressing the above highlighted challenges. Over the MTEF period 2026/27-2028/29, the following measures are recommended:

- i. Continued legal and policy reforms to avert undervaluing of minerals, incidents of criminal activities and seamless collection of royalties, fees, levies, Free-Carried Interest and other revenues;
- ii. Continuous collaboration, coordination and cooperation with the County Governments under the auspices of the Council of Governors to address interference /involvement of counties in mining activities;
- iii. Surveillance on illegal use of explosives and hazardous chemicals coupled with vetting for companies and individuals applying for explosives licences and permits, to avert environmental deterioration, accidents, diseases and deaths.
- iv. Adoption of Public Private Partnerships to ease over reliance on exchequer funding, and infusing tax incentives to attract investments;
- v. Heightened geological activities alongside finalization of the Geological Data Bank Project that will provide a one stop shop for geological information, attracting more investors in the mining sector;
- vi. Development of the National Geo-hazard Atlas to provide adequate seismic data for estimating seismic hazard in the built environment and accelerate completion of the “National Building Code 2020”;
- vii. Continuous capacity building of stakeholders in the mining sub-sector, building synergy and positioning sub-sector in on a high-performance pathway;
- viii. Improvement of Cross-Border coordination by introduction of joint operations along borders, harmonization of regional laws and standards under EAC to tackle smuggling of commercial explosives;
- ix. Collaboration with security agencies and strengthening of the Mining Police to guarantee security in mining areas, alongside capacity building of ASMs and provision of tools and minimize mine accidents.

REFERENCES

1. Constitution of Kenya 2010
2. Explosive Act Cap 115
3. Geologists Registration Act No. of 1993 Cap 530
4. Kenya Vision 2030
5. Mining Act 2016
6. Mining Development Policy
7. MTP IV
8. National Treasury Circular No: 11/2024
9. PFM Act 2012
10. SDM Strategic Plan 2023-2027
11. BETA

ANNEX 6: PROJECTS DETAILS FOR FY 2025/26 AND MEDIUM TERM PROJECTIONS

State Department for Mining

Vote: 1192

S. No	Project Code & Project Title	Financing			Timeline		Actual Cumulative Expe up to 30th June 2025	Outstanding Project Cost as at 30th June 2025	Project Completion Physical % as at 30th June 2025	Allocation for FY 2025/26		Requirements FY 2026/27		Allocation FY 2026/27		Allocation FY 2027/28		Allocation FY 2028/29		REMARKS*
		Total Cost	GOK	Foreign	Start Date	Completion Date				Gok	Gok	Foreign	GOK	Foreign	GOK	Foreign	GOK	Foreign	GOK	
1	1192100200 Geological Data Bank Project - BETA	400.00	400.00	-	01/07/2015	30/06/2028	202.29	197.71	51%	-	27.17	80.33	-	75.00	-	95.54	-	0.00	one stop shop for geological data.	
2	1192100300 Online Transactional Mining Cadastre Portal - BETA	380.00	380.00	-	01/07/2016	30/06/2028	159.48	220.52	42%	-	35.00	133.34	-	83.00	-	102.52	-	0.00	Facilitate online application, processing and grant of mining rights	
3	1192100400 Mineral Audit Support - BETA	445.00	445.00	-	01/07/2016	30/06/2028	262.00	183.00	59%	-	30.00	100.00	-	75.20	-	77.80	-	0.00	Enhance the sector's revenue collection	
4	1192101600 Rehabilitation of Madini	300.00	300.00	-	01/07/2017	30/06/2029	101.70	198.30	34%	-	6.19	94.11	-	45.00	-	49.00	-	97.81	Improve working environm	

	House																		ent at Madini
5	1192100500 Mineral Certification Laboratory - BETA	1,326.00	1,326.00	-	01/07/2015	30/06/2030	417.51	908.49	31%	-	65.00	350.00	-	80.00	-	158.88	-	205.00	Improve mineral testing and analysis
6	1192100600 Geological Mapping and Mineral Exploration - BETA	1,861.00	1,861.00	-	01/07/2015	30/06/2030	595.44	1,265.56	32%	-	73.00	470.00	-	120.00	-	150.00	-	165.00	Give a stock of the country mineral potential
7	1192102100 Geo Technical Site Investigations	694.00	694.00	-	01/07/2019	30/06/2030	22.90	671.10	3%	-	20.00	120.00	-	0.00	-	0.00	-	120.00	Map geological hazards in the country
8	Development and Commercialization of Copper and associated minerals	300.00	300.00	-	01/07/2026	30/06/2030	0.00	300.00	0%	-	0.00	63.00	-	0.00	-	0.00	-	0.00	Facilitate copper mining and processing in the country
9	Development and Commercialization of Chromite and associated minerals	300.00	300.00	-	01/07/2026	30/06/2030	0.00	300.00	0%	-	0.00	63.00	-	0.00	-	0.00	-	0.00	Facilitate exploitation of Chromite ores in the Country
10	Establishment of Commercial Explosives Magazines	460.00	460.00	-	01/07/2026	30/06/2029	0.00	460.00	0%	-	0.00	50.00	-	0.00	-	0.00	-	50.00	Ensure safe storage of confiscated

																			explosives
11	Targeted Mineral Exploratory Drilling and Evaluation	490.50	490.50	-	01/07/2026	30/06/2030	0.00	490.50	0%	-	0.00	286.50	-	0.00	-	0.00		60.00	Provide geological data on mineral occurrences
12	Development of a National Geo-hazard Atlas	272.50	272.50	-	01/07/2026	30/06/2029	0.00	272.50	0%	-	0.00	140.50	-	0.00	-	0.00		0.00	Help avert Geo-hazards occurrence
13	Mineral Resources mapping along Northern International Transport Corridor	245.00	245.00	-	01/07/2026	30/06/2030	0.00	245.00	0%	-	0.00	104.00	-	0.00	-	0.00		68.70	Map Mineral Resources along Northern Transport Corridor
14	Regional Geochemical Exploration in South Eastern Kenya	450.00	450.00	-	01/07/2026	30/06/2029	0.00	450.00	0%	-	0.00	184.00	-	0.00	-	0.00		0.00	Provide geochemical geological data
15	Artisanal and Small-Scale Miners Market Hubs	474.50	474.50	-	01/07/2026	30/06/2031	0.00	474.50	0%	-	0.00	71.50	-	0.00	-	0.00		0.00	market place for both the artisanal miners and mineral dealers
16	Establishment of new	283.50	283.50	-	01/07/2026	30/06/2029	0.00	283.50	0%	-	0.00	64.50	-	0.00	-	0.00		0.00	Take mining

	Regional Mining Offices																		services closer to clients
17	Establishment of The National Mining Institute	680.00	680.00	-	01/07/2026	30/06/2030	0.00	680.00	0%	-	0.00	40.00	-	0.00	-	0.00	0.00	0.00	Capacity build miners
18	Post-Mining land reclamation and Mine site rehabilitation	831.60	831.60	-	01/07/2026	30/06/2031	0.00	831.60	0%	-	0.00	175.00	-	0.00	-	0.00	65.00	0.00	Rehabilitate abandoned miners
19	Construction of Madini Complex	1,810.00	1,810.00	-	01/07/2026	30/06/2030	0.00	1,810.00	0%	-	0.00	40.00	-	0.00	-	0.00	0.00	0.00	Provide conducive working environment
20	1192100700 Gemstone Value Addition Centre - Taita Taveta	120.00	120.00	0.00	01/07/2016	30/06/2025	109.19	10.81	91%	-	10.81	-	-	0.00	-	0.00	-	0.00	Value addition centre for gemstones
	Total	12,123.60	12,123.60	0.00			1,870.51	10,253.09			267.17	2,629.78		478.20	633.74	831.51			

STATE DEPARTMENT FOR MINING (SDM) – PROJECT CONCEPT NOTES

A. ONGOING PROJECTS

1. Geological Data Bank

SECTION 1: PROJECT PROFILE			
Project Name:		Geological Data Bank - BETA	
Project Reference Number:		1192100200	
Ministry:		Mining, Blue Economy and Maritime Affairs	
Implementing Agency (MDA):		State Department for Mining	
Initiating Department / Division I Section / Unit:		Directorate of Geological Survey and Research	
Budget Vote (where applicable):		1192	
Estimated Project Cost:		400	
MTEF Sector:		Environmental Protection, Water and Natural Resources	
Accounting Officer:		Principal Secretary – State Department for Mining	
Official Contact Details (Provide email, telephone number, postal and physical address):		State Department for Mining, Public Works Building, Ngong Road. P.O. BOX 30009- 00100 Nairobi, Email: ps@mining.go.ke	
Project Threshold:		Small	
Project Geographic Location (Provide GPS Coordinates here):		Nairobi	
County: Nairobi	Sub-County: Makadara	Ward: Landmawe	Villag: Landmawe
Planned Start Date:		1 st July, 2015	

Planned End Date:	30 th June, 2028
Date of Submission:	2015
SECTION 2: PROJECT BACKGROUND	
1. Situation Analysis	
<p><i>a) Current situation that rationalizes the project:</i> The project was started in 2015 and is still under implementation by the Ministry. Most of the data has been in reports archived in Madini library and some of these reports are getting out of stock with no replacements and in some cases it has been very difficult to locate this information in centrally organised space. The recently concluded National Airborne Geophysical Survey has generated immense geological data and information that will require an efficient repository system.</p> <p><i>b) Past and on-going interventions to address the situation.</i> It aims at consolidating all geological data in Kenya in one Centre. The Centre is scanning geological maps/data from 2019 and will act as a central repository for ease of access, retrieval and sharing between the government and investors</p>	
2. Problem Statement	
<p><i>Nature of the problem:</i> Lack of a central geological data repository in the country makes it difficult to manage the data, hinders provision of the same to investors and thus jeopardizes investments in mining sector.</p> <p><i>Scope of the problem:</i> - The available geological data is scattered in different sites and lacks consistency.</p> <p><i>Causes and effects of the problem</i> - Lack of a centralized geological data collection, storage and retrieval Centre has exacerbated the situation.</p> <p><i>Alternative options available to address the problem</i> - There are no available options to address this problem</p>	
3. Relevance of the Project Idea	

<p>a) <i>Linkage of the project to Sector strategic objectives and strategies</i> The project will go a long way in supporting increased investments in Mining in Kenya given that the country is a green field (unexplored for minerals) mining jurisdiction. This will highly generate accrued mining benefits which are crucial in enhancing the country's economic growth.</p> <p>b) <i>Linkage between the proposed project to sector strategic objectives and strategies</i> The sector aspires to grow its contribution to 10% of the GDP by the year 2030 and this project will therefore offer the needed impetus to the sector. It has been observed in other jurisdictions that provision of basic data de-risks mining projects and leads to increased exploration.</p> <p>c) <i>Indicators of demand for the services or goods to be delivered by the project</i> The Mining sector currently contributes to less than 1% of the GDP. There are efforts to grow the sector's contribution to GDP and this project is one of the pillars towards this contribution by easing data availability.</p> <p>d) <i>Rationale for the Government intervention through the project</i> Government is the sole entity that can manage the country's geological data. The same cannot be left to private sector due to sensitivities associated with national resources.</p>
<p>4. Needs Assessment</p>
<p>A well packaged geological data and information is critical for investors in mining and research Institutions. Centralizing the respective geological data sets will ease the pain and the time a user would take to collect all the data of interest. A geo-data website will make it possible for users far from the center access the data at their own comfort hence accelerate investment in Mining.</p>
<p style="text-align: center;">SECTION 3: SCOPE OF THE PROJECT</p>
<p>The project will be centralized in Madini and will entail acquisition of IT software and hardware to develop 7 databases together with the digitization of geological records including those to be obtained from British Geological Survey and African Mineral and Geosciences Centre (A.M.G.C)</p>
<p style="text-align: center;">SECTION 4: LOGICAL FRAMEWORK</p>
<p>This section will show intervention logic or the result chain in a logical manner with a detailed description of the project goal, objectives, outcomes, outputs and inputs</p>
<p>a. Goal</p>
<p>The goal for this project is to provide and manage geo-scientific data and information for sustainable exploitation of minerals.</p>
<p>b. Project Outcomes</p>
<p>The projected outcome from implementation of this project is automation of data and information protection, storage, access and</p>

improve use of geoscience data in the public and private sector.

c. Proposed Project Outputs

The expected outputs are;

- i. IT hardware and software acquired
- ii. 7 databases and Website developed
- iii. Geological records digitized
- iv. Necessary Infrastructure and hardware to handle the National Airborne Geophysical Survey (NAGS) Data and Information acquired and developed.
- v. National Airborne Geophysical Data repatriated

d. Project Activities and Inputs

The expected activities of this project are:

- i. Acquisition of IT hardware and software
- ii. Development of 7 databases and Website
- iii. Digitization of geological records
- iv. Acquisition and development of the necessary infrastructure and hardware to handle the National Airborne Geophysical Survey (NAGS) Data and Information
- v. Repatriation of National Airborne Geophysical Data

e. Project Logical Framework Matrix

Narrative	Indicators	Sources/Mean of verification	Assumptions
Goal: Sustainable exploitation of minerals	Repository centre	No. of repository centres	
Project Outcomes: Automation of data and information protection	Geological data	Data Bank	Project will attract investments
Key Output			
i. IT hardware and software acquired	Number of hardware and software acquired	Purchase invoice	Availability of Funds
ii. 7 databases and Website developed	Number of database and website developed	Completion certificate, Website uploads	
iii. Geological records	Number of geological records	Online applications / uploads	Protected systems against malware

digitized	digitized		
iv. Necessary Infrastructure and hardware to handle the National Airborne Geophysical Survey (NAGS) Data and Information acquired and developed.	Number of NAGS software and hardware purchased	Purchase invoice	Timely release of exchequer
v. Repatriation of National Airborne Geophysical Survey Data	Quantity of NAGS data repatriated	Repatriation reports	
Key Activities			
i. Acquisition of IT hardware and software	Number of hardware and software acquired	Purchase invoice	Availability of Funds
ii. Development of 7 databases and Website	Number of database and website developed	Completion certificate, Website uploads	
iii. Digitization of geological records	Number of geological records digitized	Online applications / uploads	Protected systems against malware
iv. Acquisition and development of the necessary infrastructure and hardware to handle the National Airborne Geophysical Survey (NAGS) Data and Information	Number of NAGS software and hardware purchased	Purchase invoice	Timely release of exchequer
v. Repatriation of National Airborne Geophysical Survey Data	Quantity of NAGS data repatriated	Repatriation reports	
SECTION 5: INSTITUTIONAL ARRANGEMENTS			
a. Institutional Mandate			

The Directorate of Geological Survey and Research is mandated as espoused in the Mining Act to provide a national repository and act as a custodian of geological, mineral, environment and natural resources spatial data and information. Further the directorate is charged with maintaining geological data (research, collection, collation, analysis).

b. Management of the Project

The project will be implemented through the leadership at the directorate and will form a Project Implementation Team (PIT). This PIT will be comprised of the technical officers such as software engineers, IT technicians, geologists and economists that will monitor the implementation of the project to completion. On completion, auditors in collaboration with finance officers will conduct evaluation to ascertain the absorption of the allocated funds and write a comprehensive report. There is sufficient institutional, managerial and technical capacity to implement the project successfully. Funding has been allocated to undertake the activities and in case of a shortfall the implementing agency has the financial capacity to outsource from consultants.

c. Monitoring and evaluation arrangements

The Directorate has Monitoring and Evaluation systems in place with trained and experienced personnel to undertake quarterly monitoring and evaluation as well as reporting on implementation of the project. This will be achieved through structured reporting and feedback mechanisms. The funds will be allocated from GOK budget to facilitate monitoring and evaluation. There will be a project monitoring and evaluation team with Supervisor, Coordinator and implementers. There will also be continuous improvement from the lessons learnt.

d. Risk and Mitigation Measures

There are risks associated with loss of digital data. The risks will be addressed through installation of sufficient firewalls and other digital data protection measures.

<i>Risks</i>	<i>Likelihood/Probability</i>	<i>Risk Impact</i>	<i>Mitigation Strategy</i>
Funds Availability	Medium	High	Prior budgeting
Modification of building	Low	Low	Implementation as per plan and specifications
Procurement of advanced equipment	High	High	Procurement of longer-life equipment
Improper installation of equipment	Low	High	Proper installation done by qualified personnel as per specification

e. Project Stakeholders Management		
<i>Stakeholder</i>	<i>Level of influence</i>	<i>Engagement Strategy</i>
The National Treasury	High	Continuous engagement and collaboration in line with provisions of the law
The Parliament	High	Continuous engagement and collaboration in line with provisions of the law
Interior and Coordination of National Government	Medium	Continued collaboration on areas of strength especially during public meetings
Research Institutions	Medium	Continued collaboration on especially in regard to exchange of data and information held by the Research Institutions
Private Sector	Low	Collaboration in respect of acquisition of geological data in their possession.
International Partners (BGS)	Low	Cooperation in respect of repatriation of geological data in the custody
f. Project Readiness		
The State Department for Mining has the relevant facility designed to house the critical equipment required for the development of the Geo-data bank. This facility will not only support the integration and management of geospatial data but also ensure that technical expertise is readily available. As a result, the department is fully prepared and strategically positioned to implement this project effectively, enhancing data accessibility and supporting informed decision-making in the sector.		
SECTION 6: FINANCIAL INFORMATION		
a) Capital Cost (Kshs. 312 Million) to complete the project:		
Estimate the capital costs required to implement the project as follows:		
a. Consultancy, detailed design and legal fee..... 15 Million		
b. Land Acquisition Costs:NIL.....		
c. Site Access, Preparation and UtilityNIL.....		
c. ConstructionNIL.....		
e. Plant and Equipment 297 Million		
d. Fixtures and FittingsNIL.....		
g. Other capitalNil.....		
b) Recurrent Costs (Kshs. 88 Million) to complete the project:		
Estimate the recurrent costs required to implement the project as follows:		
a) Labour cost 5Million		
b) Operating Costs 3 Million		

c) Maintenance Costs20Million

d) Others 60 Million

c) Total Cost Breakdown in Financial Year

FY 2015/16	FY 2016/17	FY 2017/18	FY 2018/19	FY 2019/20	FY 2020/21	FY 2021/22	FY 2022/23	FY 2023/24	FY 2024/25	FY 2025/26	FY 2026/27	FY 2027/28
Total (Ksh M)	Total (Ksh M)	Total (Ksh M)	Total (Ksh M)	Total (Ksh M)	Total (Ksh M)	Total (Ksh M)	Total (Ksh M)	Total (Ksh M)	Total (Ksh M)	Total (Ksh M)	Total (Ksh M)	Total (Ksh M)
-	44	119	10	19	1	3.5	-	5.8	-	27.17	75	95.54

d) Proposed Source of Financing

Government of Kenya

e) Cost implications to other Related Projects purchase of Geological Data (Maps and Reports) at a cost of Ksh 10 Million

SECTION 7: OPERATIONAL SUSTAINABILITY

The project will have very low O&M costs since it is e-based. Once the infrastructure is put into place, the rest will entail minimal cost of maintenance that will be sourced from the sale of geological data and reports

SECTION 8: PROJECT IMPLEMENTATION PLAN

No.	Activity/Task Name	Expected Duration (Months)	Estimated Cost - allocation (Kshs)	Expected Outputs	KPI	FY 2025/26 (Ksh M)	FY 2026/27 (Ksh M)	FY 2027/28 (Ksh M)
1	Acquisition of IT hardware and software	6 Months	10	IT hardware and software acquired	Number of hardware and software acquired	27.17	31	60.88
2	Development of 3 databases and Website	12 Months	26	3 databases and Website developed	Number of database and website developed	-	6.71	10
3	Digitization of geological records	12 Months	30	Geological records digitized	Number of geological records digitized	-	5	3
4	Acquisition and development of the necessary infrastructure and hardware to handle the National Airborne Geophysical Survey (NAGS) Data and Information	24 Months	87.4	Necessary Infrastructure and hardware to handle the National Airborne Geophysical Survey (NAGS) Data and Information acquired and developed.	Number of NAGS software and hardware purchased	-	37.62	10
5	Repatriation of National	24 Months	17	Repatriation of National	Quantity of NAGS	0	0	6.33

	Airborne Geophysical Survey Data			Airborne Geophysical Survey Data	data repatriated			
	Total		170.54	0		27.17	75	95.54

2. Online Transactional Mining Cadastre Portal

SECTION 1: PROJECT PROFILE			
Project Name:		Online Transactional Mining Cadastre Portal - BETA	
Project Reference Number:		1192100300	
Ministry:		Mining, Blue Economy and Maritime Affairs	
Implementing Agency (MDA):		State Department for Mining	
Initiating Department/Division / Section/Unit		Directorate of Licensing, Compliance and Enforcement	
Budget Vote (where applicable);		1192	
Estimated Project Cost: (Kshs. Millions)		380	
MTEF Sector:		Environmental Protection Water and Natural Resources	
Accounting Officer:		Principal Secretary, State Department for Mining	
Official Contact Details (provide email, telephone number, postal and physical address):		State Department for Mining, Public Works Building, Ngong Road. P.O. BOX 30009- 00100 Nairobi, Email: ps@mining.go.ke	
Project Threshold:		Small	
Project Geographic Location (provide GPS Coordinates here):		Countrywide	
County: All the 47 Counties	Sub-County: Various	Ward: Various	Village: Various
Planned Start Date:		1 st July 2016	
Planned End Date:		30 th June 2028	
Date of Submission:		2015	
SECTION 2: PROJECT BACKGROUND			
1. Situation Analysis			

a) Current situation that rationalizes the project:

The Mining Act (CAP 306) has prescribed that a digital mining cadastre shall be the only platform for managing the mineral rights (sections 191 and 192). The Online Transactional Mining Cadastre Portal is an ongoing project that is aimed at enhancing efficiency, transparency and accountability in the Licensing process and management of mineral rights. The objective is to ensure that Mineral Rights processing and other related regulatory obligations are conducted in a transparent and efficient manner.

The level of performance of the system directly affects the overall management, licensing of mineral rights and dealings in the State Department for Mining. Currently, the experience and the feedback from the various categories of users including Senior Management, Mineral Rights Board, Regional Mining Officers, Licensing Officers and the Mineral Right Holders is that reconfigurations and upgrading of the system particularly to enhance the system security, ease of use, linking to external databases and to fully align it to the Mining Act and the Regulations is necessary.

b) *Past and on-going interventions to address the situation.*

The Online Transactional Mining Cadastre Portal (OTMCP) was officially launched on 6th February 2015 and later in 2015 was integrated with the E-Citizen payment Platform Pesaflow for purpose of online payments.

The experience with the system has revealed the need for improvements of system user experience, security, archiving, query functions for a more user friendly, accountable and interactive system.

2. Problem Statement

a. *Nature of the problem:*

Licensing and permitting are the lifeline of a successful mining regulatory regime. Further, transparent and accountable systems enhance competitiveness and leads to increased investments in the sector. Kenya's' Mining sector, being greenfield, needs to be facilitated through provision of services in the most efficient manner. The project aims at enhancing transparency, ensuring stability and providing an avenue for increased interests in the mining sector. The OTMCP will ensure compliance with Mining Act requirement for a computerized registry of mineral rights, on- line application, processing, granting and management of mineral rights.

b. *Scope of the problem:*

The SDM receives, processes and manages several mineral and dealing rights applications on a continuous basis depending on the number received through the OTMCP System. Reporting to ensure compliance by existing right holders is also done through the same System and the Inspectorate Division receives and evaluates them on a continuous basis as well. All these are expected to grow considerably in the coming years and the lack of an electronic system would be unlawful and would adversely affect the entire mining sector.

Currently, the OTMCP is equipped to handle the following:

- Large Scale Licenses
- Small-Scale and Artisanal Mining Permits
- Mineral Dealers licenses/Permits

The system is yet to be configured/upgraded to perform the following key functions:

- Explosives Licences/Permits
- Mine Support Services Licences/Permits

Without it, all these services would be unavailable and would greatly impact the mining sector negatively.

A transparent and efficient system that would deal with opaqueness and human interference is highly desirable and is the only mode provided for in the Mining Act. The mining sector, being a capital-intensive sector is very sensitive to manipulation and lack of transparency. Indeed, mining capital is highly sought and only countries with transparent and accountable mineral right allocation systems benefit. As Kenya positions herself for increased investments in Mining, it is imperative that an open, transparent and efficient licensing system is adopted and maintained.

c. Causes and effects of the problem

A system that is not upgraded /reconfigured creates a myriad of challenges, is inefficient and can cause a breach of data integrity and confidentiality.

There's no alternative provided in the law for receiving, processing and managing applications and the granted licenses and permits.

d. Alternative Solutions

There is no alternative solution to a centralized registry of mineral rights that will improve the efficiency, transparency, and accountability of the mining sector. The Mining Act provides for an online system only.

3. Relevance of the Project Idea

Linkage of the project to National/County Development Goals

Licensing is tool used by government to regulate the mining sector. The opportunity for improved licensing through automation has proven to increase interest in investments in mining. Following on the objective of increasing the sectors contribution to the GDP, it goes without saying that improvements in licensing and permitting must be undertaken.

The project will facilitate fulfilment of the statutory requirement for a computerized registry of mineral and dealing rights, online applications, processing and management of mineral and dealing rights at the Headquarters. It also includes applications, processing and management of artisanal mining permits at County Offices of the Ministry.

Linkage between the proposed project to sector strategic objectives and strategies

The project is one of the MTP IV priority projects under mining. It's also linked to Sector Strategic Objectives. As the country gears up to having mining contribute to 3-5% of GDP, licensing must be done in an open, transparent and efficient manner. The Mining Act has prescribed that a digital mining cadastre shall be the only platform for managing the rights.

4. Needs Assessment

Indicators of demand for the services or goods to be delivered by the project

Achieving the revenue target of Kshs 4 billion this financial year will necessitate the implementation of an efficient electronic system to issue mining permits and licences. It will also address such issues as opaqueness and lack of transparency in the sector.

Rationale for the Government intervention through the project

The Government and not the private sector has to provide adequate budget support for the implementation of the project. The issuance of permits and licenses is a core mandate of the SDM.

SECTION 3: SCOPE OF THE PROJECT

The scope of the project includes the following:

- (a) Upgrade the Online Transactional Mining Cadastre Portal by incorporating more modules to the Cadastre System.
- (b) Intergrading the Cadastre System with other Government systems such as KRA, BRS, Kentrade.
- (c) Procurement of specialized IT equipment
- (d) Capacity building of users and Customers, and
- (e) Rolling out the system to regional offices

SECTION 4: LOGICAL FRAMEWORK

a) Goal

The Goal of the project is to put in place an efficient, transparent and accountable online mining licensing and permitting management system that will improve efficiency, transparency and delivery of services in the mining sector that will lead an expansion in Kenya's revenue base.

b) Project Objectives/Outcomes

The impact of the immediate result on this project is to improve transparency and efficiency in the management of mineral rights leading to increased investments in the sector. This will have a spiral effect uplifting the sectors contribution to the economy as envisioned.

c) Proposed Project Outputs

The expected deliverable from the project include;

- i. IT infrastructure procured
- ii. OTMCP installation, upgraded and commissioned
- iii. Users and customers capacity built
- iv. Online Mining Cadastre Portal to all the 19 regional mines offices rolled out
- v. Commercial Explosives Management System developed, installed and commissioned
- vi. Upgrading of the OTMCP Monitored and Evaluated

d) Project Activities and Inputs

The inputs for this project are;

- i. Procurement of IT infrastructure
- ii. Development, installation and commissioning of upgraded OTMCP
- iii. Capacity building of users and customers

iv. Rolling out Online Mining Cadastre Portal to all the 19 regional mines offices. v. Development, installation and commissioning of Commercial Explosives Management system vi. Monitoring and Evaluation the upgrading of the OTMCP.			
e) Project Logical Framework Matrix			
Narrative	Indicators	Sources/ means of verification	Assumptions
Goal (MTP/CIDP) Expansion of Kenya's revenue base from the mining sector.	Functional mining Cadastre system	System uptime logs	
Project Outcomes Improvement in transparency and efficiency in the management of mineral rights leading to increased investments in the sector	Functional Online mining Cadastre system	System Generated reports	Contract in place and executed
Key Output			
i. IT infrastructure procured	Number of IT infrastructure procured	Purchase invoice	Availability of Funds
ii. OTMCP installation, upgraded and commissioned	OTMCP installed and upgraded	Installation certificate	Timely release of exchequer
iii. Users and customers capacity built	Number of users capacity built	Attendance list, workshop reports	User acceptability
iv. Online Mining Cadastre Portal to all the 19 regional mines offices rolled out	Number of OTMCP rolled out	Handover reports	Availability of Funds
v. Commercial Explosives Management System developed, installed and commissioned	CEMS installed and upgraded	Installation certificate	
vi. Upgrading of the OTMCP Monitored and Evaluated	Number of M&E reports	M&E Reports	
Key Activities			
i. Procurement of IT infrastructure	Number of IT infrastructure procured	Purchase invoice	Availability of Funds

ii.	Development, installation and commissioning of upgraded OTMCP	OTMCP installed and upgraded	Installation certificate	Timely release of exchequer
iii.	Capacity building of users and customers	Number of users capacity built	Attendance list, workshop reports	User acceptability
iv.	Rolling out Online Mining Cadastre Portal to all the 19 regional mines offices.	Number of OTMCP rolled out	Handover reports	Availability of Funds
v.	Development, installation and commissioning of Commercial Explosives Management system	CEMS installed and upgraded	Installation certificate	
vi.	Monitoring and Evaluation the upgrading of the OTMCP.	Number of M&E reports	M&E Reports	

SECTION 5: INSTITUTIONAL ARRANGEMENTS

a. Institutional Mandate

The State Department as espoused in the Mining Act is mandated with providing efficient and effective support services for management of mineral and geo-information data. The Cadastre system is one of the supports instruments towards this mandate and policy objective

b. Management of the Project

The Directorate of Mines is tasked with ensuring compliance by mineral rights and dealership holders through delivery of the mining services on the Online Transaction Mining Cadastre Portal (OTMCP). These units are staffed by a highly experienced team of mine inspectors and geologists. Part of their mandate includes overseeing the effective collection of mineral royalties and ensuring payments by rights and dealership holders. The implementation team has enough experience in the installation and development of the OTMCP systems and will bring the necessary momentum to drive the successful implementation of the program.

c. Monitoring and Evaluation Arrangements

The Department will monitor the system on an annual basis and will incorporate feedback from stakeholders and users of the system. Additionally, regular (Quarterly) checks will be conducted by the Directorate of Licensing, Compliance and Enforcement for quality control and checks on the entire system. The system will also be evaluated on its security and compatibility with Government security protocols on an ongoing basis. The project will involve procurement, installation, training and commission of IT infrastructure (at regional offices). The project will also involve rolling out the Online Mining Cadastre Portal to all the 19 regional offices.

d. Risks and Mitigation Measures

<i>Risks</i>	<i>Likelihood/probability</i>	<i>Risk Impact</i>	<i>Mitigation Strategy</i>
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	<i>(High, medium or low as categories)</i>	<i>(High, medium or low as categories)</i>	
Funds Availability	Medium	High	Project case funding justification
Sub-standard ICT Equipment and Software	Low	Medium	Quality assessment and adherence of the software and ICT equipment
User Acceptance	Medium	Medium	Proper training and sensitization

e. Project Stakeholders and Collaborators

<i>Stakeholder</i>	<i>Level of influence</i>	<i>Engagement Strategy</i>
The National Treasury	High	Budget allocation
Interior and National Administration	High	Sensitization Programs and Office Space Requests
County Governments	High	Appointment of AMCs chairs, land consents
Local Community	High	Public engagements
Investors/Applicants	High	User training and sensitization

f. Project Readiness

The department is well prepared for this project given that it is an ongoing project. There is sufficient technical, managerial capability to successfully implement this project.

SECTION 6: FINANCIAL INFORMATION

a) Capital Cost (Kshs. 340.5 Million) to complete the project:

The estimate capital costs required to implement the project are as follows:

- a) Consultancies and FeesKshs **190,000,000**
- b) Land Acquisition Cost.....NIL.....
- c) Site Access, Preparation and Utility.....Kshs **20,000,000**
- d) Construction:NIL.....
- e) EquipmentKshs **80,000,000**
- f) Fixtures and fittingsNIL.....
- g) Other capital costsKshs **50,500,000**

b) Recurrent Costs (Kshs. 39.5) to complete the project:

- a) Labour cost
- b) Operating Costs
- c) Maintenance Costs
- d) Others Kshs 39,500,000

c) Total Cost Breakdown in Financial Year

FY (2016/17)	FY (2017/18)	FY (2018/19)	FY (2019/20)	FY (2020/21)	FY (2021/22)	FY (2022/23)	FY (2023/24)	FY (2024/25)	FY (2025/26)	FY (2026/27)	FY (2027/28)
Total (Kshs. M)	Total (Kshs. M)	Total (Kshs. M)	Total (Kshs.)	Total (Ksh.)	Total (Ksh.)	Total (Kshs. M)	Total (Ksh.)	Total (Ksh.)	Total (Ksh.)	Total (Kshs. M)	Total (Kshs. M)
15	67	8	19	3	1.5	13.7	18.4	13.9	35	83	102.52

d) Proposed Financing Options for the Project:

Government of Kenya only

e) Cost implications to other Related Projects

The project has no cost implication on other related projects.

SECTION 7: OPERATIONAL SUSTAINABILITY

Services and benefits on completion of the project among stakeholders

- a) The organization(s) that will own and operate the asset created by the project as follows:
 - *OMTCP will be used in the issuance of permits and licences for enhanced efficiency and improved transparency in the management and administration of mineral rights*
- b) Adequacy of the capacity within the organizations:

There is adequate technical and managerial capacity at the Directorate of Licensing, Compliance and Enforcement to operate and maintain the capital assets once the project is completed.
- c) Coverage of anticipated post implementation operating costs:
 - *Average annual personnel or labour costs,*
 - *Annual operation and maintenance cost,*
 - *Other costs*
- d) Sources of revenues for operating the complete assets: *Licence fees/charges will be used to maintain OMTCP.*

SECTION 8: PROJECT IMPLEMENTATION PLAN

NO	Activity/ task name	Expected duration (months)	Estimated Cost - allocation (Ksh. M)	Expected Outputs	Key Performance Indicator	F Y 2025/26 (Ksh. M)	FY 2026/27 (Ksh. M)	FY 2027/28 (Ksh. M)
1	Procurement of IT infrastructure	12 Months	30	IT infrastructure procured	Number of IT infrastructure procured	20	53.34	5.47
2	Development, installation and commissioning of upgraded OTMCP	36 Months	100	OTMCP installation, upgraded and commissioned	OTMCP installed and upgraded	5	72	21
3	Capacity building of users and customers	36 Months	15.47	Users and customers capacity built	Number of users capacity built	2	3	2.71
4	Rolling out Online Mining Cadastre Portal to all the 29 County Mining Offices.	6 Months	4	Online Mining Cadastre Portal to all the 19 regional mines offices rolled out	Number of OTMCP rolled out	1	2	-
5	Development, installation and commissioning of Commercial Explosives Management system	24 Months	30	Commercial Explosives Management System developed, installed and commissioned	CEMS installed and upgraded	5	-	20
6	Monitoring and Evaluation the upgrading of the OTMCP.	24 Months	6	Upgrading of the OTMCP Monitored and Evaluated	Number of M&E reports	2	3	3
	Total		185.47			35	83	102.52

3. Mineral Audit Support

SECTION 1: PROJECT PROFILE

Project Name:	Mineral Audit Support - BETA
Project Reference Number:	1192100400
Ministry:	Ministry of Mining, Blue Economy and Maritime Affairs
Implementing Agency (MDA):	State Department for Mining
Initiating Department/Division / Section/Unit	Directorate of Mines
Budget Vote (where applicable);	1192

Estimated Project Cost: (Kshs. Million)		445	
MTEF Sector:		Environment Protection, Water and Natural Resources	
Accounting Officer:		Principal Secretary – State Department for Mining	
Official Contact Details (provide email, telephone number, postal and physical address):		State Department for Mining, Public Works Building, Ngong Road. P.O. BOX 30009- 00100 Nairobi, Email: ps@mining.go.ke	
Project Threshold:		Small	
Project Geographic Location (provide GPS Coordinates here):		Madini House	
County: Nairobi	Sub-County: Starehe	Ward: Landimawe	Village: All villages
Planned Start Date:		1 st July 2016	
Planned End Date:		30 th June 2028	
Date of Submission:		2015	
SECTION 2: PROJECT BACKGROUND			
1. Situation Analysis			
<p><i>a) Current situation that rationalizes the project:</i> It is a requirement by the Mining Act 2016 for holders of mining permits, mining licences, and dealership licences to pay royalties to the government. These royalties are to be shared between the community, county and National government.</p> <p><i>b) Past and on-going interventions to address the situation.</i> The State Department for Mining established Mineral Audit Unit in 2016. This was prompted by the need to audit and ascertain the declared mineral production volumes and sales values by the mineral right holders. The Mining Act, 2016 requires that royalties collected from minerals are shared between National Government, the source County Government and Local Community. This therefore necessitated an effective Mineral Audit Unit with adequate capacity to detect and deter incorrect declarations that result in loss of revenues and misallocation of county and community revenue shares. The Unit therefore needs to further build capacity, acquire, install and commission the Royalty Management System for auditing of mineral production and sales within the country.</p>			
2. Problem Statement			
<p><i>a) Nature of the Problem</i> The assessment and collection of the mineral royalties which is done by the State Department for Mining using data submitted by mineral rights holders is processed manually thus affecting its accuracy, integrity, and timely submission.</p> <p><i>b) Scope of the Problem</i></p>			

All licensed mineral rights holders and dealers in Kenya are obligated to submit their mineral sales and production data to the State Department for Mining for assessment and determination of royalties payable. Additionally, the SDM is obligated to capture the source of these royalties for the purpose of allocating shares to the source County Government and Local Community. In the last Financial Year the State Department for Mining collected royalties amounting to Kshs3.7 billion. This is an indication of the high potential in generation of royalty from minerals. To enhance this collection and accountability, there is need to equip the Mineral Audit Section with the appropriate technology.

c) Cause and Effect of the Problem

The lack of a Royalty Management System to trace, process, and allocate royalties payable by mineral rights holders and dealers results in loss of revenue due to underreporting of mineral royalties.

d) Alternative Solutions

There is no alternative solution to this problem that can effectively manage the collection, processing and allocation of mineral royalties.

3. Relevance of the Project Idea

a) Linkage of the project to Sector strategic objectives and strategies

Kenya Vision 2030 has identified extractives sector as a key enabler under the economic pillar. Correct assessment of royalty payable is one of the key planks in ensuring that the Mining sector contribution to the economy and the resultant accruing benefit is enhanced. This project is aimed at strengthening the Mineral Audit Unit capacity to assess and monitor revenues generated from mining operations. It is therefore directly linked to the Vision 2030, its attendant medium-term plans and sector priorities.

Additionally, increased accountability in allocation of money to communities affected by mines resonates well with the bottom up economic transformation agenda.

b) Linkage between the proposed project to sector strategic objectives and strategies

Implementation of this project will enhance the sector's revenue goals and therefore contribution to GDP.

c) Indicators of demand for the services or goods to be delivered by the project

The National Treasury increased the State Department for Mining revenue collection targets to Kshs15 billion. This demands for a digitalized system to manage and enhance the collection from the current Kshs3.7 billion.

The need to expand the SDM's royalty collection base to include industrial, construction minerals and locally consumed minerals calls for an online based royalty management platform.

d) Rationale for the Government intervention through the project

Collection of royalties is a mandate of the SDM. Further, the private sector cannot be entrusted with the management of royalty collection data due to its sensitivity as well as ensuring the integrity of the data.

4. Needs Assessment

Identify the target final beneficiaries (i.e. the end users of the services to be provided by the project) and give approximate assessment

of their likely demand for the services provided by project by providing the following information:

- a) Specific target group of final beneficiaries intended to benefit from the proposed project.
- b) Approximate estimate of how many end-users there will be for the services provided by the project, indicating the units of measurement (individuals, households, business)
- c) Estimate the physical demand for the services provided by the project on completion and its growth rate, indicating the unit(s) of measurement (e.g. cubic metres of water per day, vehicles per day; and
- d) Proposed physical capacity of the proposed facilities, indicating the unit(s) of measurement e.g. cubic metres of water per day, or square metres of usable space.
- e) Identify potential benefits and make a preliminary qualitative assessment by providing the following information:
 - i. The main benefits of the asset that will be created to the end-users;
 - ii. Any significant external benefits or negative effects for non-users; and
 - iii. Any significant differences in benefits between alternatives if any, with brief explanations.

SECTION 3: SCOPE OF THE PROJECT

The project involves the procurement and installation of a customized online IT system, capacity building of users and customers, procurement of specialized IT equipment and supporting infrastructure, a roll-out to the 47 counties and continued monitoring and enforcement efforts. All licensed mineral rights holders and dealers in Kenya are obligated to submit their mineral sales and production data to the State Department for Mining for assessment and determination of royalties payable. Additionally, the SDM is obligated to capture the source of these royalties for the purpose of allocating shares to the source County Government and Local Community. In the last Financial Year the State Department for Mining collected royalties amounting to Kshs3.7 billion. This is an indication of the high potential in generation of royalty from minerals. To enhance this collection and accountability, there is need to equip the Mineral Audit Section with the appropriate technology.

SECTION 4: LOGICAL FRAMEWORK

a) Goal

The Goal of the project is to have an online based royalty management system to strengthen the Mineral Audit Unit.

b) Project Objectives/ Outcomes

Enhanced mineral revenue collection that will provide up-date real time data on royalty collection.

c) Proposed Project Outputs

The expected deliverables are;

- i. RMS, IT and supporting software procured
- ii. RMS Installed and tested
- iii. RMS decentralised

<ul style="list-style-type: none"> iv. Mineral rights holders capacity built v. Monitoring and Evaluation conducted 																																			
<p>d) Project Activities and Inputs</p> <p>The project activities are;</p> <ul style="list-style-type: none"> i. Procurement of RMS, IT and supporting software ii. Installation and running of RMS iii. Decentralisation of RMS to the county level iv. Capacity building of mineral rights holders v. Monitoring and evaluation 																																			
<p>e) Project Logical Framework Matrix</p> <table border="1"> <thead> <tr> <th>Narrative</th> <th>Indicators</th> <th>Sources/ means of verification</th> <th>Assumptions</th> </tr> </thead> <tbody> <tr> <td>Goal (MTP/CIDP) Strengthen Mineral Audit Unit</td> <td>System operationalization status,</td> <td>Installation certificate</td> <td></td> </tr> <tr> <td>Project Outcomes Enhanced royalty payments by Mineral Right Holders</td> <td>Increased (royalty) collections</td> <td>Audited financial reports</td> <td>Proper functioning system</td> </tr> <tr> <td colspan="4">Key Output</td> </tr> <tr> <td>i. RMS, IT and supporting software procured</td> <td>Number of software procured</td> <td>Purchase orders</td> <td>Timely release of exchequer</td> </tr> <tr> <td>ii. RMS Installed and tested</td> <td>RMS installed</td> <td>Installation certificate</td> <td>Availability of funds</td> </tr> <tr> <td>iii. RMS decentralised</td> <td>Number of counties using RMS</td> <td>User rights reports</td> <td>Accessibility to internet services</td> </tr> <tr> <td>iv. Mineral rights holders capacity built</td> <td>Number of stakeholders capacity built</td> <td>Attendance reports</td> <td>Funds Availability</td> </tr> </tbody> </table>				Narrative	Indicators	Sources/ means of verification	Assumptions	Goal (MTP/CIDP) Strengthen Mineral Audit Unit	System operationalization status,	Installation certificate		Project Outcomes Enhanced royalty payments by Mineral Right Holders	Increased (royalty) collections	Audited financial reports	Proper functioning system	Key Output				i. RMS, IT and supporting software procured	Number of software procured	Purchase orders	Timely release of exchequer	ii. RMS Installed and tested	RMS installed	Installation certificate	Availability of funds	iii. RMS decentralised	Number of counties using RMS	User rights reports	Accessibility to internet services	iv. Mineral rights holders capacity built	Number of stakeholders capacity built	Attendance reports	Funds Availability
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Key activities			
i. Procurement of RMS, IT and supporting software	Number of software procured	Purchase orders	Timely release of exchequer
ii. Installation and running of RMS	RMS installed	Installation certificate	Availability of funds
iii. Decentralisation of RMS to the county level	Number of counties using RMS	User rights reports	Accessibility to internet services
iv. Capacity building of mineral rights holders	Number of stakeholders capacity built	Attendance reports	Funds Availability
v. Monitoring and evaluation	Number of M&E exercise conducted	M&E reports	

SECTION 5: INSTITUTIONAL ARRANGEMENTS

a. Institutional Mandate

The State Department is mandated to implement Mining Capacity Development and Value Addition with an aim of ensuring the citizens get maximum benefit from the country's mineral resources. This is one of the projects geared towards enhancing the mining sector's contribution to GDP by minimizing revenue leakages that are geared towards enhancing the envisioned contribution and the intended accruing benefits.

b. Management of the Project

The project will be implemented through the leadership at the directorate and will form a Project Implementation Team (PIT). This PIT will be comprised of the technical officers such as surveyors, engineers and economists that will monitor the implementation of the project to completion. On completion, auditors in collaboration with finance officers will conduct evaluation to ascertain the absorption of the allocated funds and write a comprehensive report. There is sufficient institutional, managerial and technical capacity to implement the project successfully. Funding has been allocated to undertake the activities and in case of a shortfall the implementing agency has the financial capacity to outsource from consultants

c. Monitoring and Evaluation Arrangements

The Directorate has Monitoring and Evaluation systems in place with trained and experienced personnel who will conduct quarterly monitoring and evaluation of the project. This will be achieved through structured reporting and feedback mechanisms. The funds will

be allocated from GOK budget to facilitate monitoring and evaluation. There will be a project monitoring and evaluation team with Supervisor, Coordinator and implementers. There will also be continuous improvement from the lessons learnt.

d. Risks and Mitigation Measures

<i>Risks</i>	<i>Likelihood/probability (High, medium or low as categories)</i>	<i>Risk Impact (High, medium or low as categories)</i>	<i>Mitigation Strategy</i>
Funds Availability	Medium	High	Project case funding justification
Sub-standard ICT Equipment and Software	Low	Medium	Quality assessment and adherence of the software and ICT equipment
User Acceptance	Medium	Medium	Proper training and sensitization

Potential risks lie with normal security breaches and infiltration by external interference. To mitigate against this, sufficient security features will be incorporated into the system. The developer will be expected to guarantee the highest security protocols available for this kind of system.

e. Project Stakeholders and Collaborators

<i>Stakeholder</i>	<i>Level of influence</i>	<i>Engagement Strategy</i>
The National Treasury	High	Dialogue and budget
Interior and National Administration	High	Sensitization Programs and Office Space Requests
County Governments	High	Office space Requests
The Cabinet and the Parliament	Medium	Collaboration and consultation to implement the RMS which is instrumental in the Royalty Management Framework
Mineral Right Holders and Dealers	High	Sensitization workshops/ forums, public notices
Office of the Attorney General	Medium	Gazettment of the approved Royalty Sharing Framework
Local Community	High	Public engagements

f. Project Readiness

The project will be implemented by the Directorate of Mines and have acquired the necessary approvals. The project will be implemented in close consultation with ministry of Information Technology.

SECTION 6: FINANCIAL INFORMATION

a. Capital Cost (Kshs. 440 Million) to complete the project:

Estimate the capital costs required to implement the project as follows:

- a. Consultancy, detailed design and legal fees**130,000,000**.....
- b. Land Acquisition Costs:
- c. Site Access, Preparation and Utility
- d. Construction
- e. Plant and Equipment
- f. Fixtures and Fittings**300,000,000**.....
- g. Other capital**10,000,000**.....

b. Recurrent Costs (Kshs. 5 Million) to complete the project:

Estimate the recurrent costs required to implement the project as follows:

- a. Labour cost
- b. Operating Costs
- c. Maintenance Costs
- d. Others**5,000,000**.....

c. Total Cost Breakdown in Financial Year

FY (2016/17)	FY (2017/18)	FY (2018/19)	FY (2019/20)	FY (2020/21)	FY (2021/22)	FY (2022/23)	FY (2023/24)	FY (2024/25)	FY (2025/26)	FY (2026/27)	FY (2027/28)
Total (Kshs.)	Total (Kshs.)	Total (Kshs.)	Total (Kshs.)	Total (Kshs.)	Total (Kshs.)	Total (Kshs.)	Total (Kshs.)	Total (Kshs.)	Total (Kshs.)	Total (Kshs.)	Total (Kshs.)
35	96	47	24	6	6	1.8	20.4	25.8	30	75	77.8

d. Proposed Source of Financing

Government of Kenya only

e. Cost implications to other Related Projects

Provide a breakdown of estimated cost for other related projects that have to be implemented in order for the benefits from the project to be realized. For this related project, is land expropriation required? (Yes / No) If <Yes> state the total expenses required to achieve

this? Is compensation also required (compensation / legal costs etc.). What other costs are attendant on this? N/A

SECTION 7: OPERATIONAL SUSTAINABILITY

Services and benefits on completion of the project among stakeholders

- a) The organization(s) that will own and operate the asset created by the project as follows:
 - *OMTCP will be used in the issuance of permits and licences for enhanced efficiency and improved transparency in the management and administration of mineral rights*
- b) Adequacy of the capacity within the organizations:

There is adequate technical and managerial capacity at the Directorate of Licensing, Compliance and Enforcement to operate and maintain the capital assets once the project is completed.
- c) Coverage of anticipated post implementation operating costs:
 - *Average annual personnel or labour costs,*
 - *Annual operation and maintenance cost,*
 - *Other costs*

Sources of revenues for operating the complete assets: *Licence fees/charges will be used to maintain OMTCP.*

SECTION 8: PROJECT IMPLEMENTATION PLAN

No:	Activity/ task name	Expected duration (months)	Estimated Cost - allocation (Ksh. M)	Expected Outputs	Key Performance Indicator	FY 2025/26 (Ksh M)	FY 2026/27 (Ksh M)	FY 2027/28 (Ksh M)
1	Procurement of RMS, and IT supporting software	12 Months	-	RMS and IT supporting software procured	Number of software procured	-	84	50
2	Development, Installation and running of RMS	24 Months	104	RMS Installed and tested	RMS, EMS, LIMS and LMS installed	20	-	-
3	Decentralisation of RMS to the county level	24 Months	30.99	RMS decentralised	Number of counties using RMS	5	-	-
4	Capacity building of mineral rights holders	24 Months	10	Mineral rights holders capacity built	Number of stakeholders capacity built	5	3	2
5	Monitoring and evaluation	12 Months	8	Monitoring and Evaluation	Number of M&E exercise	0	3	1

				conducted	conducted			
	Total		152.99			30	75	77.8

4. Rehabilitation of Madini House

SECTION 1: PROJECT PROFILE			
Project Name:		Rehabilitation of Madini House	
Project Reference Number:		1192101600	
Ministry:		Mining, Blue Economy and Maritime Affairs	
Implementing Agency (MDA):		State Department for Mining	
Initiating Department/Division / Section/Unit		Directorate Licensing, Compliance and Enforcement	
Budget Vote (where applicable);		1192	
Estimated Project Cost: (Kshs. Million)		300	
MTEF Sector:		Environmental Protection Water and Natural Resources	
Accounting Officer:		Principal Secretary, State Department for Mining	
Official Contact Details (provide email, telephone number, postal and physical address):		State Department for Mining, Public Works Building, Ngong Road. P.O. BOX 30009- 00100 Nairobi, Email: ps@mining.go.ke	
Project Threshold:		Small	
Project Geographic Location (provide GPS Coordinates here):		Madini House	
County: Nairobi	Sub-County: Starehe	Ward: Landimawe	Village: Landimawe
Planned Start Date:		1 st July 2017	
Planned End Date:		30 th June 2027	
Date of Submission:		2016	
SECTION 2: PROJECT BACKGROUND			
1. Situation Analysis			
<i>a) Current situation that rationalizes the project:</i>			

The Madini old building is a four-storey structure that houses the technical departments of the ministry and the laboratory. Due to age and vagaries of weather, the building is in a dilapidated state and requires major renovations. In the financial year 2022/2023, two floors were refurbished leaving two others and the roof undone. The building also has an outdated lift, which is dysfunctional, yet it is the only means of access to the upper floors by people living with disabilities (PWDs). This lift requires urgent replacement to provide access to all. There are severe leakages on some sections of the roof which have rendered some rooms inhabitable and have even caused damage to equipment.

The security lighting system in the entire compound is not working thus compromising security at night. This needs urgent repair work/re-installation.

b) Past and on-going interventions to address the situation.

Previous works done on the building include external painting, entrance canopy, and refurbishment of the ground and first floors. In the current financial year, we envisage to refurbish the two remaining floors and the roof, re-install the lift and repair the security lighting.

2. Problem Statement

a. Nature of the problem:

The old Madini building is dilapidated and has many issues including:

- compromising the health and security of the occupants,
- the absence of a lift prevents access to the upper floors for PWDs,
- the geological museum and library on the ground floor which hold and displays crucial geological information is completely run down and requires a major reworking.
- The state department has recruited additional staff necessitating more office space for the new staff. Currently, some of the new staff are operating from an unfurnished open restaurant space.
- The only boardroom in the building is not fit for purpose due to old and dilapidated furniture and accessories.
- The building hosts the Online Mining Cadastre System which is established by law as the only tool for managing mining concessions. This system requires fast and reliable internet infrastructure to run it on a 24-hour basis. The current system is sub-par.
- The only store for the Ministry is housed in Madini. In the recent past, it suffered a fire outbreak which damaged the store and now requires urgent fixing.
- Parking space around the building needs to be expanded to accommodate a rising number of traffic into the compound.
- Currently there is no control access to limit where visitors can access to park. There's need to separate parking spaces for visitors and staff to prevent incidences of theft that have been reported in the past.
- In the new Madini building, there are machines that need to be operationalized because the building is not finished – builders

works ongoing, lack of drainage etc.

- The new Madini building has no walkway from the old building and the parking area too.
- There is need to link the standby generator to the new Madini building which hosts some offices, the laboratory, geo-data Centre and the OMTCP platform.
- The lapidary section of the building is also dilapidated and requires a major facelift to accommodate modern operations and equipment.

3. Relevance of the Project Idea

a) Linkage of the project to Sector strategic objectives and strategies

- Improved productivity
- Raise the image of the State department
- Health and hygiene issues among staff addressed
- Improved service delivery
- Protection of equipment from damage
- Improved access for PWDs
- Security bolstered – equipment loss curbed

b. Causes and effects of the problem

- Age and design parameters
- Lack of budget for routine maintenance of the structures over the years.
- Lack of access to PWDs to the upper floors
- An unhealthy and unsafe working environment for staff.
- Compromised security.

c. Linkage between the proposed project to sector strategic objectives and strategies

The building hosts the headquarters for the Mines and Geological Functions comprising the five technical directorates of the ministry (The Directorate Licensing, Compliance and Enforcement, Directorate of Commercial Explosives, Directorate of Geological Survey and Research, Directorate of Mineral Exploration and Evaluation and the Directorate of Environmental and Engineering Geology), MRB, Laboratory that needs ISO Certification, procurement store, and the Online Mining Cadastre Administration offices thus making the project a key pillar for sector strategic objectives and strategies.

d. Indicators of demand for the services or goods to be delivered by the project

There is a need to create a conducive working environment, create space for the new additional staff, provide access to offices for PWDs, and increase efficiency to the laboratory, library, geological museum, procurement store, and the Online Mining Cadastre offices.

e. Rationale for the Government intervention through the project

The project aims to provide a good working environment for government officers through the rehabilitation of the Madini House
4. Needs Assessment
Identify the target final beneficiaries (i.e. the end users of the services to be provided by the project) and give approximate assessment of their likely demand for the services provided by project by providing the following information: <ul style="list-style-type: none"> a) Specific target group of final beneficiaries intended to benefit from the proposed project. b) Approximate estimate of how many end-users there will be for the services provided by the project, indicating the units of measurement (individuals, households, business) c) Estimate the physical demand for the services provided by the project on completion and its growth rate, indicating the unit(s) of measurement (e.g. cubic metres of water per day, vehicles per day; and d) Proposed physical capacity of the proposed facilities, indicating the unit(s) of measurement e.g. cubic metres of water per day, or square metres of usable space. e) Identify potential benefits and make a preliminary qualitative assessment by providing the following information: <ul style="list-style-type: none"> i. The main benefits of the asset that will be created to the end-users; ii. Any significant external benefits or negative effects for non-users; and iii. Any significant differences in benefits between alternatives if any, with brief explanations.
SECTION 3: SCOPE OF THE PROJECT
The scope of this project entails the following; <ul style="list-style-type: none"> • Development of bills of quantities to capture all outstanding works (a reserve of Public Works) • Tendering • Implementation • Procurement and installation of lift
SECTION 4: LOGICAL FRAMEWORK
a) Goal
The overall goal of the project is to expand Kenya’s revenue base through improved safe working environment for the departments staff by refurbishment of the building and accessories’
b) Project Objectives/Outcomes
The expected impact as a result of the implementation of this project will be improvement in mining services delivery and general productivity from internal stakeholders.
c) Proposed Project Outputs
The expected outputs are; <ul style="list-style-type: none"> i. Bill of quantities developed ii. Rehabilitation materials procured

iii. Madini house rehabilitated iv. Monitoring and Evaluation conducted.			
d) Project Activities and Inputs			
The anticipated activities to successfully deliver this project are; <ol style="list-style-type: none"> i. Development of bills of quantities to capture all outstanding works ii. Procurement and installation of rehabilitation materials iii. Rehabilitation of Madini House iv. Conduct Monitoring and Evaluation 			
e) Project Logical Framework Matrix			
Narrative	Indicators	Sources/Mean of verification	Assumptions
Goal: To expand Kenya's revenue base through improved safe working environment	Percentage increase in revenue collection	Audited financial reports	
Project Outcomes: Improvement in mining services delivery and general productivity	Number of mining services delivered	Licenses, feedback reports	Timely release of exchequer
Key Outputs			
i. Bill of quantities developed	Number of BoQs developed	Bills of Quantities, Statement of works	Availability of Funds
ii. Rehabilitation materials procured	Quantity of materials procured	Tender documents, purchase invoices	
iii. Madini house rehabilitated	Madini house rehabilitated	Completion certificate	

iv. Monitoring and Evaluation conducted	Number of M&E exercise	M&E reports	
Key Activities			
i. Development of bills of quantities	Number of BoQs developed	Bills of Quantities, Statement of works	Availability of Funds
ii. Procurement and installation of rehabilitation materials	Quantity of materials procured	Tender documents, purchase invoices	
iii. Rehabilitation of Madini House	Madini house rehabilitated	Completion certificate	
iv. Monitoring and Evaluation	Number of M&E exercise	M&E reports	
SECTION 5: INSTITUTIONAL ARRANGEMENTS			
<p>a) Institutional Mandate The building holds the headquarters for all the technical operations of SDM and as such important for the successful implementation of the SDM mandate, which is espoused in the Mining Act of 2016 to provide leadership in the management of the minerals sector. This includes development of Mining policies, creating a favourable legal and regulatory environment for investments and building capacity for effective management of programs and projects.</p>			
<p>b) Management of the Project The project will be implemented through the leadership at the directorate and will form a Project Implementation Team (PIT). This PIT will be comprised of the technical officers such as surveyors, engineers and economists that will monitor the implementation of the project to completion. On completion, auditors in collaboration with finance officers will conduct evaluation to ascertain the absorption of the allocated funds and write a comprehensive report. There is sufficient institutional, managerial and technical capacity to implement the project successfully. Funding has been allocated to undertake the activities and in case of a shortfall the implementing agency has the financial capacity to outsource from consultants.</p>			
<p>c) Monitoring and Evaluation Arrangements The Accounting officer will oversee the implementation of the project. The Ministry's Structure including the Mines and Geological Functions and Internal Audit will monitor and evaluate the implementation of the project. The Secretary of Mines will be responsible for tracking the project's implementation. This project will require an enhanced and special budgetary allocation which is allocated to the Directorate of Licensing Compliance and Enforcement, through which the multi-agency team will carry out the implementation of the project.</p>			
d) Risks and Mitigation Measures			
<i>Risks</i>	<i>Likelihood/probability</i>	<i>Risk Impact</i>	<i>Mitigation Strategy</i>

	<i>(High, medium or low as categories)</i>	<i>(High, medium or low as categories)</i>	
Funds Availability	Medium	High	Prior budgeting
Human Resource	Low	Medium	Proper planning through formation of multi-agency team that will bring together relevant players.

e) Project Stakeholders and Collaborators

<i>Stakeholder</i>	<i>Level of influence</i>	<i>Engagement Strategy</i>
The National Treasury	High	Budgetary Allocation
Directorate of Licensing, Compliance and Enforcement	High	The lead Coordinator during the implementation of project
State Department for Public Works	High	The State Department will be consulted on the Bills of Quantities and will oversee the design and implementation of the rehabilitation of the building

f) Project Readiness

The State Department is fully prepared to implement the rehabilitation of Madini house. This initiative aims to enhance infrastructure, improve operational efficiency, and support local mining communities. Our plans include comprehensive budgeting, stakeholder engagement, and adherence to safety and environmental standards to ensure successful project execution. All the necessary approvals have already been undertaken.

SECTION 6: FINANCIAL INFORMATION

a. Capital Cost (Kshs.283Million) to complete the project:

The capital costs required to implement the project are as follows:

- a. Consultancy, detailed design and legal fees **10,000,000**
- b. Land Acquisition Costs:
- c. Site Access, Preparation and Utility
- d. Construction
- e. Plant and Equipment **105,000,000**
- f. Fixtures and Fittings **165,000,000**
- g. Other capital **3,000,000**

b. Recurrent Costs (Kshs.17 million) to complete the project:

The recurrent costs required to implement the project are as follows:

i.	Labour Cost.....	13,000,000
ii.	Operating costs	2,000,000
iii.	Maintenance Costs	
iv.	Others	2,000,000

c. Total Cost Breakdown in Financial Year

FY (2016/17)	FY (2017/18)	FY (2018/19)	FY (2019/20)	FY (2020/21)	FY (2021/22)	FY (2022/23)	FY (2023/24)	FY (2024/25)	FY (2025/26)	FY (2026/27)	FY (2027/28)	FY (2028/29)
Total (Kshs. M)	Total (Kshs. M)	Total (Kshs. M)	Total (Kshs. M)	Total (Kshs.)	Total (Ksh.)	Total (Ksh.)	Total (Kshs. M)	Total (Kshs. M)	Total (Kshs. M)	Total (Kshs. M)	Total (Kshs. M)	Total (Kshs. M)
13	5	30	15	8	1	17.2	12.5	-	6.19	45	49	97.81

d. Proposed Financing Options for the Project:

Government of Kenya only

e. Cost implications to other Related Projects

The project has no cost implication on other related projects.

SECTION 7: OPERATIONAL SUSTAINABILITY

Services and benefits on completion of the project among stakeholders

- i. The organization(s) that will own and operate the asset created by the project as follows:
 - *The SDM will undertake the rehabilitation of Madini House for use by the State Department*
- ii. Adequacy of the capacity within the organization(s): *There is adequate technical and managerial capacity at the Directorate of Licensing, Compliance and Enforcement to undertake the project.*
- iii. Coverage of anticipated post implementation operating costs:
 - *This project will require negligible maintenance after completion*
- iv. Sources of revenues for operating the complete assets: *Budget allocation from Treasury*

SECTION 8: PROJECT IMPLEMENTATION PLAN

NO	Activity/ task name	Expected duration	Estimated Cost –	Expected Outputs	Key Performance	FY 2025/26	FY 2026/27 (Ksh M)	FY 2027/28	FY 2028/29
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		(months)	allocation (Ksh. M)		Indicator	(Ksh M)		(Ksh M)	(Ksh M)
1	Development of bills of quantities	6 Months	-	Bill of quantities developed	Number of BoQs developed	-	-	-	
2	Procurement and installation of rehabilitation materials	6 Months	100	Rehabilitation materials procured	Quantity of materials procured	6.19	30.3	-	
3	Rehabilitation of Madini House	24 Months	92	Madini house rehabilitated	Madini house rehabilitated	-	60	48	46
4	Monitoring and Evaluation	24 Months	.08	Monitoring and Evaluation conducted	Number of M&E exercise	-	3.81	2	2
	Total		192.08			6.19	45	49	97.81

5. Mineral Certification Laboratory

SECTION 1: PROJECT PROFILE	
Project Name:	Mineral Certification Laboratory - BETA
Project Reference Number:	1192100500
Ministry:	Mining, Blue Economy and Maritime Affairs
Implementing Agency (MDA):	State Department for Mining
Initiating Department/Division / Section/Unit	Geological Surveys and Geo-Information Management
Budget Vote (where applicable);	1192

Estimated Project Cost: (Kshs. B)	1,326		
MTEF Sector:	Environment Protection, Water and Natural Resources		
Accounting Officer:	Principal Secretary, State Department for Mining		
Official Contact Details (provide email, telephone number, postal and physical address):	State Department for Mining, Public Works Building, Ngong Road. P.O. BOX 30009- 00100 Nairobi, Email: ps@mining.go.ke		
Project Threshold:	Large		
Project Geographic Location (provide GPS Coordinates here):	1 ⁰ 17' 50" S 36 ⁰ 50' 00"E		
County: Nairobi	Sub-County: Starehe	Ward: Landmawe	Village: Landmawe
Planned Start Date:	1 st July 2015		
Planned End Date:	30 th June 2028		
Date of Submission:	2014		

SECTION 2: PROJECT BACKGROUND

1. Situation Analysis

a. Current situation that rationalizes the project:

The mineral laboratory at Madini House is not certified. Most minerals brought for testing are sold in the international markets thus necessitating need for an internationally accredited mineral laboratory that can undertake all mineral tests and analysis including pilot processing of metallic ores.

b. Past and on-going interventions to address the situation:

The civil works for the laboratory are complete and equipping is being done in phases save for minor plumbing works.

2. Problem Statement

a. Nature of the problem:

The laboratory has been issuing certificates that are not locally and internationally recognized. Currently, export of raw metal ores are necessary as the grade value determined locally are not ascertained.

b. Scope of the problem:

Uncertified mineral laboratory result in loss of revenues, delays in mineral analysis and un-competitiveness of the mining sector in Kenya. Unverified metallic content in ores results in loss of revenue through under-declared mineral worth.

c. Likely cause and effects of the problem both direct and indirect:

The inability to conduct mineral analysis results in slow exploration processes which inhibits mining investment preference of Kenya in comparison to other nations in the region. The country's economic potential will be untapped, the mining sector under-developed and revenue lost, hence mining contribution to GDP will remain minimal.

d. Alternative options that may be available to address the problem: Collaboration with the private sector players for a joint venture.

3. Relevance of the Project Idea

a) Linkage to National Development Plan:

Mining is one of the sectors in the economic pillar of the Kenya Vision 2030 hence a certified laboratory will enhance the sector's contribution to economic pillar and significantly improves MSMEs, infrastructural & housing development, trade & investment and agriculture & food production sectors among other sectors.

b) Linkage to Sector Strategic Objectives:

A certified laboratory plays a critical role in the Mining sector of the country through mineral endowment that enhances its competitiveness. The metallurgy unit within this laboratory will promote value addition and overall growth in the mining sector, and provide assurance on exported metallic ores.

c) The need for the project

Over ninety percent (90%) of mineral exports from Kenya are in raw form. Currently all metallic ores mined within the country are exported in raw or semi-processed form. The laboratory has been receiving over 4000 analysis requests in a year. This has reduced drastically following the breakdown of the ICP-AAS analytical equipment alongside other key equipment like XRD.

d) Rationale for the government to intervene through the project

The Government should create an enabling environment to investors given that mining companies cannot set up multi-user mineral certification laboratories. In the same vein, small scale and artisanal Miners are not in a position to establish metallic ore piloting facilities and thus the need for government to intervene through metallurgical unit within the laboratory.

4. Needs Assessment

Identify the target final beneficiaries (i.e. the end users of the services to be provided by the project) and give approximate assessment of their likely demand for the services provided by project by providing the following information:

- a. Specific target group of final beneficiaries intended to benefit from the proposed project.
- b. Approximate estimate of how many end-users there will be for the services provided by the project, indicating the units of measurement (individuals, households, business)
- c. Estimate the physical demand for the services provided by the project on completion and its growth rate, indicating the unit(s) of measurement (e.g. cubic metres of water per day, vehicles per day; and
- d. Proposed physical capacity of the proposed facilities, indicating the unit(s) of measurement e.g. cubic metres of water per day, or square metres of usable space.

- e. Identify potential benefits and make a preliminary qualitative assessment by providing the following information:
 - i. The main benefits of the asset that will be created to the end-users;
 - ii. Any significant external benefits or negative effects for non-users; and
 - iii. Any significant differences in benefits between alternatives if any, with brief explanations.

SECTION 3: SCOPE OF THE PROJECT

The project aims to process, test, analyse and identify minerals, rocks and soil for government, investors, institutions of higher learning, security and the general public. Further, the project will facilitate pilot processing of metal ores to value-add/evaluate ore grades to determine royalty payable to the government for export by mining companies. This unit will also promote research on appropriate value addition technologies for metallic ores produced across the country.

The project will comprise of the following:

- (a) Equipping of the Laboratory
- (b) Upgrading and equipping the lapidary (a rock crushing unit within the laboratory) to include metallurgy unit facilitate cutting and polishing; mineral beneficiation tests and Preparation of thin-section
- (c) Operationalize 10 Regional Labs through purchase of 10 Bench XRF at Kshs 22 million each, Atomic Absorption Spectrometer (AAS) at Kshs 18 million each, Oven at Kshs 0.8 million each, Gemmology kit at Kshs 3 million each, weighing balance at Kshs 0.1 million each and furnace Kshs 3 million each.
- (d) Lab ISO Certification, document development (Standard Operating Procedures (SOPs) at Kshs 10 million and 3rd party audit at Kshs 3 million
- (e) Capacity building of technical staff to run and operate the units.

SECTION 4: LOGICAL FRAMEWORK

(a) Goal

The goal of this project is to establish an internationally accredited Laboratory that will be ISO certified and abide to international laws and regulations governing the mining sector laboratories.

(b) Project Objectives/Outcomes

The expected outcome from this project is facilitate mineral exploration and promote investments in the sector and enhancement of revenue collection as well as ensure accurate determination of mineral royalties.

(c) Proposed Project Outputs

The key project outputs include:

- i. Modern and efficient laboratory equipment procured
- ii. Metallurgy unit installed
- iii. The laboratory modified

- iv. 10 Regional labs equipped
- v. Laboratory certified
- vi. Staff capacity built
- vii. Monitoring and Evaluation conducted

(d) Project Activities and Inputs

The key activities for this project are;

- i. Procurement of modern and efficient laboratory equipment
- ii. Installation of a metallurgy unit
- iii. Modification of the laboratory
- iv. Equipping of 10 Regional labs
- v. Certification of the Laboratory
- vi. Capacity building of staff
- vii. Monitoring and Evaluation

(e) Project Logical Framework Matrix

Narrative	Indicators	Sources/means of verification	Assumptions
<p>Goal:</p> <p>To establish an internationally accredited Laboratory</p>	<p>Accredited Laboratory</p>	<p>ISO certificate</p>	
<p>Project Outcomes</p> <p>Facilitate mineral exploration, promote investments and enhancement of revenue collection through a certified mineral laboratory.</p>	<p>Number of investors investing in the mining sector,</p> <p>Percentage change in collection of revenue</p>	<p>Mining and prospecting licenses</p> <p>Audited financial reports</p>	<p>Timely funding, uninterrupted project execution</p>
<p>Key Outputs</p>			

i. Modern and efficient laboratory equipment procured	Number of laboratory equipment procured	Purchase invoice	Timely approval of procurement items
ii. Metallurgy unit installed	Number of metallurgy units installed	Purchase invoice	Availability of funds
iii. The laboratory modified	Number of modified laboratory	ISO certificate	
iv. 10 Regional labs equipped	Number of regional labs equipped	Completion certificate	
v. Certification of the Laboratory	Level of certification	ISO certificate	
vi. Capacity building of staff	Number of staffs capacity built	Attendance list	
vii. Monitoring and Evaluation	Number of feasibility studies conducted	M&E reports	Timely release of exchequer
Key Activities			
i. Procurement of modern and efficient laboratory equipment	Number of laboratory equipment procured	Purchase invoice	Timely approval of procurement items
ii. Installation of a metallurgy unit	Number of metallurgy units installed	Purchase invoice	Availability of funds
iii. Modification of the laboratory	Number of modified laboratory	ISO certificate	
iv. Equipping of 10 Regional labs	Number of regional labs equipped	Completion certificate	
v. Certification of the Laboratory	Level of certification	ISO certificate	

vi. Capacity building of staff	Number of staffs capacity built	Attendance list	
vii. Monitoring and Evaluation	Number of feasibility studies conducted	M&E reports	Timely release of exchequer

(f) Project Readiness

The project will be implemented by the Directorate of Mines and have acquired the necessary approvals. The project will be implemented in close consultation with other stakeholders.

SECTION 5: INSTITUTIONAL ARRANGEMENTS

a. Institutional Mandate

The Ministry is mandated as per the Mining Act of 2016 with the provision of geological, mineral data and information. To ensure this is achieved, the State Department must conduct a laboratory testing. Further the State Department is charged with maintaining geological data (research, collection, collation, analysis).

b. Management of the Project

The project will be implemented through the leadership at the directorate and will form a Project Implementation Team (PIT). This PIT will be comprised of the technical officers such as software engineers, IT technicians, geologists and economists that will monitor the implementation of the project to completion. On completion, auditors in collaboration with finance officers will conduct evaluation to ascertain the absorption of the allocated funds and write a comprehensive report. There is sufficient institutional, managerial and technical capacity to implement the project successfully. Funding has been allocated to undertake the activities and in case of a shortfall the implementing agency has the financial capacity to outsource from consultants..

c. Monitoring and Evaluation Arrangements

The Directorate has Monitoring and Evaluation systems in place with trained and experienced personnel to undertake quarterly monitoring and evaluation as well as reporting on implementation of the project. This will be achieved through structured reporting and feedback mechanisms. The funds will be allocated from GOK budget to facilitate monitoring and evaluation. There will be a project monitoring and evaluation team with Supervisor, Coordinator and implementers. There will also be continuous improvement from the lessons learnt.

d. Risks and Mitigation Measures

<i>Risks</i>	<i>Likelihood/probability (High, medium or low as categories)</i>	<i>Risk Impact (High, medium or low as categories)</i>	<i>Mitigation Strategy</i>
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Funds Availability	Medium	High	Prior budgeting
Modification of building	Low	Low	Implementation as per plan and specifications
Procurement of advanced equipment	High	High	Procurement of longer-life equipment
Improper installation of equipment	Low	High	Proper installation done by qualified personnel as per the specification

e. Project Stakeholders and collaborators

<i>Stakeholder</i>	<i>Level of influence</i>	<i>Engagement Strategy</i>
The National Treasury	High	Budgetary Allocation
Directorate of Licensing, Compliance and Enforcement	High	The lead Coordinator during the implementation of project
State Department for Public Works	High	The State Department will be consulted on the Bills of Quantities and will oversee the design and implementation of the rehabilitation of the building

f. Project Readiness

The State Department is ready and well positioned to implement this project through the Directorate of Geological Survey and Geo-Information Management.

- i. The project structure has been completed
- ii. Some equipment have acquired
- iii. Acquiring of other equipment has been planned for
- iv. The process of ISO Certification has been initiated.

SECTION 6: FINANCIAL INFORMATION

a. Capital Cost (Kshs. 1,306 M) to complete the project:

- i. Consultancies, detailed design and legal fees.....NIL.....
- ii. Land Acquisition Costs:NIL.....
- iii. Site Access, Preparation and Utility.....NIL.....
- iv. Construction:Ksh. **300,000,000**
- v. Plant and EquipmentKshs **750,000,000**

vi. Fixtures and Fittings.....Ksh 176,000,000													
vii. Other capital costsKshs 80,000,000													
b. Recurrent Costs (Kshs. 20 Million) to complete the project:													
i. Labour cost													
ii. Operating Costs													
iii. Maintenance Costs													
iv. OthersKsh 20,000,000													
c. Estimated Total Project Cost Ksh. Per Year:													
FY (2015/16)	FY (2016/17)	FY (2017/18)	FY (2018/19)	FY (2019/20)	FY (2020/21)	FY (2021/22)	FY (2022/23)	FY (2023/24)	FY (2024/25)	FY (2025/26)	FY (2026/27)	FY (2027/28)	FY (2028/29)
Total (Kshs. M)	Total (Kshs. M)	Total (Kshs.) M)	Total (Kshs. M)	Total (Kshs. M)	Total (Kshs.) M)	Total (Ksh.) M)	Total (Ksh.) M)	Total (Kshs. M)	Total (Kshs. M)	Total (Kshs. M)	Total (Kshs. M)	Total (Kshs. M)	Total (Kshs. M)
-	91	118	44	22	1	2	-	79.4	60.1	65	80	158.88	205
d. Indicate the Proposed financing options for the Project													
Government of Kenya													
e. Cost implications to other Related Projects: None													
f. Operational Cost after implementation: None													
SECTION 7: OPERATIONAL SUSTAINABILITY													
The laboratory will be owned and operated by the Directorate of Geological Surveys and will serve the institution, other government agencies, investors in the mining industry, research institutions among others. The laboratory will generate income for the government. There is adequate capacity at the Directorate of Geological surveys and Geo-Information Management and the State department for Mining at large. Revenues for operating the complete assets will be covered partly by revenues collected and partly from Exchequer.													
SECTION 8: PROJECT IMPLEMENTATION PLAN													
NO	Activity/task name	Expected duration (months)	Estimated Cost - allocation (Ksh. M)	Expected Outputs	Key Performance Indicator	FY 2025/26 (Ksh. M)	FY 2026/27 (Ksh. M)	FY 2027/28 (Ksh. M)	FY 2028/29 (Ksh. M)				

1	Procurement of modern and efficient laboratory equipment	60 Months	200	Efficient and effective laboratory equipment procured	Number of laboratory equipment procured	53	100	100	
2	Installation of a metallurgy unit	36 Months	200	Metallurgy unit	Number of metallurgy units installed	-	100	100	
3	Modification of the laboratory	24 Months	-	Modified building	Number of modified laboratory	12	-	-	
4	Equipping of 10 Regional labs	24 Months	400	Modified building	Number of regional labs equipped	-	100	100	100
5	Certification of the Laboratory	12 Months	15	Certified Laboratory	Level of certification	-	40	40	30
6	Capacity building of staff	24 Months	18.45	No. Officers trained	Number of staffs capacity built	-	5	5	10
7	Monitoring and Evaluation	36 Months	10	M&E Reports	Number of M&E exercises conducted	-	5	5	3.49
	Total		843.45			65	80	158.88	205

6. Geological Mapping and Mineral Exploration

SECTION 1: PROJECT PROFILE	
Project Name:	Geological Mapping and Mineral Exploration - BETA
Project Reference Number:	1192100600

Ministry:	Mining, Blue Economy and Maritime Affairs		
Implementing Agency (MDA):	State Department for Mining		
Initiating Department / Division I Section / Unit:	Directorate Geological Survey		
Budget Vote (where applicable):	1192		
Estimated Project Cost (Ksh Million)	1,861		
MTEF Sector:	Environmental Protection Water and Natural Resources		
Accounting Officer:	Principal Secretary, State Department for Mining		
Official Contact Details (Provide email, telephone number, postal and physical address):	Director of Geological Survey Madini House, Machakos road, Industrial Area P.O Box 30009 – 00100 GPO Tel: 020-558034 Email: dgs@mining.go.ke		
Project Threshold:	Large		
Project Geographic Location (Provide GPS Coordinates here):	Countrywide		
County: All the 47 Counties	Sub-County: Various	Ward: Various	Village: Various
Planned Start Date:	1 st July 2015		
Planned End Date:	30 th June 2027		
Date of Submission:	2014		
SECTION 2: PROJECT BACKGROUND			
1. Situation Analysis			
a) Kenya is rich with a variety of minerals from gemstones, precious stone & metals, industrial minerals to critical minerals. Today, 20% exploration activities in the Country are undertaken by private investors to locate and evaluate these minerals. More than 70% of the country is poorly explored. The exploration data from non-governmental entities is not readily accessible for planning and investment decisions.			
b) Briefly describe past and on-going interventions to address the situation; quote official statistics including past trends to support your narrative, where applicable.			

The Government has been conducting geological mapping and mineral exploration though at a low scale that can only reveal few minerals, in an effort to improve on mineral data. Only less than 20 top sheets (each measuring 111x111 Km) have been mapped fairly. Individuals, institutions and companies have also been conducting mineral exploration for their own use and their data is never shared with the government. To fast-track geological mapping and mineral exploration, in 2019 the Ministry in partnership with a multiagency team, carried out a Nationwide Airborne Geophysical Survey that revealed 970 mineral anomalies. There is however a need to undertake systematic mapping and explorations guided by current and old data to give determinative results in all the counties.

2. Problem Statement

a. Nature of the problem:

Previously, the geological mapping and mineral exploration methods and techniques had not adequately confirmed the mineral resources within the country. The available data running from 1920s to 1995 that has been enhanced over time, but it is inadequate in that, it has not covered the entire country and the technology deployed to capture it may have missed some mineral resources to warrant de-risking mining investments

b. Scope of the problem:

On average, 4,000 samples collected countrywide are analysed annually at Madini laboratory and more than 50% of them post positive results revealing occurrences of a variety of mineral resources that have not been properly identified in the available mineral resources map. The high number of samples received and analysed indicate the affinity for mining investments in the country. Also, the high number of geophysical anomalies recorded using only two techniques (Magnetic and Radiometric), are indicative of many mineral resources that are undocumented.

c. Causes and effects of the problem

Inadequate mineral data lowers the country's competitiveness as a mining investment destination leading to under investments in the country and loss of revenues, where the sector contribute less than 1% of the GDP.

d. Alternative Options There is NO alternative in mineral data acquisition

3. Relevance of the Project Idea

a) Linkage of the project to Sector strategic objectives and strategies

Implementation of this project will provide mineral data that will attract investments in mining and consequently contribute to improved living standards of citizens through accrued benefits such as Revenues, research, technology transfer, foreign earnings, job creation, infrastructure and social amenities development at community, county and national levels. Some of these mineral resources/materials will be used in the development of infrastructure and houses as envisioned in Kenya Vision 2030 Strategy, which is the national long-term development policy that aims to transform Kenya into a newly industrializing, middle-income country, providing a high quality of life to all its citizens by 2030 in a clean and secure environment.

b) Linkage between the proposed project to sector strategic objectives and strategies

The State Department has identified this project as one of its Key Result Areas for transformation of the mining sector in Kenya and continues to improve the minerals inventory through sustained mapping and evaluation of various mineral resources in Kenya. This project will broaden the revenue base while providing jobs to the local communities during the exploration activities.

c) *Indicators of demand for the services or goods to be delivered by the project*

The available data shows that the global demand for critical minerals targeted in this project is expected to grow to six times by 2040, mostly driven by its increasing application base in the electronics industry and automotive industry. Additionally, the production of minerals like graphite, lithium and cobalt may increase by nearly 500% by 2050 (World Bank Group Report on Minerals for Climate Action, 2020) to meet the demand for clean energy technologies. This necessitates fast tracking of exploration to discover these minerals crucial for economic development.

d) *Rationale for the Government intervention through the project*

The Government is the custodian of all mineral resources on behalf of its citizens. As an intervention to increase the ground geological mapping and mineral exploration, the government undertook Nationwide Airborne Geophysical Survey (NAGS) through Multi-agency team giving way for systematic ground follow-up. The Government's intent is to improve and enhance its mineral data base for use by investors. Geological mapping and Mineral exploration is a capital-intensive venture and no Investor is willing to risk resources without prior information, and this project will inform them accordingly.

e) *The compatibility between the project and the timeframe for achieving the strategic goals and objectives that it is intended to serve.*

This availed data that has been supplemented with Airborne data has formed bases for enhanced exploration that can easily attract investors. A moratorium that was enforced in 2019 was uplifted in October 2023 opening more windows in mining sector and it is already attracting more investors. More than 1,500 licences have been evaluated, a clear trend on attractiveness as informed by old data supplemented by NAGs and the ongoing ground truthing data. More work will only improve this and more investors will be on-boarded.

4. Needs Assessment

The project will benefit national government and county governments by expanding revenue collection while local community will benefit from employment opportunities and; private sector players will get investment opportunities. The geological and mineral resources information produced from the project will increase in the interest in mining and exploration resulting in an increase in applications for various licenses. These will increase the government revenue collection through royalties and application licenses. Some of the resources that will be identified will be used in developing road infrastructure while some industrial minerals will be utilized by immediate local communities in improving farming land. The resources drawn from this project cannot be substituted.

SECTION 3: SCOPE OF THE PROJECT

<p>The project is countrywide and entails desktop review, followed by field visits, foot/vehicle traverses in identified areas, geological mapping, geophysical exploration, geochemical sampling, trenching, pitting and drilling. This will be followed by rock core logging, whole sample analyses, interpretations and reporting. Successful completion of the project will accelerate mining investment interest in the country and enhance the contribution of the Mining Sector to National GDP</p>
<p>SECTION 4: LOGICAL FRAMEWORK</p>
<p>This section will show intervention logic or the result chain in a logical manner with a detailed description of the project goal, objectives, outcomes, outputs and inputs</p>
<p>a. Goal</p>
<p><i>State the goal in the Medium-Term Plan/County Integrated Development Plan that the project intends to achieve. Also define the indicator that will be used to measure success of the project against the goal and briefly explain how information on this indicator shall be obtained.</i></p> <p>The goal for this project is to provide and manage geo-scientific data and information for sustainable exploitation of minerals.</p>
<p>b. Project Outcomes</p>
<p><i>Define the project outcomes. These include the effects that will follow from the utilization of products or services (outputs) delivered by the project. These could be the eventual benefits to society that the project interventions are intended to achieve and are reflected in terms of what people will be able to do better, faster, or more efficiently, or what they could never do before.</i></p> <p><i>For each project outcome identified, define at least one indicator that will be used to measure performance of the project against the relevant outcome and briefly explain how information on this indicator (s) shall be obtained</i></p> <p>The projected outcome for this project is Kenya’s mineral identification and mapping to spur investment in the sector</p>
<p>c. Proposed Project Outputs</p>
<p>The expected deliverables are;</p> <ol style="list-style-type: none"> i. Necessary equipment and tools acquired ii. Data acquired iii. Rock drilled and cored iv. Core logs and sample shipment & analyzed v. Reports interpreted and written vi. Monitoring and Evaluation conducted.
<p>d. Project Activities and Inputs</p>

The activities for this project are;

- i. Acquisition of necessary equipment and tools
- ii. Acquisition of data
- iii. Rock drilling and coring
- iv. Core logs and sample shipment & analysis
- v. Interpretations and report writing
- vi. Monitoring and Evaluation

e. Project Logical Framework Matrix

Narrative	Indicators	Sources/means of verification	Assumptions
Goal(MTP/CID) To provide and manage geo-scientific data and information for sustainable exploitation of minerals	Amount of geo data enquired	Enquiry reports, feedback reports	
Project Outcomes: Kenya's mineral identification and mapping to spur investment in the sector	Number of minerals identified	Minerals Maps	Presence of minerals
Key outputs:			
i. Necessary equipment and tools acquired	Number of equipment acquired	Purchase invoice	Availability of funds
ii. Data acquired	Amount of data acquired	Geo data reports	Favorable weather conditions
iii. Rock drilled and cored	Length of drilled core	Field exploration reports	Ample security during the exercise in volatile regions
iv. Core logs and sample shipment & analyzed	Number of core logs and samples analyzed	Sample analysis reports	Availability of funds
v. Reports interpreted and written	Number of reports interpreted	Field reports, sample reports	
vi. Monitoring and Evaluation conducted	Number of M&E exercises conducted	M&E reports	
Key Activities:			

i. Acquisition of necessary equipment and tools	Number of equipment acquired	Purchase invoice	Availability of funds
ii. Acquisition of data	Amount of data acquired	Geo data reports	Favorable weather conditions
iii. Rock drilling and coring	Length of drilled core	Field exploration reports	Ample security during the exercise in volatile regions
iv. Core logs and sample shipment & analysis	Number of core logs and samples analyzed	Sample analysis reports	Availability of funds
v. Interpretations and report writing	Number of reports interpreted	Field reports, sample reports	
vi. Monitoring and Evaluation	Number of M&E exercises conducted	M&E reports	

SECTION 5: INSTITUTIONAL ARRANGEMENTS

a. Institutional Mandate

Mineral exploration falls under the State Department’s mandate of “enhancing of minerals sector capacity development. “Mineral development forms part of the mandate of the Ministry of Mining, Blue Economy and Maritime Affairs through the State Department for Mining in addressing mineral resources development through geological mapping and mineral exploration programmes. Through this project, the State Department aims to promote sustainable development of the extractives sector, for improved livelihoods.on its mandate.

b. Management of the Project

The Directorate of Geological Survey, led by a Director, has qualified technical personnel including geologists who are well versed with mapping and exploration of minerals; chemists, laboratory technologists and technicians. The officers are well equipped with skills and the knowledge to prepare and analyse the geological samples. The drilling inspectors, drilling technicians and drilling assistants are well versed with drilling and recovery of geological core logs. These teams are equally supported by all cadres to handle the project to full realisation but requires additional equipment including a drilling rig for optimal productivity.

c. Monitoring and evaluation arrangements

The Directorate has Monitoring and Evaluation systems in place with skilled and experienced technical officers. The funds will be allocated from GOK budget to facilitate monitoring and evaluation. There will be a project monitoring and evaluation team with Supervisor, Coordinator and implementers. The team comprise of economists, finance officers, accountants, geologists, mining inspectors and administrators. The team will be undertaking monitoring and evaluation on quarterly, annual and when need arises. The team will prepare M&E reports to inform proper and timely decision making especially on the progress of the project implementation. There will also be continuous improvement from the lessons learnt.

d. Risk and Mitigation Measures			
<i>Risks</i>	<i>Likelihood/Probability (High, medium or low as categories)</i>	<i>Risk Impact (High, medium or low as categories)</i>	<i>Mitigation Strategy</i>
Funds Availability	Medium	High	Prior budgeting
Equipment, tools, vehicles Accessibility	Low	Medium	Proper planning
Vagaries of weather	Low	Medium	Proper planning
e. Project Stakeholders Management			
Describe the stakeholders that the project has to constantly engage and their level of influence and interest among others. List all the government agencies, utilities or regulatory institutions that will need to be involved in the planning and implementation of the proposed project including any legal issues that will need to be addressed. A simple table in this format will be sufficient.			
<i>Stakeholder</i>	<i>Level of influence</i>	<i>Engagement Strategy</i>	
National Treasury	High	Dialogue and budget	
County Governments	High	Correspondences and Meetings regarding share of revenue and cess fee, Approvals from the county	
Local Community	High	Correspondences and Meetings, public participation	
f. Project Readiness			

- a) The Project plan has been achieved through guidance of the National Treasury. Security agencies like Interior, Forest Services and Kenya Wildlife Service are key and have been engaged continuously to inform in planning. State Department for Interior is the ground mobiliser and security advisory agency giving security details continuously. They assist in mobilizing the community and informs them through local administration. Kenya Forest Services gives access to forest alongside Kenya Wildlife Service in conservation areas. Other stakeholders include transport agencies that will offer access to the cut roads alongside other supporting partners.
- b) To ensure the success of the project, different agencies were engaged to avoid any duplication of the activities. Due to uniqueness of this project activities MDAs that operate in target areas have been engaged. The project cannot be phased but requires continuous and systematic approach to effectively map all the resources.

SECTION 6: FINANCIAL INFORMATION

a) Capital Cost (Kshs. 1,561 Million) to complete the project:

Estimate the capital costs required to implement the project as follows:

- a. Consultancy, detailed design and legal fees**561,000,000**.....
- b. Land Acquisition Costs:
- c. Site Access, Preparation and Utility**300,000,000**.....
- d. Construction
- e. Plant and Equipment**700,000,000**.....
- f. Fixtures and Fittings
- g. Other capital

b) Recurrent Costs (Kshs. 300 Million) to complete the project:

Estimate the recurrent costs required to implement the project as follows:

- a) Labour cost
- b) Operating Costs**75,000,000**.....
- c) Maintenance Costs**75,000,000**.....
- d) Others **150,000,000**.....

c) Total Cost Breakdown in Financial Year													
FY (2015/16)	FY (2016/17)	FY (2017/18)	FY (2018/19)	FY (2019/20)	FY (2020/21)	FY (2021/22)	FY (2022/23)	FY (2023/24)	FY (2024/25)	FY (2025/26)	FY (2026/27)	FY (2027/28)	FY (2028/29)
Total (Kshs. M)	Total (Kshs. M)	Total (Kshs.)	Total (Kshs. M)	Total (Kshs. M)	Total (Kshs.)	Total (Ksh.)	Total (Ksh.)	Total (Kshs. M)	Total (Kshs. M)	Total (Kshs. M)	Total (Kshs. M)	Total (Kshs. M)	Total (Kshs. M)
-	188	167	50	45	39	7	5.2	65.2	29	73	120	150	165

d) Proposed Source of Financing

Government of Kenya only

e) Cost implications to other Related Projects

Provide a breakdown of estimated cost for other related projects that have to be implemented in order for the benefits from the project to be realized. For this related project, is land expropriation required? (Yes / No) If <Yes> state the total expenses required to achieve this? Is compensation also required (compensation / legal costs etc.). What other costs are attendant on this?

SECTION 7: OPERATIONAL SUSTAINABILITY

The mineral discoveries will attract mining investments. Ground rates when mining or not are applicable giving the most needed funds to sustain mining sector while royalties from the mined mineral resources will be shared among National Government, County Government and Local community at a ratio of 70%, 20% and 10% in that order. The Directorate has adequate technical, managerial and financial capacity to operate and maintain the capital asset once completed and undertake measures required to create that capacity where necessary. The anticipated post implementation operating annual costs for personnel at Kshs 150,000,000, while maintenance cost will be Kshs 10,000,000 per year.

SECTION 8: PROJECT IMPLEMENTATION PLAN

No.	Activity/Task Name	Expected Duration (Months)	Estimated Cost - allocation (Kshs)	Expected Outputs	KPI	FY 2025/26 (Ksh M)	FY 2026/27 (Ksh M)	FY 2027/28 (Ksh M)	FY 2028/29 (Ksh M)
1	Acquisition of necessary equipment and tools	24	620	Necessary equipment and tools acquired	Number of equipment acquired	73	450	400	300
2	Acquisition of data	48	150	Data acquired	Amount of data acquired	-	5	4	1

3	Rock drilling and coring	36	334.56	Rock drilled and cored	Length of drilled core	-	8	9	1
4	Core logs and sample shipment & analysis	48	125	Core logs and sample shipment & analyzed	Number of core logs and samples analyzed	-	5	3	-
5	Interpretations and report writing	48	45	Reports interpreted and written	Number of reports interpreted	-	1	2	.56
6	Monitoring and Evaluation	48	20	Monitoring and Evaluation conducted	Number of M&E exercises conducted	-	1	2	-
	Total		1,192.56			73	120	150	165

7. Geo Technical Site Investigations

SECTION 1: PROJECT PROFILE	
Project Name:	Geo Technical Site Investigations
Project Reference Number:	1192102100
Ministry:	Mining, Blue Economy and Maritime Affairs
Implementing Agency (MDA):	State Department for Mining
Initiating Department/Division / Section/Unit	Directorate of Geological Survey and Geo-information Management
Budget Vote (where applicable);	1192
Estimated Project Cost (Millions):	694
MTEF Sector:	Environmental Protection, Water and Natural Resources
Accounting Officer:	Principal Secretary, State Department for Mining
Official Contact Details (provide email, telephone number, postal and physical address):	State Department for Mining, Public Works Building, Ngong Road. P.O. BOX 30009- 00100 Nairobi, Email: ps@mining.go.ke
Project Threshold:	Medium
Project Geographic Location	Nationwide

(provide GPS Coordinates here):			
Nationwide	Nationwide	Nationwide	Nationwide
Planned Start Date:		1 st July 2019	
Planned End Date:		30 th June 2032	
Date of Submission:		2018	

SECTION 2: PROJECT BACKGROUND

1. Situation Analysis

a) Project Rationale:

Kenya is prone to a host of natural hazards that include: Seismicity, landslides, subsidence, flooding among others that affect the built environment. It is for these reasons that this project seeks to provide baseline information for use in design of resilient infrastructure.

Kenya is located in earth-tremor active zone associated with tectonic process in the Kenya Rift System hence the need to have a robust seismic monitoring system. Damage reduction from earthquake requires incorporation of seismic hazard zoning into building codes to guarantee order and safety in construction works/ built environment, and health and safety of persons within the built environment. A seismic network should therefore be installed within the Medium-Term Plan 4 (MTP IV) so that the country's seismicity is monitored and the respective Peak Ground Accelerations (PGA) be calculated for use in updating the National Building Code.

The Kenya Vision 2030 anticipate that Kenya will have attained middle income status supported by a vibrant economy. Several Strategic interventions have been planned for the remaining MTPs in order for the country to realize this vision among them include; the Special Economic Zones (SEZ) and the Transport Corridors. The geo-technical investigation activities will lead to zoning of hazard prone areas consequently contributing to development of resilient infrastructure.

2. Problem Statement

Nature of the problem:

Kenya lacks adequate seismic data for estimating seismic hazard in the built environment. This has led to delay in completing the "National Building Code 2020".

There are many geo-hazard hotspot zones in the country which have not been identified and mapped hence the need to be delineated for decision making into realization of the Kenya Vision 2030 and after.

Scope of the problem:

Lack of a resilient Building Code and Hazard Maps that addresses challenges in construction industries inhibit planned investment and therefore not attracting major investments. An adequate Geo-hazards hotspot zones map will resolve issues related to unmapped and undocumented hazard zones. International development partners like the World Bank and IMF depend on the National Building Codes of countries in order to approve funding for mega infrastructural projects. Lack of accurate seismic data makes the country not to benefit from mega Regional Infrastructural Projects. The unmapped and undocumented Geo-hazards hotspot zones impact

negatively on the livelihood, environment and infrastructure/agriculture which are key components in the government's Agenda and the Vision 2030. There is no alternative feasible option.

3. Relevance of the Project Idea

The success of the project will contribute to safety of life, improved lifespan of buildings and other infrastructure, and proper land use planning. Major projects will be adequately planned for in the country and more seismic, geo-hazard and geotechnical experts will benefit from the collected data.

a) Linkage of the project to the National/ County Development Plan Strategic goals and objectives

The government recognizes manufacturing/industrialization as a key pillar. These site investigations will address the need for enhanced manufacturing in the country through establishment of Special Economic Zones (SEZs).

b) Linkage of the proposed project to Sector strategic objectives and strategies

The Ministry has been tasked with monitoring of geo hazards and keeping record of the seismic events, geo-hazard risk areas and conducting geo-technical investigations in the country. The success of this project will contribute to more data and information on geological hazards e.g., hazard risk zones, hence more effective ways of mitigating against them. This results in a safer environment in the geohazard prone areas.

c) Quantitative indicators of demand for the services or goods to be delivered by project

In MTP IV, the government projects to develop 500,000 housing units and this geo-hazard zoning will inform development of those units within safe and secure zones. Additionally, infrastructural development is largely informed by geo-technical safe zoning guided by reliable seismic data. As such, the project will highly inform structural developments such as buildings, roads, railway networks and other recreational facilities.

d) Rationale for the Government to intervene through the project.

The Government is responsible for recording and monitoring seismic events in the country. It is therefore the responsibility of the Government to install a working modern seismic network. The Government continues to invest in mapping and documentation of all Geo-hazards hotspot zones for betterment of its citizen livelihood and reduce economic and social losses resulting from occurrence of Geo-hazards during and after development of infrastructure and agriculture. Failure to do so, the economy would suffer significant losses from development of unsafe structures or investing in insecure zones.

4. Needs Assessment

Identify the target final beneficiaries (i.e. the end users of the services to be provided by the project) and give approximate assessment of their likely demand for the services provided by project by providing the following information:

- a) Specific target group of final beneficiaries intended to benefit from the proposed project.
- b) Approximate estimate of how many end-users there will be for the services provided by the project, indicating the units of measurement (individuals, households, business)
- c) Estimate the physical demand for the services provided by the project on completion and its growth rate, indicating the unit(s) of measurement (e.g. cubic metres of water per day, vehicles per day; and

- d) Proposed physical capacity of the proposed facilities, indicating the unit(s) of measurement e.g. cubic metres of water per day, or square metres of usable space.
- e) Identify potential benefits and make a preliminary qualitative assessment by providing the following information:
 - i. The main benefits of the asset that will be created to the end-users;
 - ii. Any significant external benefits or negative effects for non-users; and
 - iii. Any significant differences in benefits between alternatives if any, with brief explanations.

SECTION 3: SCOPE OF THE PROJECT

The project is countrywide and entails preliminary desktop review, followed by field assessment visits to site suitable locations to install the seismic equipment. The equipment is then procured and installed. After installation, continuous maintenance is recommended. Deliverables are seismic hazard maps. Geo-hazard mapping entails mapping of landslides through deskwork, fieldwork, and production of geo-hazard risk zoning reports and maps.

SECTION 4: LOGICAL FRAMEWORK

a) Goal

The project aims at achieving a safe environment against geological hazards that will be measured by the number of operational seismic stations as well as the size of geo-hazard areas mapped and investigated.

b) Project Outcomes/ Objectives

The project outcome is improvement in compliance to infrastructural developments that utilize this data during design stage for citizens in geo-hazard prone areas that will be measured by the number of reports used.

c) Proposed Project Outputs

S/No.	Project Output	Indicator	Remark
1.	Geotechnical report	No. of reports	The report will include Geophysical assessments
2.	Geotechnical Map	No. of Maps	The map will show the outline various geotechnical zones

The following deliverables will be realized: Seismic Monitoring Stations, Quality seismic data record, Improved seismic hazard maps with accurate estimates of Peak Ground Acceleration (PGAs) and Geo-technical Assessment Reports.

d) Project Activities and Inputs

Activities that will be implemented and the respective inputs or resources required to deliver the planned results.

- i. Geological Mapping
- ii. Geophysical surveys
- iii. Drilling of the core
- iv. Geo-Technical Assessment
- v. Establishment of 5 Seismic Stations
- vi. Establishment of Geo-technical laboratory

vii. Conduct Monitoring and Evaluation			
e) Project Logical Framework Matrix			
Narrative	Indicators	Sources/means of verification	Assumptions
Goal: - Expand the country's revenue base	Percentage increase in GDP	Economic Survey, Audited Financial reports	
Outcomes / Objectives; Spur investment in the mining sector in the country	Number of investors	Mining and Prospecting licenses	Favourable Trading conditions
Key Outputs Seismic Monitoring Stations established, Seismic data and Geo-technical assessment reports	Number of Seismic stations established, Number of Geo-technical reports	Completion certificates Geo-technical reports	Timely release of the exchequer
Key Activities			
i. Geological Mapping	Areas mapped	Geological mapping reports	Availability of funds
ii. Geophysical surveys	Number of Geological Surveys	Geological survey reports	Ample security for insecure areas
iii. Drilling of the core	Length of core drilled	Drilled core reports	Good weather conditions
iv. Geo-Technical Assessment	No. of Report	Report	Timely funding, uninterrupted project execution
v. Establishment of 5 Seismic Stations	No. of Seismic Stations	5 Seismic Stations	Timely funding, uninterrupted project execution
vi. Establishment of Geo-technical laboratory	No. of Geo-technical laboratory	Geo-technical laboratory	Timely funding, uninterrupted project execution
vii. Conduct Monitoring and Evaluation	No. of M&E Reports	Monitoring and evaluation report	Timely funding, uninterrupted project execution

SECTION 5: INSTITUTIONAL ARRANGEMENTS

a. Institutional Mandate

Among the mandates of the State Department as prescribed by the Mining Act 2016 are to;

- i. Monitor seismic hazards,
- ii. Carry out Geo-hazard mapping and
- iii. Conduct geotechnical investigations.

b. Management of the Project

The Directorate of Geological Survey and Geo-Information Management has qualified technical personnel to handle the project. There is a section in the Directorate of Geological Survey that is responsible and fully tasked with the role of handling all the geo-hazard related occurrences in the country. It works with the main objective of mitigation on damage, loss of live and property.

c. Monitoring and Evaluation Arrangements

The Directorate has Monitoring and Evaluation systems in place with trained and experienced personnel who will conduct quarterly monitoring and evaluation of the project. This will be achieved through structured reporting and feedback mechanisms. The funds will be allocated from GOK budget to facilitate monitoring and evaluation. There will be a project monitoring and evaluation team with Supervisor, Coordinator and implementers. There will also be continuous improvement from the lessons learnt.

d. Risks and Mitigation Measures

The following are potential risks that can derail the project and the likelihood of occurrence, the impact of such risks and strategies for mitigating them.

<i>Risks</i>	<i>Likelihood/probability (High, medium or low as categories)</i>	<i>Risk Impact (High, medium or low as categories)</i>	<i>Mitigation Strategy</i>
Funds Availability	Medium	High	Prior budgeting
Equipment, tools, vehicles availability	High	High	Proper planning
Vagaries of weather	Low	Low	Proper planning

e. Project Stakeholders and Collaborators

The following are key stakeholders and their level of influence and interest.

<i>Stakeholder</i>	<i>Level of influence</i>	<i>Engagement Strategy</i>
National Treasury	High	Dialogue and budget
University of Nairobi	Medium	Correspondences and coordination
County Governments	Medium	Correspondences and Meetings
Government MDAs	Low	Correspondences and Meetings

Civil societies and NGOs	Low	Engagements										
Local Community	Medium	Public engagements										
f. Project Readiness												
The State Department possesses a robust team of personnel and expertise, and has a strong track record of collaboration with other institutions, particularly from the security sector and any other agency whose services the State Department requires.												
SECTION 6: FINANCIAL INFORMATION												
A. Capital Cost (Kshs. 589M) to complete the project:												
i. Consultancies fees:												
ii. Land Acquisition Costs:												
iii. Site Access, Preparation and Utility:												
iv. Construction: 75,000,000												
v. Plant and Equipment 180,000,000												
vi. Fixture and Fittings												
vii. Other capital costs 334, 000,000												
B. Recurrent Costs (Kshs 105M.) to complete the project:												
i. Labour cost												
ii. Operating Costs												
iii. Maintenance Costs												
iv. Others 105,000,000												
C. Total Cost Breakdown in Financial Year												
FY (2019/20)	FY (2020/21)	FY (2021/22)	FY (2022/23)	FY (2023/24)	FY (2024/25)	FY (2025/26)	FY (2026/27)	FY (2027/28)	FY (2028/29)	FY (2029/30)	FY (2030/31)	FY (2031/32)
Total (Kshs.)	Total (Kshs.)	Total (Kshs.)	Total (Kshs.)	Total (Kshs.)	Total (Ksh.)	Total (Kshs.)	Total (Kshs.)	Total (Kshs.)	Total (Kshs.)	Total (Kshs.)	Total (Kshs.)	Total (Kshs.)
4	13	2.5	3.4	-	-	20	-	-	120	225	196.1	110
D. Indicate Proposed financing options for the project												
Government of Kenya only												
E. Cost implications to other Related Projects												
None												
SECTION 7: OPERATIONAL SUSTAINABILITY												

Services and benefits on completion of the project among stakeholders;

- a) The organization(s) that will own and operate the asset created by the project as follows:
 - Data will be collected, collated and stored at the National Geo-Data Center within the Ministry for sharing.
 - Adequate capacity at the Directorate of Geological surveys and Geo-Information Management.
 - Cost will be transferred to investor on mining of minerals
- b) Adequacy of the capacity within the organizations:
There is adequate technical and managerial capacity at the Directorate of Geological surveys and Geo-Information Management to operate and maintain the capital assets once the project is completed.
- c) Coverage of anticipated post implementation operating costs:
 - i) Average annual personnel or labour costs,
 - ii) Annual operation and maintenance cost,
 - iii) Other costs
- d) Sources of revenues for operating the complete assets: *Investor on mining of minerals*

SECTION 8: PROJECT IMPLEMENTATION PLAN

Schedule of key activities/tasks that will be used to track the success or failure including timelines, resources required, performance metrics and key responsible persons that can be used to track the overall project progress across the project cycle.

NO	Activity/ task name	Expected duration (months)	Estimated Cost - allocation (Ksh. M)	Expected Outputs	KPI	FY 2025/26 (Ksh M)	FY 2026/27 (Ksh M)	FY 2027/28 (Ksh M)	FY 2028/29 (Ksh M)	FY 2029/30 (Ksh M)	FY 2030/31 (Ksh M)	FY 2031/32 (Ksh M)
1	Geological Mapping	72	50	Geologica l maps, and reports	Total area geologically mapped	-	10	8	7	11	6	8
2	Geophysica l surveys	6	50	Geophysic al survey reports	No. of Geophysical surveys	-	7	6	11	7	8	10
3	Core Drilling	12	181	Drill core	No. of drill holes drilled	-	-	-	-	-	-	-
4	Geo- Technical Assessment	24	46	Report	No. of Report	-	8	6	9	7	5	9

5	Establishment of 6 Seismic Stations	48	100	5 Seismic Stations	No. of Seismic Stations	20	60	72	68	50	55	35
6	Establishment of Geo-technical laboratory	12	192.1	Geo-technical laboratory	No. of Geo-technical laboratory	-	30	25	20	16	25	20
7	Monitoring and Evaluation	48	32	M&E Report	No. of M&E Reports	-	5	5	8	9	7.1	8
	Total		651.1			20	-	-	120	225	196.1	110

B. NEW PROJECTS

1. Development and Commercialization of Copper and Associated Minerals

SECTION 1: PROJECT PROFILE	
Project Name:	Development and commercialization of Copper and Associated Minerals
Project Reference Number:	SDM/NMC/001
Ministry:	Mining, Blue Economy and Maritime Affairs
Implementing Agency (MDA):	National Mining Corporation
Initiating Department / Division I Section /Unit:	State Department for Mining
Budget Vote (where applicable):	1192
Estimated Project Cost (Ksh Million)	300
MTEF Sector:	Environmental Protection, Water and Natural Resources

Accounting Officer:	Principal Secretary, State Department for Mining		
Official Contact Details (Provide email, telephone number, postal and physical address):	CEO, National Mining Corporation: KWFT Centre, 3 rd Floor, Kiambere – Masaba Road Junction, Upper hill P.O. Box Nairobi; Email: info@namico.go.ke		
Project Threshold:	Small		
Project Geographic Location (Provide GPS Coordinates here):	Various Counties		
County: Various	Sub-County: Various	Ward: Various	Village: Various
Planned Start Date:	1 st July 2026		
Planned End Date:	30 th June 2030		
Date of Submission:	2024		

SECTION 2: PROJECT BACKGROUND

1. Situation Analysis

Kenya is endowed with a range of mineral resources and has a long history of mining dating back to circa 1900. However, the country is yet to reap the developmental benefits from its mineral resource endowments. This is partly attributable to the weak integration of Kenya’s mining sector into national economic and social activities and partly due to unresponsive legal regime. To surmount this obstacles, National Mining Corporation (NAMICO) was created under the Mining Act No. 12 Cap 306 of 2016, which is the successor of the Mining Act of 1940. NAMICO is the investment arm of Government in strategic mineral prospecting, mining, processing and marketing. Drawing from both the Constitution and the Mining Act, every mineral is the property of the State. As such, the national government controls the mineral regardless of who owns the land on or under which the mineral is found on behalf of the people of Kenya who must participate and derive benefits from the development of the minerals. In this regard, NAMICO intends to champion mineral development and institute proper compensation mechanisms for socioeconomic transformation of its economy.

Copper, which is one of the 14 strategic minerals, occurs in various forms, including as a native metal, oxide, sulfide and carbonate along two belts in Kenya, Eastern and Western belts. It is commonly found in minerals such as chalcopyrite, chalcocite, bornite and malachite. It is found in a wide range of geological settings, including volcanic and sedimentary deposits, as well as in hydrothermal veins and as a byproduct of copper-bearing minerals in other ore bodies. Copper is also found in association with other valuable minerals such as gold, silver and molybdenum. Its presence in these diverse forms and geological environments makes copper one of the most widely distributed sought after elements on Earth.

The life cycle of copper begins with mining of copper ores, which contain about 0.5-2% copper. The extracted ores are then processed to extract copper through smelting and leaching. The refining process follows to remove impurities using electrolytic refining or fire refining to achieve the required purity for its intended use. This stage involves shaping, forming and joining copper into different products and components to create products such as electrical wiring, plumbing materials and industrial machinery. Copper has excellent electrical conductivity and corrosion resistance making it highly valuable in a wide-range of electrical applications.

National Airborne Geophysical Survey was done revealing 970 anomalies, necessitating targeted explorations through detailed surface geological mapping, grid geochemical survey, geo-physical survey and targeted drilling at depth. Targeted assessment and documentation for Copper in Kitui and Migori counties has been done but necessary that this is also done in other parts of the country.

2. Problem Statement

The world over, critical/strategic mineral resources have been known to be of key national interest due to their ability to contribute significantly to either economic growth, a country's sovereignty, defense and national security capabilities and or wide community and social economic benefits. In particular, occurrence of copper raw mineral resource follows certain geological patterns – in Kenya, two belts have been ascertained: the eastern and western belts with samples revealing high grades of ore. Against this backdrop that the Mining Act, 2016 sought to declare copper alongside other 13 minerals as strategic mineral resources. The declaration notwithstanding, activities of private miners and small-scale artisanal miners (ASMs) border on raw copper exploration. Mining techniques used to include where copper tailings have been ascertained are both frugal, outdated and dangerous. Where miners have modernized tools and equipment, exploitation remains a challenge impacting adversely on mineral wealth beneficiation.

In line with global best practices, the establishment, commercialization and development of copper raw minerals in the country would address these challenges by incorporating systematic approach in resource appraisal, efficient mining techniques and modernizing beneficiation processes. This would enhance the contribution of the mining sector to Kenya's economic growth, national security, and community development while aligning with international standards

Preemptively, the problem is nationwide since no nationwide detailed exploration activities have been undertaken other than the

NAGS. Predominantly, however, strong indications are that copper is present in eastern, lower western and upper western parts of the country. With additional exploration activities, other parts of the country could be harboring raw mineral occurrences, which can be commercially appraised.

Inadequacy of up-to-date data on occurrences of high value critical raw/strategic minerals that are yet to be exploited undermines wealth creation through raw copper extraction, processing including conversion to cathode and transport – considering its bulky nature. Bu the Mining Act provides for mining of copper alongside other strategic and non-strategic mineral deposits to be undertaken by the state for the welfare of all Kenyans. Indicatively, the country’s copper mineral economic potential is speculative and untapped, hence mining contribution to GDP is sub-optimal yet there are known tailings that harbor the resource.

The only other available alternative is to abdicate the law and pass-on the role of commercialization and exploitation of copper to be handled by private investors (including ASMs), market agents (smugglers) contrary to the law that articulates strategic minerals should be developed by the National Mining Corporation. However, if this alternative were to be pursued, it would be risky to national and global security in view of the significant role that copper plays.

3. Relevance of the Project Idea

The strategic minerals development is a priority project for the National Mining Corporation. It aligns directly with the mining sector’s expectation under the Kenya Vision 2030 flagship projects to enhance mining for development, ensure value addition and increased competitiveness of minerals. By modernizing the extraction and processing of copper, this project is poised to significantly boost mining sector’s contribution to GDP, moving towards the government’s goal of 10% by 2030. The Mining and Minerals Policy emphasizes the importance of initiatives aimed at addressing existing gaps e.g., outdated mining techniques and inefficient value addition processes. Through this project, mining operations will be modernized, facilitate value addition and improve regulatory oversight.

This project will link to the African Agenda 2063, East African Community Vision 2050, Kenya Vision 2030 Economic and Social Pillars, which aim to drive economic growth and improve livelihoods through wealth and job creation. The mining sector, through this project, will generate employment opportunities, both directly and indirectly, by supporting Micro, Small, and Medium Enterprises (MSMEs) involved in mining and supply chains. Moreover, by promoting local content and building technical capacities, it will empower local economies, communities and contribute to sustainable development.

The project aligns with the Bottom-Up Economic Transformation Agenda (BETA), which focuses on uplifting the MSME sector by mopping-up the existing copper stockpiles possessed by the ASMs. The copper cathode plant will create jobs in mining, support SMEs

through procurement and service opportunities, and enable them to tap into the growing value chains within the mining industry. This enhances economic inclusion, in line with national goals of poverty reduction, local content development, and equitable wealth distribution and contribute to the success of the county integrated development plans (CIDPs), particularly in counties where mining activities are concentrated. It will help these counties unlock their economic potential by increasing revenue, providing employment, and improving infrastructure.

The proposed copper processing plant project aims to transform the mining sector by aligning with key strategic objectives. It will strengthen the National Mining Corporation's capacity in terms of revenue generation and ensure compliance with Environmental and Socio-governance (ESG) principles while optimizing mineral production for increased profitability.

Setting up the plant will provide employment opportunities for the local mining communities, turning around their economies as espoused under the Bottom-up Economic Transformation Agenda (BETA). Employment as a source of income has a range of associated societal benefits that would make the mining communities well-off. Application of the Local Content Policy in these areas will not only boost employment levels but increase levels of knowledge and skill transfer to local, support education, healthcare and infrastructure development such as roads, electricity and enable access to water within the mining communities. Adherence to the strict safety and health standards (OSHA), protects workers and the mining community from potential hazards associated with mining.

Kenya's copper production is relatively modest, with the country exporting approximately 8,122,340 kilograms of copper ores and concentrates valued at \$2.33 million in 2023. The primary destination for these exports was China, accounting for \$2.32 million and 8,072,330 kilograms of the total exports. In 2022, Kenya's copper ore exports were valued at \$1.73 million, with China being the main importer at \$1.64 million. The same year, Kenya imported copper ore worth \$2.6 million, primarily from Tanzania.

The mining sector's contribution to Kenya's GDP has declined from 2.5% in 2014 to 0.8% in 2018. However, studies suggest that with full exploitation, the sector could contribute up to 10% of the country's GDP.

While specific projections for copper's economic contribution are limited, the overall mining sector holds significant potential for enhancing Kenya's economic growth.

Copper, being a Strategic Mineral can only be developed by the State. This provides opportunity for accelerated development because of the potential upswing arising out of their development and commercialization. The State, through the National Mining Corporation, carries with it the sovereign guarantee required to safeguard Kenya's interest. Without state intervention, Copper resource would be exploited illegally alongside its associated minerals.

The project is aligned with the sector's vision 2030 flagship impetus of enhancing mining for development of mineral resources

through value addition to increase the competitiveness of these minerals.

4. Needs Assessment

Identify the target final beneficiaries (i.e. the end users of the services to be provided by the project) and give approximate assessment of their likely demand for the services provided by project by providing the following information:

This project has a myriad of beneficiaries, upon implementation, including and not limited to:

- Local communities where the project will be domiciled. This will manifest through implementation of the mining (community development agreement) regulations, 2017 which guarantee a set of benefits to the community where the project will be located. These economies will also reap through the mining (training and employment regulations) which require prioritization of locals in employment and use of local expertise.
- Local businesses who will provide land, supply equipment and construction materials; these businesses will also gain from processes products and participate in value addition along the value chain e.g., by providing transport
- National and County Government and local community which will benefit at the ratio of 70:20:10 of revenues in terms of royalties
- Regional bodies (East African Community, African Mineral Geoscience Centre, the International Monetary Fund, African Development Bank, the African Continental Free Trade Area and African Union – Department of Economic Affairs and African Mineral Development Centre) which champion for fair trade in minerals

This is a large project with multiple direct and indirect end-users. Upon implementation, the project will employ over 1,000 individuals and support over 5,000 small businesses. The project will see sale of 200,000 metric tons of processed copper annually. The project will see production of 700 tons of processed copper per day

- i. The main benefits of the asset that will be created to the end-users
 - Employment, income and provision of social facilities

- ii. Any significant external benefits or negative effects for non-users

Blasting noise during mining, displacements, compensations - To address this challenges, the institution will use **Controlled Blasting** (*using precise calculations and smaller explosive charges to minimize noise and vibrations*), Non-Explosive Rock Breaking (*Technologies such as expansive grouts e.g., Dexpan or hydraulic rock splitters can replace traditional blasting*) or **Electronic Blasting Systems** (*Digital delay detonators help optimize blast timing, reducing shock waves and noise intensity*). A proper resettlement plan will be in place to compensate and relocate affected communities fairly.

- iii. Any significant differences in benefits between alternatives if any, with brief explanations
-Use of appropriate technology will be ensured to minimize on negative effects and optimize on gains

SECTION 3: SCOPE OF THE PROJECT

The project entails identification, development and commercialization of Kenya's Copper mineral resources. Scope of the undertaking will entail the following:

- i.) Feasibility Study: In copper metallurgy processing involve thorough geological assessments to identify viable copper deposits;
- ii.) Land Acquisition: Engaging with regulatory authorities, local communities, and indigenous groups is thus critical to address concerns and obtain land and social license to operate.
- iii.) Environmental and Social Impact Assessments: Will entail studying the potential effects of mining activities on the surrounding ecosystem, water resources including aquifers, air quality, and wildlife with an aim of ascertaining any adverse effects on the environment, in line with EMCA and other regulatory requirements;
- iv.) Public Participation: The Constitution requires public participation to be undertaken. This may take the form of meetings to address any concerns share benefits, and ensure local stakeholders are involved in the decision-making process;
- v.) Business Plan and Financing: Developing a comprehensive business plan is important for securing funds for copper metallurgy processing projects Construction: Once the necessary permits, rights and approvals are obtained, the construction phase begins. This will involves building the necessary infrastructure for the copper mine, including facilities for extraction, transportation, processing and waste management;
- vi.) Marketing and Sales: Developing effective marketing strategies and establishing sales channels are crucial for the success of copper metallurgy processing projects;
- vii.) Mine Planning: Developing a detailed mine plan that outlines the extraction methods, scheduling, sequencing of mining activities and waste management strategies to optimize the copper recovery process sustainably;
- viii.) Safety and Security: Prioritizing safety and security of personnel and assets is paramount in copper development. Holistic safety protocols and procedures help avert accidents and occupational hazards. Availability of adequate personal protective equipment (PPE) and safety training for employees promotes safety awareness. Implementing security measures such as access controls and surveillance systems helps protect assets and prevent theft or vandalism.
- ix.) Mineral Rights Acquisition: This will involve regulatory approvals from governmental authorities and adherence to environmental regulations as well as securing the mining sites on the online mining cadastre;
- x.) Infrastructure Development: Developing infrastructure such as roads, power lines and water supply systems is necessary to support mining and processing operations;
- xi.) Exploration, Modelling and Copper Resource Estimation: This will involve depth drilling, sampling and analyzing the mineral deposits to determine the quantity and quality of copper available for extraction;

- xii.) Mine Development: Initiate the development of the mine site, including the construction of access roads, site facilities and the establishment of mining operations infrastructure, setting-up a processing plant, mineral processing, mine closure and de-commissioning
- xiii.) Ore Extraction: Undertake mining through the extraction of copper ore/tailings including drilling, blasting and transportation to the processing plant;
- xiv.) Processing and Beneficiation: Process the extracted copper ore through beneficiation techniques to enrich the ore and produce concentrate for further refining and smelting processes;
- xv.) Supply Chain Management: Smooth operation of copper processing projects requires effective supply chain management. Sourcing raw materials, equipment and consumables from reliable suppliers is essential to guarantee production continuity. Establishing strong relationships with logistics providers enables efficient transportation of ore and finished products. Implementing inventory management systems helps optimize inventory levels and minimize supply chain costs.
- xvi.) Copper Waste Management: Implement waste management practices to handle overburden, tailings, and other waste materials generated during the mining and beneficiation processes;
- xvii.) Social Capital to Operate: Maintain positive relations with local communities by engaging in social responsibility programs, addressing community concerns, and providing benefits to the surrounding areas;
- xviii.) Conduct detailed surface geological mapping, grid geochemical sampling, and geophysical survey;
- xix.) Restoration of the mines: Monitor the environmental impacts of the copper mining operation throughout its lifecycle and develop closure plans to reclaim and rehabilitate the site once mining activities are completed to ensure long-term environmental sustainability.

SECTION 4: LOGICAL FRAMEWORK

This section will show intervention logic or the result chain in a logical manner with a detailed description of the project goal, objectives, outcomes, outputs and inputs

a. Goal

The main goal for the project is to harness copper resources for accelerated social economic growth and development that will result in expansion of Kenya’s revenue base.

b. Project Outcomes

The project outcome will be Job creation and community development

c. Proposed Project Outputs

The expected output for this project are;

- i.) Feasibility Study undertaken
- ii.) Mineral Rights Acquired
- iii.) Land Acquired
- iv.) Environmental Assessment conducted
- v.) Public Participation undertaken
- vi.) Project site constructed
- vii.) Exploration, Modelling and copper resource estimation undertaken
- viii.) Minerals processed
- ix.) Mines restored and rehabilitated.

d. Project Activities and Inputs

The project will entail implementation of the following key activities:

- i.) Undertake Feasibility Studies
- ii.) Mineral Rights Acquisition
- iii.) Land Acquisition
- iv.) Conduct Environmental Assessment
- v.) Undertake Public Participation
- vi.) Construction of the project site
- vii.) Undertake Exploration, Modelling and copper resource estimation:
- viii.) Processing of the minerals explored.
- ix.) Undertake restoration and rehabilitation of the mines

e. Project Logical Framework Matrix

Narrative	Indicators	Sources/Mean of verification	Assumptions
<p>Goal (MTP/CID):</p> <p>To harness copper resources to expand Kenya’s revenue base.</p>	<p>Kilograms of copper ores exported</p>	<p>Audited Financial reports</p>	

Project Outcomes:			
Job creation and community development	Number of jobs created	Reports on employment index	Timely funding, uninterrupted project execution
Key Outputs			
i. Feasibility Study undertaken	No. of feasibility studies undertaken	Feasibility Study reports	Community acceptance
ii. Mineral Rights Acquired	No. of mineral rights acquired	Mineral rights license	Proper/Prompt working systems
iii. Land Acquired	Area of land acquired in acres	Title deeds	Availability of Funds
iv. Environmental Assessment conducted	Number of EIA conducted	EIA reports	Proper/Prompt working systems
v. Public Participation undertaken	Number of public gatherings held	Attendance list and reports	Acceptance/Consent from the community
vi. Project site constructed	Number of project sites constructed	Statement of the scope of works	Availability of funds
vii. Exploration, Modelling and Copper Resource Estimation undertaken	Number of explorations and modelling undertaken	Field exploration reports	
viii. Minerals processed	Quantity of minerals processed	Report on processed minerals	
ix. Mines restored and rehabilitated.	Number of mines restored and	Mines Restoration reports	

	rehabilitated		
Key Activities			
i. Undertake Feasibility Studies	No. of feasibility studies undertaken	Feasibility Study reports	Community acceptance
ii. Mineral Rights Acquisition	No. of mineral rights acquired	Mineral rights license	Proper/Prompt working systems
iii. Land Acquisition	Area of land acquired in acres	Title deeds	Availability of Funds
iv. Conduct Environmental Assessment	Number of EIA conducted	EIA reports	Security
v. Undertake Public Participation	Number of public gatherings held	Attendance list and reports	Acceptance from the community
vi. Construction of the project site	Number of project sites constructed	Statement of the scope of works	Availability of funds
vii. Undertake Exploration, Modelling and Copper Resource Estimation:	Number of explorations and modelling undertaken	Field exploration reports	
viii. Processing of the minerals.	Quantity of minerals processed	Report on processed minerals	
ix. Undertake restoration and rehabilitation of the mines	Number of mines restored and rehabilitated	Mines Restoration reports	

SECTION 5: INSTITUTIONAL ARRANGEMENTS

a. Institutional Mandate			
The National Mining Corporation (NMC) is a state corporation under the Ministry of Mining, Blue Economy, and Maritime Affairs, established under the Mining Act, 2016. Its key mandate includes Mineral Exploration, Development and commercialization of Mineral Resources. This project will assist in enhancing the mining sector’s contribution to GDP and industrialization, promoting sustainable resource exploitation and value addition, as well as achieving the current government Bottom-Up Economic Transformation Agenda (BETA) 2022-2027 through empowering artisanal and small-scale miners by providing financial and technical support. In addition, the project will assist in achieving Sustainable Development Goals such as; SDG 8 (Decent Work & Economic Growth) by creating jobs in mining and value-added industries, SDG 9 (Industry, Innovation, and Infrastructure) through developing local mining infrastructure, and SDG 12 (Responsible Consumption & Production) by ensuring sustainable mining practices.			
b. Management of the Project			
There is sufficient institutional, managerial and technical capacity to implement the project successfully. This is a premier project. In case of shortfall in expertise, consultants will be engaged.			
c. Monitoring and evaluation arrangements			
The Corporation has capacity to monitor the project on a routine basis to ensure it is within the set targets. The Corporation has developed a comprehensive monitoring and evaluation criteria for all its programmes and projects. This framework borrows heavily from the National Integrated Monitoring and Evaluation Framework adopted by the State Department for Planning.			
d. Risk and Mitigation Measures			
Risks	Likelihood/Probability <i>(High, medium or low as categories)</i>	Risk Impact <i>(High, medium or low as categories)</i>	Mitigation Strategy
Non-viable deposits	Medium	High	Extensive exploration
Poor security in the project site	High	High	Multi agency approach with local administration in provision of security
Vagaries of weather	Low	Low	Proper Planning of the exploration activities
e. Project Stakeholders Management			

Stakeholder	Level of influence	Engagement Strategy
The National Treasury	High	Allocation of budget and approval of PCNs
Ministry of Mining, Blue Economy and Maritime Affairs	High	Provision of policy guidance
The Mineral Rights Board	High	Provision of mineral rights
Interior and National Administration	High	Provision of security
National Land Commission	High	Approvals for land acquisition
Civil societies and NGOs	High	Championing for human rights and gender issues.
Local Community	High	Public engagements and Ensure social capital to operate
Kenya Wildlife Service	Medium	Engagements in areas that exploration will occur in gazetted parks
Kenya Forest Services	Medium	Provision of trees during restoration of the mines
Office of the Attorney General	Medium	Legal engagements in terms of disputes
f. Project Readiness		
Describe how prepared the implementing agency to deliver the project by providing the following information:		
c) <i>Has the project preliminary and detailed designs been prepared and approved?</i> YES		
d) <i>Whether the land been acquired or site readiness?</i> YES		
e) <i>Have necessary regulatory approvals been obtained?</i> YES		
f) What government agencies and stakeholders will be involved in the preparation of the Project and what roles they will play in		

project development and approval?

The National Mining Corporation is fully operational and ready to take on this project. The critical path for the project has been mapped and approved for implementation starting FY 2025/2026. All the necessary human and technical resources are available at the Corporation.

g) *Have you undertaken consultations with other Government Agencies in order to improve synergy and avoid duplication of effort?*

Project can only be undertaken by the National Mining Corporation considering Copper is a strategic mineral, which can only be developed by the Corporation on behalf of the State.

h) If the answer is no to any of the above questions, then confirm whether this is part of the Project implementation plan. Confirm whether the project can be phased or scaled down.... **NO**

SECTION 6: FINANCIAL INFORMATION

a) Capital Cost (Kshs 160 Million) to complete the project:

Estimate the capital costs required to implement the project as follows:

	Ksh. Million
i.) Consultancy, detailed design and legal fees	50
ii.) Site Access, Preparation and Utility	30
iii.) Construction	80
iv.) Fixtures and Fittings	-
v.) Other capital	-

b) Recurrent Costs (Kshs 140 Million) to complete the project:

Estimate the recurrent costs required to implement the project as follows:

- a) Labor cost - **40**
- b) Operating costs - **40**
- c) Maintenance Costs - **40**
- d) Others – (M&E) – **20**

c) Total Cost Breakdown in Financial Year			
FY(2026/27)	FY(2027/28)	FY(2028/29)	FY(2029/30)
Total (Kshs. M)	Total (Kshs. M)	Total (Kshs. M)	Total (Kshs.M)
-	-	-	63
d) Proposed Source of Financing			
Government of Kenya and Development Partner (through Joint Venture)			
e) Cost implications to other Related Projects			
The project does not have additional cost			
SECTION 7: OPERATIONAL SUSTAINABILITY			
<p>The project will be owned and operated by the National Mining Corporation and will generate income for the government. The project is sustainable since most strategic minerals have standby demand. Upon successful identification, it is expected that international players with vast experience will be invited to form partnerships, acquisitions and joint ventures with the Corporation in exploitation, sales and marketing.</p> <p>a) Adequacy of the technical, managerial and financial capacity within the organizations responsible for operating and maintaining the capital asset once completed and any measures required to create that capacity where necessary; and</p> <p>Adequate capacity at the National Mining Corporation.</p> <p>b) Coverage of anticipated post implementation operating costs including depreciation by providing estimates for:</p> <ol style="list-style-type: none"> i. Average annual personnel or labour cost, 5 Million ii. Annual operation and maintenance cost, 10 Million iii. Other cost. 2 Million <p>After the initial exploration phase the project will incur post-implementation labour and operational costs to sustain activities such as mine development, processing, and production. These costs breakdown are as provided above and are essential for maintaining efficiency, regulatory compliance, and profitability.</p> <p>The Corporation will embark on undertaking detailed exploration work, once a viable deposit has been established. The Corporation</p>			

will scout and seek for Joint venture partnerships between itself and private sector players in the specific industry. The two will then develop a mine and operate it to closure.

SECTION 8: PROJECT IMPLEMENTATION PLAN

N O	Activity/ task name	Expected duration (months)	Estimated Cost (KShs. M)	Expected Outputs	KPI	FY 2026/27 (KShs. M)	FY 2027/28 (KShs. M)	FY 2028/29 (KShs. M)	FY 2029/30 (KShs. M)
1.	Undertake Public Participation	2	5	Public participation undertaken	Number of public gatherings held	-	5		-
2.	Mineral Rights Acquisition	3	2	Mineral rights acquired	No. of mineral rights acquired	-	2	-	-
3.	Conduct Environmental Assessment	6	30	EIA conducted	Number of EIA conducted	-	30		-
4.	Undertake Exploration, Modelling and Copper Resource Estimation:	24	40	Field exploration undertaken	Number of explorations and modelling undertaken	-	43	20	20
5.	Undertake Feasibility Studies	12	63	Feasibility Study undertaken	No. of feasibility studies undertaken	63	-	-	-
6.	Construction of the project site	3	110	Project site constructed	Number of project sites constructed	-	-	80	17
7.	Processing of the minerals.	12	30	Minerals processed	Quantity of minerals processed	-	-	-	10

8.	Undertake restoration and rehabilitation of the mines	6	20	Mines Restored	Number of mines restored and rehabilitated	-	-	-	10
	Total		300			-	-	-	63

2. Development and Commercialization of Chromite and Associated Minerals

SECTION 1: PROJECT PROFILE	
Project Name:	Development and commercialization of Chromite and Associated Minerals
Project Reference Number:	SDM/NMC/002
Ministry:	Mining, Blue Economy and Maritime Affairs
Implementing Agency (MDA):	National Mining Corporation
Initiating Department / Division I Section / Unit:	State Department for Mining
Budget Vote (where applicable):	1192
Estimated Project Cost (Ksh Million)	300
MTEF Sector:	Environmental Protection, Water and Natural Resources
Accounting Officer:	Principal Secretary, State Department for Mining
Official Contact Details (Provide email, telephone number, postal and physical address):	CEO, National Mining Corporation: KWFT Centre, 3 rd Floor, Kiambere – Masaba Road Junction, Upper hill P.O. Box Nairobi;

		Email: info@namico.go.ke	
Project Threshold:		Small	
Project Geographic Location (Provide GPS Coordinates here):		Various Counties	
County: Kwale, Taita Taveta, Kajiado, Kitui and Turkana	Sub-County: Various	Ward: Various	Village: Various
Planned Start Date:		1 st July 2026	
Planned End Date:		30 th June 2030	
Date of Submission:		2024	

SECTION 2: PROJECT BACKGROUND

1. Situation Analysis

The National Mining Corporation (NAMICO) is established under Section 24 of the Mining Act No. 12 Cap 306 of 2016 and attendant sector laws and regulations. NAMICO has a cardinal responsibility to engage in strategic mineral prospecting, mining and any other activities related to strategic minerals. As an investment arm of Government in mineral development, NAMICO can engage in mineral prospecting and mining; invest on behalf of the national government; acquire by agreement or hold interests in any undertaking, enterprise or project associated with the exploration, prospecting and mining; acquire shares or interest in any firm, company or other body of persons, whether corporate or unincorporated, which is engaged in the mining, prospecting, refining, grading, producing, cutting, processing, buying, selling or marketing of minerals; and carry on its business, operations and activities whether as a principal-agent, contractor or otherwise, and either alone or in conjunction with any other persons, firms or bodies corporate.

Geological studies give strong indication that Kenya hosts several high value strategic minerals that are yet to be exploited. A Gazette Notice No. 14732 dated 25th October, 2023 by the Cabinet Secretary for Mining, Blue Economy and Maritime Affairs approved 12 strategic minerals. In addition to two (2) that were already strategic minerals, this totals to 14, amplifying the role of the NAMICO in strategic mineral development. These strategic minerals include: all Radio-Active Minerals (Uranium and Thorium), Niobium,

Coltan, Tantalum, Tin, Nickel, Graphite, Chromite, Cobalt, Lithium, Copper, Tsavorite, and Rare Earth Elements.

Considering budgetary constraints and available archival data, there is a strong impetus for high quality and quantity Chromite Mineral. Chromite is the primary source of chromium metal and has numerous industrial applications. It is widely used in the metallurgical industry, chemical industry, refractory materials, and in the production of ferrochrome, which is commonly used in stainless steel manufacturing. Chromium, derived mainly from chromite, is utilized due to its good hardness, wear resistance, heat resistance, and stable chemical properties. It has applications in various industries, such as metallurgy, chemical manufacturing, refractory materials, and environmental protection technologies.

Chromite plays a crucial role in the metallurgical industry, chemical industry and the production of refractory materials, notably ferrochrome used extensively in the manufacturing of stainless steel. The chemistry of chromium derived from chromite is instrumental in its utilization across diverse industries, primarily due to its notable hardness, wear resistance, heat resistance and stable chemical properties, rendering it valuable for numerous applications. Chromium exists in several oxidation states and about 15% of the total chromium mined is utilized in chemical manufacturing.

National Airborne Geophysical Survey was done revealing 970 anomalies, necessitating targeted explorations through detailed surface geological mapping, grid geochemical survey, geo-physical survey and targeted drilling at depth. Targeted assessment and documentation for Chromite have been done in Marsabit and West Pokot County but necessary that is done in other parts of the country as well.

2. Problem Statement

The world over, critical/strategic mineral resources have been known to be of key national interest due to their ability to contribute significantly to either economic growth, a country's sovereignty, defense and national security capabilities and or wide community and social economic benefits. In particular, occurrence of Chromite raw mineral resource follows certain geological patterns but is prone to both local and international resource-based conflicts. This is the case in Kenya and it is against this backdrop that the Mining Act, 2016 sought to declare Chromite a strategic mineral resource. The declaration notwithstanding, activities of private miners and small-scale artisanal miners (ASMs) border on raw Chromite exploration and export. Mining techniques used are both frugal, outdated and dangerous. Where these miners have modernized tools and equipment, exploitation remains a challenge impacting adversely on mineral wealth beneficiation. Chromite is prone to smuggling, which is detrimental to not only the mining communities but the economy as a whole.

In line with global best practices, the establishment, commercialization and development of Chromite raw minerals in the country

would address these challenges by incorporating systematic approach in resource appraisal, efficient mining techniques and modernizing beneficiation processes. This would enhance the contribution of the mining sector to Kenya's economic growth, national security, and community development while aligning with international standards

Preemptively, the problem is nationwide since not nationwide detailed exploration activities have been undertaken other than the NAGS. Predominantly, however, strong indications are that Chromite is available in West Pokot and Marsabit counties. With additional exploration activities, other parts of the country could be harboring these occurrences.

Inadequacy of up-to-date data on occurrences of high value critical raw/strategic minerals that are yet to be exploited undermines wealth creation through strategic mineral development. This is despite the Mining Act providing for mining of Chromite alongside other strategic and non-strategic mineral deposits to be undertaken by the state for the welfare of all Kenyans. Indicatively, the country's Chromite mineral economic potential is speculative and untapped, hence mining contribution to GDP is sub-optimal.

The only other available alternative is to abdicate the law and pass-on the role of commercialization and exploitation of Chromite to be handled by private investors (including ASMs), market agents (smugglers) contrary to the law that articulates strategic minerals should be developed by the National Mining Corporation. However, if this alternative were to be pursued, it would be risky to national and global security in view of the significant role that chromium plays in stealth technology.

3. Relevance of the Project Idea

The development and commercialization of chromite in Kenya align with key national development plans by driving industrialization, economic growth, employment creation, and sustainable resource management. The link include alignment with Kenya Vision 2030 through Industrialization, Increased GDP Contribution and Job Creation. Contribution to the Bottom-Up Economic Transformation Agenda (BETA) is enhanced through Value Addition & Manufacturing by Encouraging local processing instead of exporting raw ores, Empowerment of Small-Scale Miners through Formalizing artisanal and small-scale mining (ASM) to increase community benefits and Infrastructure Development where Mining investments will drive road, rail, and energy improvements in mineral-rich counties. In addition, under MTP III (2018-2022) and the upcoming MTP IV (2023-2027), chromite commercialization aligns with key priorities that include Mineral Value Addition by establishing local refining plants to reduce dependence on imports, Public-Private Partnerships (PPPs) through attracting domestic and foreign investment for mining projects as well as Sustainable Mining Practices which ensures environmental compliance and land rehabilitation.

The proposed strategic minerals development project aims to transform the mining sector by aligning with key strategic objectives. It will strengthen the National Mining Corporation's capacity in terms of revenue generation, and ensure compliance with

Environmental and Socio-governance (ESG) principles while optimizing mineral production for increased profitability. The project will establish mineral beneficiation centers to enhance export revenues and secure trade agreements to boost Kenya's global presence. It will conduct market research for effective entry strategies and support MSME growth through business incubation and stockpiles acquisition in line with the Bottom-Up Economic Transformation Agenda (BETA). By fostering strategic partnerships, the project will attract global investment and expertise while promoting responsible mining practices that protect the environment, contributing to GDP growth, job creation, and sustainable mining practices. In addition, the project will result in the development of mining infrastructure and support services through strengthening energy supply and industrial zones for mineral processing as well as development of modern laboratory facilities for mineral testing and certification. This will also lead to expansion of Research and Development (R&D) in Mineral Exploration by promoting innovation in mineral extraction, processing, and environmental management.

As of the latest available data, Kenya's chromite (chromium ore) industry is relatively modest in scale. In 2022, Kenya exported approximately \$22,700 worth of chromium ore, with China being the primary destination. Imports of chromium ore into Kenya were valued at around \$17,600 during the same period, mainly sourced from South Africa and India. In 2023, exports of chromium ores and concentrates from South Africa to Kenya amounted to \$29,460, totaling 39,884 kilograms. Given the limited scale of current chromite production and trade, specific revenue projections and demand forecasts for chromite within Kenya are not readily available. However, the global demand for chromium is closely tied to the stainless steel industry, as chromium is a key component in stainless steel production. As global industrialization and urbanization continue, the demand for stainless steel—and consequently chromite—is expected to grow. For Kenya to capitalize on this potential, strategic investments in exploration, mining, and processing infrastructure would be necessary. Developing a comprehensive understanding of domestic chromite reserves and fostering partnerships with international stakeholders could position Kenya to meet both local and regional demand, thereby enhancing the mining sector's contribution to the national economy.

Chromite, being a Strategic Mineral can only be developed by the State. This provides opportunity for accelerated development because of the potential upswing arising out of their development and commercialization. The State, through the National Mining Corporation, carries with it the sovereign guarantee required to safeguard Kenya's interest. The risks associated without state intervention is that Chromite resource would be taken by wrong entities who can destabilize global peace, markets and security, irredeemably. Other risks that might be associated without government's intervention on this project include; Economic Loss and Missed Revenue Generation, Foreign Exploitation and Loss of National Control, Underdeveloped Copper Industry and Limited Value Addition, Environmental and Social Risks from Unregulated Mining, Lost Employment and Industrialization Opportunities, Increased Dependence on Imports for Copper-Dependent Industries, Weakening Kenya's Regional and Global Competitiveness as well as

Slower Infrastructure Development in Mining Regions.

Kenya's Vision 2030 aims to transform the country into a middle-income industrialized nation through economic growth, infrastructure development, and value addition in key sectors, including mining. The exploration and commercialization of chromite (a key mineral in stainless steel production and industrial manufacturing) is aligned with Vision 2030's milestones. This aligned in the Short-Term (2024–2027) in regards to Exploration & Resource Mapping while in the Medium-Term (2027–2030) its aligned in Mining & Local Processing Development.

4. Needs Assessment

Identify the target final beneficiaries (i.e. the end users of the services to be provided by the project) and give approximate assessment of their likely demand for the services provided by project by providing the following information:

This project has a myriad of beneficiaries, upon implementation, including and not limited to:

- Local communities where the project will be domiciled. This will manifest through implementation of the mining (community development agreement) regulations, 2017 which guarantee a set of benefits to the community where the project will be located. These economies will also reap through the mining (training and employment regulations) which require prioritization of locals in employment and use of local expertise.
- Local businesses who will provide land, supply equipment and construction materials; these businesses will also gain from processes products and participate in value addition along the value chain e.g., by providing transport
- National and County Government and local community which will benefit at the ratio of 70:20:10 of revenues in terms of royalties
- Regional bodies (East African Community, African Mineral Geoscience Centre, the International Monetary Fund, African Development Bank, the African Continental Free Trade Area and African Union – Department of Economic Affairs and African Mineral Development Centre) which champion for fair trade in minerals

This is a large project with multiple direct and indirect end-users. Upon implementation, the project will employ over 1,000 individuals and support over 5,000 small businesses. The project will see sale of 200,000 metric tons of processed Chromite yearly.

The project will see production of 700 tons of processed strategic minerals per day

- i. The main benefits of the asset that will be created to the end-users
 - Employment, income and provision of social facilities
- ii. Any significant external benefits or negative effects for non-users

- Blasting noise during mining, displacements, compensations

iii. Any significant differences in benefits between alternatives if any, with brief explanations

-Use of appropriate technology will be ensured to minimize on negative effects and optimize on gains

SECTION 3: SCOPE OF THE PROJECT

The project entails identification, development and commercialization of Kenya's Chromite mineral resources. Scope of the undertaking will entail the following:

- i.) Feasibility Study: To assess the technical, economic and financial viability of the chromite mining project, determine the projected costs, potential revenues and the overall feasibility of the operation to the sector and Kenyan economy;
- ii.) Environmental Assessment: Will entail studying the potential effects of mining activities on the surrounding ecosystem, water resources including aquifers, air quality, and wildlife with an aim of ascertaining any adverse effects on the environment, in line with EMCA and other regulatory requirements;
- iii.) Public Participation: The Constitution requires public participation to be undertaken. This may take the form of meetings to address any concerns share benefits, and ensure local stakeholders are involved in the decision-making process;
- iv.) Construction: Once the necessary permits, rights and approvals are obtained, the construction phase begins. This will involve building the necessary infrastructure for the chromite mine, including facilities for extraction, transportation, processing and waste management;
- v.) Mineral Rights Acquisition: This will involve regulatory approvals from governmental authorities and adherence to environmental regulations as well as securing the mining sites on the online mining cadastre;
- vi.) Infrastructure Development: Establish essential infrastructure for the mine site, including power supply, water sources, communication systems and transportation networks to support the mining operations;
- vii.) Exploration, Modelling and Chromite Resource Estimation: This will involve depth drilling, sampling and analyzing the mineral deposits to determine the quantity and quality of chromite available for extraction;
- viii.) Mine Planning: Developing a detailed mine plan that outlines the extraction methods, scheduling, sequencing of mining activities and waste management strategies to optimize the chromite recovery process;
- ix.) Mine Development: Initiate the development of the mine site, including the construction of access roads, site facilities and the establishment of mining operations infrastructure, setting-up a processing plant through joint venture, mineral processing, mine closure and de-commissioning
- x.) Ore Extraction: Undertake mining through the extraction of chromite ore including drilling, blasting and transportation to the processing plant;
- xi.) Processing and Beneficiation: Process the extracted chromite ore through beneficiation techniques to enrich the ore and produce concentrate for further refining and smelting processes;

- xii.) Chromite Waste Management: Implement waste management practices to handle overburden, tailings, and other waste materials generated during the mining and beneficiation processes;
- xiii.) Social Capital to Operate: Maintain positive relations with local communities by engaging in social responsibility programs, addressing community concerns, and providing benefits to the surrounding areas;
- xiv.) Conduct detailed surface geological mapping, grid geochemical sampling, and geophysical survey;
- xv.) Restoration of the mines: Monitor the environmental impacts of the chromite mining operation throughout its lifecycle and develop closure plans to reclaim and rehabilitate the site once mining activities are completed to ensure long-term environmental sustainability.

SECTION 4: LOGICAL FRAMEWORK

This section will show intervention logic or the result chain in a logical manner with a detailed description of the project goal, objectives, outcomes, outputs and inputs

a) Goal

The main goal for the project is to harness chromite resources for accelerated social economic growth and development that will result in expansion of Kenya's revenue base.

b) Project Outcomes

The project outcome will be acceleration of Chromite resource reserves identification and development in Kenya.

c) Proposed Project Outputs

The expected output for this project are;

- i. Feasibility Study undertaken
- ii. Mineral Rights Acquired
- iii. Environmental Assessment conducted
- iv. Public Participation undertaken
- v. Project site constructed
- vi. Exploration, Modelling and Chromite Resource Estimation undertaken
- vii. Minerals processed
- viii. Mines restored and rehabilitated.

d) Project Activities and Inputs

The project will entail implementation of the following key activities:

- i.) Undertake Feasibility Studies
- ii.) Mineral Rights Acquisition
- iii.) Conduct Environmental Assessment
- iv.) Undertake Public Participation
- v.) Construction of the project site
- vi.) Undertake Exploration, Modelling and Chromite Resource Estimation:
- vii.) Processing of the minerals explored.
- viii.) Undertake restoration and rehabilitation of the mines

e) Project Logical Framework Matrix

Narrative	Indicators	Sources/Mean of verification	Assumptions
Goal (MTP/CID): To harness chromite resources to expand Kenya's revenue base.	Percentage change in revenue	Audited Financial reports	
Project Outcomes: Acceleration of Chromite resource reserves identification and development	Number of chromite resource identified and developed	Field reports on chromite reserves	Timely funding, uninterrupted project execution
Key Outputs i. Feasibility Study undertaken	No. of feasibility studies undertaken	Feasibility Study reports	Community acceptance

ii. Mineral Rights Acquired	No. of mineral rights acquired	Mineral rights license	Proper working systems
iii. Environmental Assessment conducted	Number of EIA conducted	EIA reports	Security
iv. Public Participation undertaken	Number of public gatherings held	Attendance list and reports	Acceptance from the community
v. Project site constructed	Number of project sites constructed	Statement of the scope of works	Availability of funds
vi. Exploration, Modelling and Chromite Resource Estimation undertaken	Number of explorations and modelling undertaken	Field exploration reports	
vii. Minerals processed	Quantity of minerals processed	Report on processed minerals	
viii. Mines restored and rehabilitated.	Number of mines restored and rehabilitated	Mines Restoration reports	
Key Activities			
i. Undertake Feasibility Studies	No. of feasibility studies undertaken	Feasibility Study reports	Community acceptance
ii. Mineral Rights Acquisition	No. of mineral rights acquired	Mineral rights license	Proper working systems
iii. Conduct Environmental Assessment	Number of EIA conducted	EIA reports	Security
iv. Undertake Public Participation	Number of public gatherings held	Attendance list and reports	Acceptance from the community
v. Construction of the project	Number of project sites	Statement of the scope of	Availability of funds

site	constructed	works	
vi. Undertake Exploration, Modelling and Chromite Resource Estimation:	Number of explorations and modelling undertaken	Field exploration reports	
vii. Processing of the minerals.	Quantity of minerals processed	Report on processed minerals	
viii. Undertake restoration and rehabilitation of the mines	Number of mines restored and rehabilitated	Mines Restoration reports	

SECTION 5: INSTITUTIONAL ARRANGEMENTS

a. Institutional Mandate

The National Mining Corporation as espoused under section 24 of the Mining Act Cap 306 is operational and has a fully constituted Board to develop and commercialize strategic minerals. The Corporation has procured all necessary approvals from all the various government agencies and has set up an operational base. It has developed its Strategic Plan and one of the key activities identified in the plan is the development of Kenya's Strategic resources including Chromite. The Corporation has all the necessary legal, technical and managerial skills to move this project from inception to closure.

b. Management of the Project

There is sufficient institutional, managerial and technical capacity to implement the project successfully. This is a premier project. In case of shortfall in expertise, consultants will be engaged.

c. Monitoring and evaluation arrangements

The Corporation has capacity to monitor the project on a routine basis to ensure it is within the set targets. The Corporation has developed a comprehensive monitoring and evaluation criteria for all its programmes and projects. This framework borrows heavily from the National Integrated Monitoring and Evaluation Framework adopted by the State Department for Planning.

d. Risk and Mitigation Measures

Risks	Likelihood/Probability	Risk Impact	Mitigation Strategy
	<i>(High, medium or low as</i>	<i>(High, medium or low as</i>	

	<i>categories)</i>	<i>categories)</i>	
Non-viable deposits	Medium	High	Extensive exploration
Poor security in the project site	High	High	Multi agency approach with local administration in provision of security
Vagaries of weather	Low	Low	Proper Planning of the exploration activities
e. Project Stakeholders Management			
Stakeholder	Level of influence	Engagement Strategy	
The National Treasury	High	Allocation of budget and approval of PCNs	
Ministry of Mining, Blue Economy and Maritime Affairs	High	Provision of policy guidance	
The Mineral Rights Board	High	Provision of mineral rights	
Interior and National Administration	High	Provision of security	
Civil societies and NGOs	High	Championing for human rights and gender issues.	
Local Community	High	Public engagements and Ensure social capital to operate	
Kenya Wildlife Service	Medium	Engagements in areas that exploration will occur in gazetted parks	
Kenya Forest Services	Medium	Provision of trees during restoration of the mines	
Office of the Attorney General	Medium	Legal engagements in terms of disputes	
f. Project Readiness			

Describe how prepared the implementing agency to deliver the project by providing the following information:

a) *Has the project preliminary and detailed designs been prepared and approved?*

YES

b) *Whether the land been acquired or site readiness?*

YES

c) *Have necessary regulatory approvals been obtained?*

YES

d) What government agencies and stakeholders will be involved in the preparation of the Project and what roles they will play in project development and approval?

The National Mining Corporation is fully operational and ready to take on this project. The critical path for the project has been mapped and approved for implementation starting FY 2025/2026. All the necessary human and technical resources are available at the Corporation.

e) *Have you undertaken consultations with other Government Agencies in order to improve synergy and avoid duplication of effort?*

Project can only be undertaken by the National Mining Corporation considering Chromite is a strategic mineral, which can only be developed by the Corporation on behalf of the State.

f) If the answer is no to any of the above questions, then confirm whether this is part of the Project implementation plan.

Confirm whether the project can be phased or scaled down.....**Project will be phased**

SECTION 6: FINANCIAL INFORMATION

a) Capital Cost (Kshs 160 Million) to complete the project:

Estimate the capital costs required to implement the project as follows:

	Ksh. Million
a. Consultancy, detailed design and legal fees	50
b. Site Access, Preparation and Utility	30
c. Construction	80
d. Fixtures and Fittings	

Other capital	-	-	
b) Recurrent Costs (Kshs 140 Million) to complete the project:			
Estimate the recurrent costs required to implement the project as follows:			
a. Labor cost - 40			
b. Operating costs - 40			
c. Maintenance Costs - 40			
d. Others – (M&E) – 20			
c) Total Cost Breakdown in Financial Year			
FY(2026/27)	FY(2027/28)	FY(2028/29)	FY(2029/30)
Total (Kshs. M)	Total (Kshs. M)	Total (Kshs. M)	Total (Kshs.M)
-	-	-	63
d) Proposed Source of Financing			
Government of Kenya and Development Partner (through Joint Venture)			
e) Cost implications to other Related Projects			
The project does not have additional cost			
SECTION 7: OPERATIONAL SUSTAINABILITY			
<p>The project will be owned and operated by the National Mining Corporation and will generate income for the government. The project is sustainable since most strategic minerals mainly found in Marsabit, Samburu and West Pokot counties have standby demand. Upon successful identification, it is expected that international players with vast experience will be invited to form partnerships and joint ventures such as having Government Equity in Mining Projects, Foreign Direct Investment (FDI) and Infrastructure Sharing Agreements with the Corporation in exploitation, sales and marketing.</p> <p>To ensure the long-term sustainability of chromite mining and commercialization, key considerations include post-implementation costs, capacity building, revenue sources, joint venture costs, and land expropriation. The Post-Implementation Costs include Mine Maintenance & Rehabilitation, Processing & Refining Expense, Environmental Monitoring & Compliance, Labour & Workforce</p>			

Management, Operational Equipment Maintenance, and Community Development Obligations which will be covered through the use of modern mining technology or partnership with private investors for funding operational costs. In terms of capacity building there will be adequate Training & Skill Development, Research & Development (R&D) on advanced extraction and processing technologies, as well as institutional strengthening. Source of revenue to undertake these costs are the Mining Royalties & Taxes as well as Chromite Exports & Local Sales.

Coverage of anticipated post implementation operating costs including depreciation by providing estimates for:

- i. Average annual personnel or labour cost, **5 Million**
- ii. Annual operation and maintenance cost, **10 Million**
- iii. Other cost. **2 Million**

The Corporation will embark on undertaking detailed exploration work, once a viable deposit has been established. The Corporation will scout and seek for Joint venture partnerships between itself and private sector players in the specific industry. The two will then develop a mine and operate it to closure.

SECTION 8: PROJECT IMPLEMENTATION PLAN

NO	Activity/ task name	Expected duration (months)	Estimated Cost (KShs. M)	Expected Outputs	KPI	FY 2026/27	FY 2027/28	FY 2028/29	FY 2029/30
						(KShs. M)	(KShs. M)	(KShs. M)	(KShs. M)
1.	Undertake Public Participation	2	5	Public participation undertaken	Number of public gatherings held	-	5		-
2.	Mineral Rights Acquisition	3	2	Mineral rights acquired	No. of mineral rights acquired	-	2	-	-
3.	Conduct Environmental Assessment	6	30	EIA conducted	Number of EIA conducted	-	30		-
4.	Undertake Exploration, Modelling and Chromite Resource Estimation:	24	40	Field exploration undertaken	Number of explorations and modelling undertaken	-	43	20	20

5.	Undertake Feasibility Studies	12	63	Feasibility Study undertaken	No. of feasibility studies undertaken	63	-	-	-
6.	Construction of the project site	3	80	Project site constructed	Number of project sites constructed	-	-	80	17
7.	Processing of the minerals.	12	30	Minerals processed	Quantity of minerals processed	-	-	-	10
8.	Undertake restoration and rehabilitation of the mines	6	20	Mines Restored	Number of mines restored and rehabilitated	-	-	-	10
	Total		300			-	-	-	63

3. Establishment of Government Commercial Explosives Magazines

SECTION 1: PROJECT PROFILE	
Project Name:	Establishment of Government commercial Explosives Magazines
Project Reference Number:	SDM/DOE/001
Ministry:	Mining, Blue Economy and Maritime Affairs
Implementing Agency (MDA):	State Department for Mining
Initiating Department / Division I Section / Unit:	Directorate of Commercial Explosives
Budget Vote (where applicable):	1192
Estimated Project Cost (Ksh Million)	460
MTEF Sector:	Environmental Protection, Water and Natural Resources

Accounting Officer:	Principal Secretary, State Department for Mining		
Official Contact Details (Provide email, telephone number, postal and physical address):	Public Works Building, Ngong Road. P.O. BOX 30009- 00100 Nairobi, Email: ps@mining.go.ke		
Project Threshold:	Small		
Project Geographic Location (Provide GPS Coordinates here):	Kwale, Kajiado, Migori		
County: Kwale, Kajiado and Migori	Sub- County: Various	Ward: Various	Village: Various
Planned Start Date:	1 st July 2026		
Planned End Date:	30 th June 2030		
Date of Submission:	2024		

SECTION 2: PROJECT BACKGROUND

1) Situation Analysis

In the recent past, the demand for and use of blasting explosives has been on the rise. According to Directorate of Explosives data on imported explosives; the number of imported explosives as at 2010 was 5,000 tonnes as compared to 2024 which was at 8,000 tonnes. This is due to increased application in different sectors including; quarrying, construction, civil works and agriculture among others.

However, as the demand for explosives increases, conversely, illegalities and non-compliance in acquisition and handling of the explosives also increases leading to illegal importation, illegal acquisition and illegal storage and use of blasting explosives.

The Directorate of Commercial Explosives is mandated with implementation of the Explosives Act, Cap115, and is responsible for regulating safety and security of commercial explosives (blasting explosives and fireworks) including manufacture, import/export, sale, storage, transport and use of commercial explosives.

The availability and distribution of explosives magazines in Kenya face several challenges, including limited coverage in remote or

rural areas, where businesses and mining companies struggle to acquire explosives leading to smuggling and illegal storage. Consequently, there is increase in cases of impounded/confiscated explosives. These explosives are however, stored in either port police station or borrowed private magazines pending destruction. However, the private sector is often hesitant to invest in large capacity storage facilities due to high compliance costs with safety regulations, leading to a shortage of private storage options. To address these gaps, the government would be required to investment in construction of government magazines where impounded explosives will be stored safely and securely awaiting completion of court cases and destruction later on.

In 2017 the Kenya Defense Force Four (4) 20ft containers impounded explosives in Kilifi which they found to have been stored in a manner that compromised public safety. The explosives had to be transported to a dealer’s magazine in Kajiado for safe storage.

A blaster was arrested in Nairobi CBD in 2017 carrying 20kg of Gelnite while transporting them in a gunny bag. The explosives were legally acquired for a legal project but were diverted. The impounded explosives were stored in a dealer’s’ magazine awaiting determination of the case. In another case a blaster was arrested in Mlolongo selling ammonium nitrate. He was taken to court for illegal possession and dealing in explosives. In the meantime, the explosives were under the custody of police while the case was proceeding.

For instance, in December last year 25 boxes of explosives were impounded in Migori. From the ruling done on 5th December 2023 the judge ordered the explosives to be offloaded from the vehicle and explosives be handed over to the investigation officer for destruction. This implies that the impounded explosives remained in the vehicle until the investigation was concluded and ruling done.

This month on Monday 9th September 2024, Police in Kisii impounded 459 pieces of water gel and 2rolls of detonating cord; the two are high explosives. The explosives were taken to Mosochi Police station.

From the four incidences, public and property safety was compromised because of unsafe methods of storage. With explosives, the severity of the use or mishandling is not dependent with the number of times an illegality has happened.

2) Problem Statement

The current status in the explosives industry is that users of blasting explosives are expected to acquire blasting materials from licensed dealers, transport the materials using approved vehicles and store the explosives in licensed magazines. As the sector grows, so does the challenges in terms of acquisition and handling of blasting explosives due to non-compliance.

Currently, the Government does not have its own magazines where confiscated, seized and impounded explosives as well as court exhibits can be stored under its control. In addition, testing of explosives does not have suitable facility to undertake the exercise, and also there are no grounds provided for training/demonstration on explosives for the law enforcement agencies such as border control

officers and police. Moreover, explosives that are due for clearance are stored temporarily in unauthorized areas which pose dangers to lives and properties.

This leads to laps in enforcement as the officers are required to source alternative storage magazines where they don't have control over for the storage of confiscated explosives materials, court exhibits, deteriorated explosives and facilities for testing and training of law enforcement personnel. This therefore necessitates the need to construct Government magazines in various locations within the country.

Impounding/Confiscating of explosives occurs countrywide since private magazines are located in almost all counties. During inspections inspectors confiscate explosives which are deteriorated or are kept in unsecure and safe manner. However, impounding of explosives by security agencies is prevalent in Sirare/ Migori, Namanga, Taveta and Nairobi. Additionally, Mombasa being the main port of entry for explosives imports, it receives explosives that do not comply or do not meet quality standards, and hence the explosives are confiscated for destruction. These explosives are however, stored in either port police station or borrowed magazines pending destruction. This scenario is also experienced in all other border points.

The demand for explosives has been increasing, conversely, illegalities and non-compliance in acquisition and handling of the explosives also increases leading to illegal importation, illegal acquisition and illegal storage and use of blasting explosives. This has led to confiscation of the explosives in question which are stored in the various magazines owned by user-companies and dealers. This practice of borrowing storage facilities to privately owned magazines to store explosives does not meet standard practice of enforcement and may result in conflict of interest as well as compromised on safety of public and properties. There is no suitable alternative to address storage as the current practice of borrowing storage facilities from privately owned magazines, storing in police stations do not meet standard practice, expensive, unreliable, and insecure and may result in conflict of interest.

3) Relevance of the Project Idea

The establishment of government commercial explosives magazines aligns closely with various national and county development goals in Kenya. Below are key linkages:

Enhancing National Security – As national security is considered a crucial pillar of vision 2030, the project will enhance creating a stable and peaceful environment necessary for economic growth, social progress and a high quality of life for all citizens by 2030. This will be achieved through Managing borders effectively to prevent cross-border crime (smuggling of explosives).

Strengthening Regulatory Frameworks - The project supports the implementation of explosives Act Cap 115 which emphasizes on safety and security in storage and disposal of explosives. The establishment of government-controlled/owned storage facilities

enhances regulatory oversight, improving transparency and accountability in the management of impounded explosives

Facilitating Sustainable Development - The project promotes environmental protection by ensuring that impounded/confiscated explosives are stored and disposed in compliant manner, reducing risks of accidents and environmental degradation. This aligns with Kenya's Sustainable Development Goals (SDGs), particularly Goal 11 (Sustainable Cities and Communities) and Goal 12 (Responsible Consumption and Production).

Modern day mining endeavors to achieve safety, sustainability and success. In order to reduce the inherent risks and challenges associated with uncertainty of stored impounded explosives in close proximity with people, as in the case of explosives stored in a police station awaiting determination of a case, the project can help achieve safety and operational efficiency as well as environmental sustainability as opined in the mining safety regulations and explosives safety distance requirements.

Destruction of the impounded explosives will be conducted in a manner that ensure environmental protection which is the main strategic objective of the sector.

Volume of Confiscated Explosives

Date	Nature, quantity and place
2017	Confiscated four 20feet container of ammonium nitrate in Kilifi
2017	Impounded 20 kg of gelignite in Nairobi CBD
Dec 2023	Impounded 25 cases @ 25kg of gelignite in Migori
Sept 2024	Impounded 459 pieces of water gel and 500m of detonating cord in Kisii

i. Incidence of Illegal Explosives Storage/Court Cases Involving Explosives

In various dates in 2023, ammonium nitrate and detonators were confiscated, the offenders arrested and court cases ongoing.

ii. Requests for Explosive Storage Services

On various occasions, inspectors have had to borrow storage facilities/magazines to store confiscated explosives. Also, the customs require storage areas/facilities prior to clearing/verification of the imported explosives.

iii. Training Needs for Law Enforcement

The enforcement officers, having been given powers to arrest offenders who contravene provisions of Explosives Act, need to acquaint themselves with the provisions of the Act. Therefore, it is important to train these officers on handling and transportation of

explosives.

iv. **Public Safety Incidents Related to Explosives**

Use and handling of explosives sometimes pose dangers to property and life, especially if not well handled or used. In this regards, the need to safeguard life and property is critical. Recent incident where property within CBD was destroyed by use of fireworks during new year. Additionally, a hotel in Diani, Coast region was completely destroyed as a result of fire emanating from fireworks display.

- Blasting is the most cost-effective way of breaking rocks. However, confiscated blasting materials can be source of danger when stored in inappropriate places like police cells or courtrooms or when mishandled. It is the duty of the government to safeguard its people by ensuring such explosives are temporarily stored in safe licensed locations.
- Law enforcement agencies require dedicated facilities for the storage of confiscated explosives and court exhibits. Government magazines will serve as secure locations for these materials, facilitating better enforcement of the law and enhancing the effectiveness of compliance operations.
- The establishment of government explosives magazines can also serve as training sites for law enforcement personnel. This fosters improved skills and knowledge in handling explosives safely and effectively, addressing current gaps in training facilities.
- Proper destruction of impounded explosives prevents environmental contamination that could arise from improper handling or accidental detonation. Government intervention aligns with sustainable practices and environmental protection.

The project directly supports Kenya's National Security Strategy by ensuring that the storage and management of confiscated explosives are conducted safely and securely.

Due to the nature of the project and the intended goal; 'national security' the project does not have a specific timeframe since its objective is long-term.

4) Needs Assessment

The specific target groups for the project include;

- **Law enforcers:** Law enforcers will use them for storage of impounded explosives.
- **Regulators (Inspectors of Explosives)-** for storage of explosives confiscated during compliance inspections

- **Mining Companies/ co-operatives:** Organizations involved in mining operations will hire the magazines thus bringing revenue to the government

The demand for the magazines will be need based particularly by the inspectors and law enforcement officers. The demand is expected to grow as more projects involving the use of explosives increases including infrastructural projects, mining projects and civil works.

This project serves all citizen in the long run making it ambiguous to quantify its end users.

- **Increased Safety:** Properly designed magazines enhance safety in the storage of explosives, reducing the risk of accidents.
- **Regulatory Compliance:** Facilitates compliance with government regulations regarding the storage of hazardous materials.
- **Operational Efficiency:** Proximity to users reduces transportation costs and improves access for timely delivery.

The project does not necessarily rely on demand since its more of a control measure to ensure security. Each constructed magazine will hold 45tons of explosives. The main benefit of the project is to enhance national security through regulating storage and use of explosives. Any significant external benefits or negative effects for non-users

- **External Benefits:**
 - Job creation associated with the construction and operation of the magazines.
- **Negative Effects:**
 - Concerns from local communities regarding safety and potential environmental impacts.
 - Possible disruptions during construction or transportation of explosives.

Any significant differences in benefits between alternatives if any, with brief explanations.

Significant Differences in Benefits Between Alternatives

- **Alternative 1 (borrowed Storage):**
 - The borrowed storage has been licensed for a particular capacity hence no space for impounded explosives
 - Drawbacks: Increased safety risks and logistical challenges in transportation.
- **Proposed Project (government owned storage):**
 - Benefits: Enhanced safety protocols, centralized management, and compliance with regulatory standards.

- Drawbacks: capital intensive

Government owned storage facilities minimize transportation risks and allows for better security measures, making it a more viable option for high-risk materials

SECTION 3: SCOPE OF THE PROJECT

- Identify hotspots and set aside land for construction of government magazines- Since magazines will be used to store explosives which are dangerous goods, this process will involve identifying a land which meets safety distances as provided for in the explosives Act.
- Land acquisition, preferably Government owned land- This will involve talking with leadership targeted counties to allocate land where the magazines will be constructed
- Conduct environmental impact assessment: Will entail studying the potential effects of construction activities on the surrounding ecosystem, water resources including aquifers, air quality, and wildlife with an aim of ascertaining any adverse effects on the environment, in line with EMCA and other regulatory requirements
- Public participation: The Constitution requires public participation to be undertaken. This may take the form of meetings to address any concerns share benefits, and ensure local stakeholders are involved in the decision-making process
- Vetting by security agencies: This will involve vetting of the site by the security agencies to ensure the security of the areas where the magazines will be constructed.
- Designing of the explosives magazines to Standards-This will be a contacted service for structural drawings guided by the provisions of the Explosives Act.
- Approval for the designs of the magazines- The approvals will be done by Inspectors of explosives and the county physical planning departments
- Construction of magazines with legal safety distances outlined in the Explosives Act: Once the necessary approvals are obtained, the construction phase begins. This will involves building a set of three storage magazines in the identified sites in accordance with the specifications provided for in the Explosives Act;
- Undertake Monitoring and Evaluation
- Completion, final inspection and commissioning
- License and integrate the magazines with magazine database in the country

SECTION 4: LOGICAL FRAMEWORK

a) Goal			
The goal for this project is to ensure safety of the public and private property through establishment of government commercial explosives magazines that will act as a storage for the magazines.			
b) Project Outcomes			
The expected outcome as a result of the deliverable is to improve safety, transparency and efficiency in the management of impounded blasting explosives.			
c) Proposed Project Outputs			
The projected outputs are;			
<ol style="list-style-type: none"> 1. Land acquired 2. Environmental impact Assessment conducted 3. Public participation meetings conducted 4. Explosives magazines constructed 			
d) Project Activities and Inputs			
This will be the activities for the project;			
<ol style="list-style-type: none"> 1. Land Acquisition 2. Undertake Environmental Impact Assessment 3. Conduct Public Participation 4. Construction of Explosive Magazines 			
e) Project Logical Framework Matrix			
Narrative	Indicators	Sources/Mean of verification	Assumptions
Goal (MTP/CIDP) To ensure public and property safety through establishment of government commercial explosives magazines	Number of Licensed Government explosives magazines	Licenses and reports	
Project Outcomes	Number of Licensed	Licenses and reports	Good will from top management

Improved safety, transparency and efficiency in the management of impounded blasting explosives.	Government explosives magazines		
Key Outputs			
1. Land acquired	Number of Acres of land acquired.	Purchase orders and service level agreements	Availability of funds
2. Environmental impact Assessment conducted	Number of reports	NEMA License	Good weather conditions
3. Public participation meetings conducted	Number of meetings conducted	Minutes	Acceptability by the local community
4. Explosives magazines constructed	Number of magazines constructed	Storage licenses and reports	Availability of funds
Key Activities			
1. Land Acquisition	Number of Acres of land acquired.	Purchase orders and service level agreements	Availability of funds
2. Environmental Assessment	Number of reports	NEMA License	Good weather conditions
3. Public Participation	Number of meetings conducted	Minutes	Acceptability by the local community
4. Construction of Explosive Magazines	Number of magazines constructed	Storage licenses and reports	Availability of funds

SECTION 5: INSTITUTIONAL ARRANGEMENTS

a. Institutional Mandate

The State Department for Mining is mandated with implementation of the Explosives Act, Cap115 and is responsible for regulating safety and security of commercial explosives (blasting explosives and fireworks) including manufacture, import/export, sale, storage, transport, usage and disposal

b. Management of the Project

There is sufficient institutional, managerial and technical capacity to implement the project successfully. The Project Management team will be headed by the Director of Explosives who will spearhead the construction of the magazines with a team of experienced members of registered Engineers, Environmentalists and gazetted inspectors of explosives who will be responsible for managing the project to completion. In case of a shortfall in human resources the management has the financial capacity to outsource services from the private sectors.

c. Monitoring and evaluation arrangements

Evaluation of the project will be done by M&E officers within the department. The department has put in place monitoring and evaluation mechanisms to track performance of the expected project results by providing project M &E framework, financial and human resources to undertake the M&E activities. The project will set aside 5% of the total allocated project finances to undertake the M&E activities, training of M&E personnel and project implementation committee and development of M&E tools and reports. The project M&E officer will be responsible for collecting, analyzing and consolidating monitoring reports that will inform the Director, Project management committee on decision making and corrective actions where necessary. Monitoring information will be collected from respective project activity implementers on a monthly basis which will be consolidated in project progress quarterly reports.

d. Risk and Mitigation Measures

<i>Risks</i>	<i>Likelihood/probability (High, medium or low as categories)</i>	<i>Risk Impact (High, medium or low as categories)</i>	<i>Mitigation Strategy</i>

Funds Availability	Medium	High	<ul style="list-style-type: none"> • Develop a detailed budget and financial plan, including contingency funds. • Secure funding commitments from the government and relevant stakeholders prior to commencement
Safety risk	Low	Medium	<ul style="list-style-type: none"> • Implement strict safety protocols and procedures during construction and operation. • Conduct comprehensive safety training for all personnel involved. • Ensure the design meets international safety standards for explosives storage
Environmental risk	Medium	Medium	<ul style="list-style-type: none"> • Conduct environmental impact assessments (EIAs) before construction to identify potential risks. • Develop and implement plans for spill response and waste management
Operational risk	Low	Medium	<ul style="list-style-type: none"> • Provide comprehensive training programs for all staff involved in explosives management. • Establish ongoing training and refresher courses to keep personnel updated on best practices
Community resistance	Low	Medium	<ul style="list-style-type: none"> • Engage with community leaders and stakeholders early in the planning process to address concerns. • Conduct public awareness campaigns to inform the community about safety measures and benefits of the magazines

Security risk	Low	Medium	<ul style="list-style-type: none"> • Implement robust security measures, including fencing, surveillance cameras, and controlled access points. • Employ trained security personnel to monitor the facility
National disaster	Medium	High	<ul style="list-style-type: none"> • Conduct risk assessments for natural disasters and design facilities to withstand potential impacts. • Develop emergency response plans specific to different types of disasters

e. Project Stakeholders Management

The Stakeholders for this project will be:

Stakeholder	Level of influence	Engagement Strategy
The National Treasury	High	Budget allocation
Ministry of Interior and National Administration	High	<ul style="list-style-type: none"> • Sensitization Programs and • Land acquisition • Security
National Lands Commission	High	Land acquisition
East African Community	Medium	Liaison with neighboring countries
Kenya Revenue Authority	High	Border controls/customs
NEMA	High	EIA assessment
Mining, Quarrying companies and other users	High	Handling and use
Community	High	Environment and safety
Dealers in explosives	High	Sales of explosives

KEBS	High	Standards
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f. Project Readiness

The State Department is engaging the county government’s leadership on the acquisition of land. For EIA and security vetting approvals we have linkages with NEMA and NIS. The inspectors of explosives will approve the magazines plans and site plans as well as conducting community awareness.

SECTION 6: FINANCIAL INFORMATION

a) Capital Cost (Kshs. 350M) to complete the project:

Estimate the capital costs required to implement the project as follows:

- a. Land Acquisition Costs:**50M**
- b. Environmental Assessment.....**20M**
- c. Public Participation.....**30M**
- d. Construction**250M**

b) Recurrent Costs (Kshs.110M) to complete the project:

Estimate the recurrent costs required to implement the project as follows:

- a) Labour cost**20M**
- b) Operating Costs**20M**
- c) Maintenance Costs**15M**
- d) Others**55M**

c) Total Cost Breakdown in Financial Year (Million)

FY 2026/2027	FY 2027/2028	FY 2028/2029	FY 2029/2030
Total (KShs.)	Total (KShs.)	Total (KShs.)	Total (KShs.)
-	-	50	150

d) Proposed Source of Financing

Government of Kenya only

e) Cost implications to other Related Projects

The project has no cost implication on other related projects

SECTION 7: OPERATIONAL SUSTAINABILITY

The Government will own magazines thus enhancing security, control and safe transportation of explosives. It will also save on cost that was previously used for hiring private magazines. There is adequate technical and managerial capacity at the Directorate of Explosives to operate and maintain the capital assets once the project is completed. The magazines can also act as storage of explosives from the private sector which will be charged at a fee.

SECTION 8: PROJECT IMPLEMENTATION PLAN

NO	Activity/ task name	Expected duration (months)	Estimated Cost (Ksh. M)	Expected Outputs	Key Performance Indicator	2026/27 (Ksh. M)	2027/28 (Ksh. M)	2028/29 Ksh.(M)	2029/30 Ksh.(M)
1	Land Acquisition	12Months	50	Land acquired	Acres of land acquired	50	-	-	-
2	Undertake Environmental Assessment	3Months	20	NEMA report	NEMA license	-	20	-	-
3	Conduct Public Participation	2 Months	30	Social license to set up the magazines	Reports and Minutes	-	30	-	-
4	Construction of Explosive Magazines	12Months	350	Magazines constructed	Number of magazines constructed	-	100	100	150
5	Conduct M&E	12 Months	10	M&E Conducted	Number of M&E exercises	-	-	5	5

	Total		460			-	-	50	150
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4. Targeted Mineral Exploratory Drilling and Evaluation

SECTION 1: PROJECT PROFILE	
Project Name:	Targeted Mineral Exploratory Drilling and Evaluation
Project Reference Number:	SDM/DGS/001
Ministry:	Mining, Blue Economy and Maritime Affairs
Implementing Agency (MDA):	State Department for Mining
Initiating Department / Division I Section / Unit:	Directorate of Mineral Exploration and Evaluation
Budget Vote (where applicable):	1192
Estimated Project Cost (Ksh Million)	490.5
MTEF Sector:	Environmental Protection Water and Natural Resources
Accounting Officer:	Principal Secretary, State Department for Mining
Official Contact Details (Provide email, telephone number, postal and physical address):	Principal Secretary, State Department for Mining Public Works Building, Ngong Road. P.O. BOX 30009- 00100 Nairobi, Email: ps@mining.go.ke
Project Threshold:	Small

Project Geographic Location (Provide GPS Coordinates here):		Various Counties	
County: Busia, Siaya, Homabay, Bomet, Taita taveta, Makueni, Tharaka-Nithi Wajir Isiolo and Tana River	Sub County: Various	Ward: Various	Village: Various
Planned Start Date:		1 st July 2026	
Planned End Date:		30 th June 2030	
Date of Submission:		2024	
SECTION 2: PROJECT BACKGROUND			
1. Situation Analysis			
<p>Kenya is endowed with a variety of minerals from gemstones, precious metals, industrial minerals to critical minerals. Most of exploration activities in the Country are undertaken by private investors to locate and evaluate these minerals. However, this data is not readily accessible for planning and investment decisions.</p> <p>The Government has been conducting geological mapping and mineral exploration though at a low scale, in an effort to beef-up and improve on mineral data. The earmarked counties have been geologically mapped at scale of 1:50000 where different rock types were mapped from the surface. In the year 2019, the Ministry, in an effort to fast-track mineral exploration, partnered with a multiagency team to carry out a Nationwide Airborne Geophysical Survey that revealed several possible mineral anomalies country-wide. In 2024 a systematic ground follow-up (Ground-truthing) exercise was carried out to confirm the presence or absence of mineral occurrences within the identified 970 geophysical anomalies.</p>			
2. Problem Statement			
<p>During the follow-up (Ground-truthing) surface mineral exploration exercise carried out on the 970 mineral anomalies picked up during the National Airborne Geophysical Survey, the surface causative bodies (mineralization) was not observed or determined in some areas. The anomalies causative bodies could be deep seated mineralization below the ground surface. This can only be determined by employing directional mineral exploratory drilling within the various isolated anomalies within Counties across the Country.</p>			

The anomalous (potential areas of mineral formation) areas are spread over 10 Counties across the Country. The areas are vast and remote requiring powerful machineries to carry out exploratory drilling up to determined depth which is the source of the anomaly signal holes within the earmarked targets. The drilling team using the drill rig will drill holes within the targets and recover drill core samples which will be assayed at Madini laboratories to determine the mineral content. The exercise will avail geological data within the identified blind anomalous targets in the country which could result to undiscovered buried mineral resources.

Inadequate mineral data lowers the country's competitiveness as a mining investment destination has led to under investments in the country and loss of revenues and the implementation of this project is necessary with no alternative.

3. Relevance of the Project Idea

The project aims to provide geological data on mineral occurrences in the country to facilitate investment in mining and de-risk the investments to shorten the turnaround period from exploration to mining as captured in the Nationals MTP-IV-2023-2027 plan. Project supports the Ministry's strategic goal of sustainable exploitation of minerals. The project supports the sector strategic objective to map availability of minerals across the country with an outcome of Ground-truthing on key mineral target undertaken by follow up drilling activity.

The available data shows that the global demand for critical minerals targeted in this project is expected to grow to six-fold by 2040, mostly driven by its increasing application base in the electronics industry and automotive industry. Additionally, the production of minerals like graphite, lithium and cobalt may increase by nearly 500% by 2050 (World Bank Group Report on Minerals for Climate Action, 2020) to meet the demand for clean energy technologies. This necessitates fast tracking of exploration to discover these minerals crucial for economic development.

The Government is the custodian of all mineral resources on behalf of its citizens. As an intervention to increase the ground geological mineral exploration. Additionally, the Government's intent is to improve and enhance its mineral data base for use by investors. Mineral exploration is a capital-intensive venture and no Investor is willing to risk resources without prior information, and this project will inform them accordingly. The project is earmarked within the timeframe to achieve stipulated strategic goals and objectives as the delivery period of 30 month indicated is adequate.

4. Needs Assessment

The project aims to target a group of final beneficiaries and investors in the mineral exploration industry that will include private mining firms, artisanal miners and the Kenyan public. The project will benefit approximately two million artisanal miners and 50 mineral investment entities. There is scarce data on the mineral occurrences and quantities in Kenya, the mineral mining investment

fraternity is in dire need for information and data to enable the target exploitation of the mineral resources. The project has the capacity to enable determine the presence or absence of mineralization below the surface up to about 300m of depth. The project will provide mineral occurrence data to investors and hence boost investment in the sector and hence increase revenue. The areas where minerals are discovered and mine developed will obtain employment and infrastructural development. Development of mining activities may negatively impact on the environment degradation in mining areas.

SECTION 3: SCOPE OF THE PROJECT

The project is having a Countrywide coverage and entails preliminary desktop review, limited surface geological mapping, geophysical survey, geochemical sampling and exploratory drilling. The drilled rock cores will be analysed, interpreted and the relevant mineral exploration reports prepared and presented for informed decision making. Successful completion of the project and discovery of mineral occurrences will accelerate mining investment interest in the country. This will in turn creates more job opportunities and increased mining sector contribution the GDP.

SECTION 4: LOGICAL FRAMEWORK

a. Goal

The goal of the project is to provide geological data on mineral occurrences in the country to facilitate investment in mining leading to expansion of Kenya's revenue base. The indicators: timely and accurate geological reports and maps.

b. Project Outcomes

Project outcome will be improved and accurate geological data on mineral occurrences in the country.

c. Proposed Project Outputs

The expected outputs will be;

1. Reviewed desktop data
2. Drilling Rig and accessories purchased
3. Local communities and leadership Sensitized
4. Rock core drilling
5. Core logging
6. Analysis of the sample core logs

d. Project Activities and Inputs

<p>The key activities for the project will be as follows;</p> <ol style="list-style-type: none"> 1. Desktop geological data review and planning 2. Sensitization of the Community in project area. 3. Purchasing drilling Rig and accessories 4. Drill holes drilled 5. Core meters logged 6. Mineral Analysis report 			
<p>e. Project Logical Framework Matrix</p>			
Narrative	Indicators	Sources/Mean of verification	Assumptions
<p>Goal in (MTP/CID)</p> <p>To provide geological data on mineral occurrences in the country to facilitate investment in mining leading to expansion of Kenya's revenue base.</p>	<p>Percentage increase in contribution to the GDP</p>	<p>Economic Survey report</p>	
<p>Project Outcomes;</p> <p>Spur investment in the mining industry in the country</p>	<p>Number of investment firms in the sector</p>	<p>Contracts signed and Memorandum of Understanding</p>	<p>Availability of funds</p>
<p>Key Output;</p> <ol style="list-style-type: none"> 1. Reviewed desktop data 2. Drilling Rig and accessories purchased 3. Sensitized local communities and leadership 	<p>Number of data reports reviewed</p> <p>Number of drilling rigs purchased</p>	<p>Exploration reports</p> <p>Purchase invoice</p>	<p>Availability of funds</p> <p>Timely communication</p>

<ul style="list-style-type: none"> 4. Drill holes drilled 5. Core meters logged 6. Mineral Analysis report 	<p>Number of local communities sensitized</p> <p>Number of drill holes drilled</p> <p>Number of core meters logged</p> <p>Number of Mineral Analysis report</p>	<p>Attendance list</p> <p>Borehole log sheets</p> <p>Borehole log sheets</p> <p>Mineral Analysis report</p>	<p>Good weather conditions</p>
<p>Key Activities;</p> <ul style="list-style-type: none"> 1. Desktop geological data review and planning 2. Sensitization of the Community in the project area 3. Purchasing drilling Rig and accessories 4. Rock core drilling 5. Core logging 6. Analysis of the sample core logs 	<p>No. of reports and maps reviewed</p> <p>No. of sensitized community members</p> <p>No. of Drilling Rig and accessories purchased</p> <p>No. of drill holes drilled</p> <p>No. of core meters logged</p> <p>No. of Mineral Analysis report</p>	<p>Exploration reports</p> <p>Attendance list</p> <p>Purchase invoice</p> <p>Borehole log sheets</p> <p>Borehole log sheets</p> <p>Mineral Analysis report</p>	<p>Availability of funds</p> <p>Good weather conditions</p>
<p>SECTION 5: INSTITUTIONAL ARRANGEMENTS</p>			

a. Institutional Mandate

The state Department for Mining has a mandate to carry out mineral exploration, inventory and mapping of mineral resources, maintenance of geological data (Research, Collection, Collation, and Analysis). The mineral exploratory drilling project is a mineral exploration exercise geared towards obtaining geological data which include core logs, mineral occurrence locations and geological maps and reports. The data will be archived within their data-bank. The data will aid the department in further planning its operations and spur investments in the mining sector hence boosting the countries income.

b. Management of the Project

The Directorate of Mineral Exploration and Evaluation has qualified technical personnel to handle the project but requires additional equipment. The staff include geologists, drillers who managed under the directorate of Geological Survey headed by a Director. Previously the drilling section has undertaken exploratory drilling in different parts of the country with the latest project in Iron ore exploratory drilling in Tharaka-Nithi County. The department receives financial support from the government.

c. Monitoring and evaluation arrangements

The state department has Monitoring and Evaluation systems in place with trained and experienced personnel. This will be achieved through structured reporting and feedback mechanisms. The funds will be allocated from GOK budget to facilitate monitoring and evaluation. There will be a project monitoring and evaluation team with Supervisor, Coordinator and implementers. There will also be continuous improvement from the lessons learnt.

The Ministry has been monitoring previous projects to success. The committee also consists of the Director Geological survey as a member who is a geologist conversant with this project undertaking. The director is directly mandated to track the project progress by reviewing regular progress reports from the geologist leading the drill project. The department has always had budgetary allocations to support similar projects from the government and is confident to receive further funding.

d. Risk and Mitigation Measures

<i>Risks</i>	<i>Likelihood/Probability</i> <i>(High, medium or low as categories)</i>	<i>Risk Impact</i> <i>(High, medium or low as categories)</i>	<i>Mitigation Strategy</i>
Funds Availability	Medium	High	Prior budgeting

Vagaries of weather	low	Medium	Proper planning
Political interference	low	Low	Consultation/public participation
Community interference	low	Low	Sensitization and public participation
e. Project Stakeholders Management			
Stakeholder	Level of influence	Engagement Strategy	
The National Treasury	High	Dialogue and budget	
Interior and National Administration	High	Correspondences, coordination and Meetings	
County Governments	High	Correspondences, consultations and Meetings	
Kenya Wildlife Service	Medium	Collaboration, correspondences, consultations, and Meetings	
Kenya Forest Services	Medium	Correspondences and Meetings	
Office of the Attorney General	Medium	Correspondences, consultations and Meetings	
Other Government MDAs	low	Correspondences and Meetings	
Civil societies and NGOs	High	Engagements	
Local Community	High	Public engagements	
f. Project Readiness			
The State Department for Mining has over 150 technical officers comprising of geologist, drillers, laboratory officers and cartographers. In addition, the State Department has a functional drilling unit and State of-the-art mineral testing laboratory.			
	Stakeholder/Agency	Role	

1	<i>The National Treasury</i>	Budget provision and funding	
2	<i>Interior and National Administration</i>	Security provision and logistics	
3	<i>National Environmental Management Authority</i>	Consent to explore and environmental audit	
4	<i>County Governments</i>	Logistics	
5	<i>Kenya Wildlife Service</i>	Permission of access to wildlife reserves	
6	<i>Kenya Forest Services</i>	Permission to access forested areas	
7	<i>Local Community</i>	Consent to carry out exploration	

SECTION 6: FINANCIAL INFORMATION

a) Capital Cost (Kshs. 343,500,000) to complete the project:

Estimate the capital costs required to implement the project as follows:

- a. Consultancy, detailed design and legal feesNIL.....
- b. Land Acquisition Costs:NIL.....
- c. Site Access, Preparation and Utility **18,500,000**.....
- c. ConstructionNIL.....
- e. Plant and Equipment **310,000,000**.....
- d. Fixtures and FittingsNIL.....
- g. Other capital **15,000,000**.....

b) Recurrent Costs (Kshs. 147,000,000) to complete the project:

Estimate the recurrent costs required to implement the project as follows:

- a. Labour costNIL.....
- b. Operating Costs **12,000,000**.....
- c. Maintenance Costs **2,000,000**.....
- d. Others **133,000,000**.....

c) Total Cost Breakdown in Financial Year									
FY 2026/2027	FY 2027/2028	FY 2028/2029	FY 2029/2030						
Total (KShs.M)	Total (KShs.M)	Total (KShs.M)	Total (KShs.M)						
-	-	60	200						
d) Proposed Source of Financing									
Government of Kenya only									
e) Cost implications to other Related Projects									
There will be no other cost implications of the project to other Related Projects.									
SECTION 7: OPERATIONAL SUSTAINABILITY									
<p>The State Department for Mining will own the geological data obtained from the project within its Geo-data bank and the data will be updated. In addition, the state department for Mining has adequate technical staff and section with capacity to administer and store the obtained drill cores and log data from the project.</p> <p>The state department has a budget and well established infrastructure and staff to take charge of obtained assets (drill core and drill core log data) effectively. Consequently, there is adequate budget provision to cater for operational expenses for maintaining the cores and core log geological data at the department.</p>									
SECTION 8: PROJECT IMPLEMENTATION PLAN									
No	Activity/Task Name	Expected Duration (Months)	Estimated Cost (Kshs M)	Expected Outputs	KPI	FY 2026/27 (Ksh. M)	FY 2027/28 (Ksh. M)	FY 2028/29 (Ksh. M)	FY 2029/30 (Ksh. M)
1	Desktop review of drilling and geological data	1 Month	-	Desktop report reviewed	Number of maps and reports reviewed	-	-	-	-

2	Purchase of Field equipment, Drilling Rig and drilling accessories	6 Month	240	Drilling rigs purchased	No. of drilling Rigs and accessories	240	-	-	-
3	Local community, County government and National administration project sensitization	1 Month	3	Sensitized community	No. of people sensitized	3	-	-	-
4	Carry out directional exploratory core drilling in Busia, Siaya, Homabay, Bomet, Taita taveta, Makueni, Tharaka-Nithi Wajir Isiolo, and Tana River Counties.	30 Month	175.5	Drilling reports	No. of drill holes drilled Total meters drilled	24	60.5	50.5	40.5
5	Core logging	30 Month	-	Drill core logs	No. of metres logged	-	-	-	-
7	Analysis of the sample core logs	30 Month	-	Laboratory results	No. of samples analysed	-	-	-	-
8	Implementation of 10 drill targets	30 Month	72	Awareness viable mineral resources	No of awareness publications held	19.5	22.5	17.5	12.5

	strategy			reports					
	Total		490.5			-	-	60	200

5. Development of a National Geo-Hazard Atlas

SECTION 1: PROJECT PROFILE	
Project Name:	Development of a National Geo-hazard Atlas
Project Reference Number:	SDM/DGS/003
Ministry:	Mining, Blue Economy and Maritime Affairs
Implementing Agency (MDA):	State Department for Mining
Initiating Department / Division I Section / Unit:	Directorate of Environmental and Engineering Geology
Budget Vote (where applicable):	1192
Estimated Project Cost (Ksh Million):	272.5
MTEF Sector:	Environmental Protection, Water and Natural Resources
Accounting Officer:	Principal Secretary, State Department for Mining
Official Contact Details (Provide email, telephone number, postal and physical address):	State Department for Mining, Public Works Building, Ngong Road. P.O. BOX 30009- 00100 Nairobi, Email: ps@mining.go.ke
Project Threshold:	Small
Project Geographic Location (Provide GPS Coordinates here):	Various Counties

County: Nakuru, Muranga'a, Elgeyo Marakwet, Baringo, West Pokot Nandi, Kakamega, Tharaka Nithi, Meru, Makueni, Taita Taveta and Kwale,	Sub-County: Various	Ward: Various	Village: Various
Planned Start Date:	1 st July 2026		
Planned End Date:	30 th June 2029		
Date of Submission:	September 2024		
SECTION 2: PROJECT BACKGROUND			
1. Situation Analysis			
<p>Kenya is highly vulnerable to natural hazards, including seismic activity, landslides, flooding, and land subsidence, which threaten lives, infrastructure, and the economy. The country experiences about 10–15 seismic events annually, with areas like the Rift Valley and Lake Naivasha being particularly active (Kenya National Disaster Management Authority, 2020). Landslides affect over 20 counties, causing annual deaths and displacements, with notable events in 2019 resulting in significant fatalities and displacements in regions such as Murang'a and West Pokot (Landslide Risk Management Study, Kenya Meteorological Department, 2019). Land subsidence, often linked to Faulting and over-extraction of groundwater, poses growing risks in cities like Nakuru and Nairobi respectively. To mitigate these impacts, the National Geo-Hazard Atlas project aims to create a comprehensive, detailed map of these hazards to guide disaster preparedness, infrastructure planning, and policy-making, ultimately reducing risks and safeguarding lives and property.</p>			
2. Problem Statement			
<p>Kenya faces significant risks from natural hazards, including seismic activity, landslides, flooding, and land subsidence, which endanger lives, damage infrastructure, and disrupt the economy. Despite the frequent occurrence of these hazards, the country lacks comprehensive data and coordinated strategies for disaster preparedness and risk mitigation. This gap in knowledge and planning hinders effective response and resilience building, leaving vulnerable regions at continued risk. The National Geo-Hazard Atlas project aims to address this issue by creating a detailed map of these hazards to guide policy-making, infrastructure development, and disaster</p>			

response efforts.

3. Relevance of the Project Idea

The state Department through its Geological Survey unit, has been tasked with monitoring and mitigating of geo hazards and keeping their records, geo-hazard risk areas and conducting geo-technical investigations in the country. The success of this project will contribute to more data and information on geological hazards e.g., hazard risk zones, hence more effective ways of mitigating against them. This results in a safer environment in the geo-hazard prone areas.

The Government is responsible for recording and monitoring geo-hazard events in the country. It is therefore the responsibility of the Government to map the geo-hazardous areas in a national scale. The Government continues to invest in mapping and documentation of all Geo-hazards hotspot zones in order to reduce economic and social losses resulting from occurrence of Geo-hazards during and after development of infrastructure and agriculture. Failure to do so, the economy would suffer significant losses from development of unsafe structures or investing in insecure zones.

In MTP IV, the government projects to develop 500,000 housing units and this geo-hazard zoning will inform development of those units within safe and secure zones. Additionally, infrastructural development is largely informed by geo-technical safe zoning guided by reliable geo-hazard data. As such, the project will highly inform structural developments such as buildings, roads, railway networks and other social amenities.

4. Needs Assessment

Geo-hazards affect communities, county governments, agricultural sectors, and disaster response agencies, particularly in regions like Murang'a, West Pokot, Baringo, Nyanza, Coastal Kenya, Nakuru, and Kisumu. Over 20 counties face landslides, with Murang'a and West Pokot experiencing significant fatalities and displacements (Kenya Meteorological Department, 2019). Urban areas like Nairobi and Nakuru are increasingly threatened by land subsidence from excessive groundwater extraction (Kenya Water Institute, 2020) and faulting respectively. Local communities suffer displacement and livelihood disruption, while county governments lack the resources and data for effective disaster response. The National Geo-Hazard Atlas project is crucial for providing hazard maps to guide disaster preparedness, infrastructure planning, and response, reducing risks for these vulnerable populations.

SECTION 3: SCOPE OF THE PROJECT

The geo-hazard assessment will be undertaken in Nakuru, Muranga'a, Elgeyo Marakwet, Baringo, West Pokot Nandi, Kakamega, Tharaka Nithi, Meru, Makueni, Taita Taveta and Kwale counties that are prone to geo-hazards and also updating the Geo-hazard map of Kenya. This exercise will involve desktop review, followed by field assessment and mapping of all the locations prone to geo-hazards mainly targeting landslides and land subsidence. A national geo hazard Atlas map for specific counties will be developed after

model validation.

SECTION 4: LOGICAL FRAMEWORK

a) Goal

Achieve integrated regional and urban planning management by boosting annual urban housing production.

b) Project Outcomes

The project outcome is a safe environment for citizens living and working in geo-hazard prone areas. The key indicator for this outcome is the number of citizens that will be sensitized by using this reports and maps. The number of geo-hazard areas that are zoned out for safety of live and infrastructural development.

c) Proposed Project Outputs

S/No.	Project Output	Indicator	Remark
1.	Geo-hazard report	No. of reports	The report will include assessments and recommendations
2.	Geo-hazard Atlas / Map	No. of Maps	The Atlas / Map will show the outline various geo-hazard zones

d) Project Activities and Inputs

- i. Deskwork study
- ii. Systematic Geo-hazard mapping
- iii. Slope assessment, land cover types, rain pattern
- iv. Equipment maintenance
- v. Interpretation and Reporting
- vi. Publication

e) Project Logical Framework Matrix

Narrative	Indicators	Sources/Mean of verification	Assumptions
Goal(MTP/CID): To build a just and cohesive	No. of Building Approvals made	Organised built	

society enjoying equitable social development in a clean and secure environment.	through the relevant agencies	Environment reports	
Project Outcomes: Resilient built environment	No. of Geo-hazard classified zones	Informed environmental geo-hazard status reports	Project will attract buy-in investments
Key Output 1: Field Equipment purchased	No. of Equipment acquired and officers trained on their operation	Inspection Reports and Attendance Register	Timely funding, uninterrupted project execution
Key Activity 1: Procurement of Field Equipment	Approved Procurement Plan	Tender and award documents	Timely funding, uninterrupted project execution
Key Output 2: Geo-hazard Atlas Map of Kenya	No. of Geo-hazard maps from respective counties	No. of Reports respective reports	Timely funding, uninterrupted project execution
Key Activity 2: Geo-hazard Mapping and assessment, Slope measurement, hydrogeological studies	No. of Areas mapped No. of Reports from surveys and assessments done	Geo-hazard maps, Geo-hazard reports,	Timely funding, uninterrupted project execution
Key Output 3: Harmonized Geo-hazard Maps	Draft Reports	Attendance Register and Reports	Timely funding, uninterrupted project execution

Key Activity 3: Collation and Updating National Geo-hazard Atlas Map for Kenya	No. of Meetings	Attendance Register and Reports	Timely funding, uninterrupted project execution
Key Output 4: An agreed Geo-hazard Atlas Map	No of meetings	Stakeholders Comments and attendance Register	Timely funding, uninterrupted project execution
Key Activity 4 Stakeholder Validation Exercise	No of stakeholder validation meetings	Attendance Register and Reports and Minutes of the way forward	Timely funding, uninterrupted project execution
Key Output 5: Monitoring and Evaluation Report	No of Counties visited for monitoring and Evaluation	Monitoring and Evaluation Reports for the respective Counties	Timely funding, uninterrupted project execution
Key Activity 5: Monitoring and Evaluation	No of Counties monitoring and Evaluated	Approved Memo and Reports	Timely funding, uninterrupted project execution

SECTION 5: INSTITUTIONAL ARRANGEMENTS

a. Institutional Mandate

Among the mandates of the State Department as prescribed by the Mining Act 2016 are to;

- i. Monitor seismic hazards,
- ii. Carry out Geo-hazard mapping and
- iii. Conduct geotechnical investigations.

b. Management of the Project

The Directorate of Geological Survey and Geo-Information Management has qualified technical personnel to handle the project. There is a section in the Directorate of Geological Survey that is responsible and fully tasked with the role of handling all the geo-hazard related occurrences in the country. It works with the main objective of mitigation on damage, loss of live and property.

c. Monitoring and evaluation arrangements

The project will be monitored and evaluated on a quarterly basis by the Director of the Department of Geological Survey and be assisted the head of Environmental and Engineering Division. The Geo-Hazard Mapping and Management Section has technical officers that will execute the project. The team will carry out field measurements and recordings in terms of slope, elevations, the structural geology, geology, hydrogeology, land use among others. This data will then be analyzed and packaged to produce the geo-hazard report and maps. The team will have a results leader reporting to the head of the Division who will in turn report to the Director.

d. Risk and Mitigation Measures

<i>Risks</i>	<i>Likelihood/Probability</i> <i>(High, medium or low as categories)</i>	<i>Risk Impact</i> <i>(High, medium or low as categories)</i>	<i>Mitigation Strategy</i>
Funds Availability	Medium	High	Prior budgeting
Equipment, tools, vehicles availability	Low	Low	Prior budgeting and planning
Vagaries of weather	Medium	High	Proper planning

e. Project Stakeholders Management

Stakeholder	Level of influence	Engagement Strategy
National Treasury	High	Dialogue and budget
County Governments	High	Correspondences and Meetings
Local Community	High	Correspondences and Meetings

f. Project Readiness

The State Department has adequate human capacity and relevant machines to undertake the exercise. In Addition, the project follows a streamlined process where the primary requirement is notifying local communities and the county government. This ensures

transparency and community awareness, while the project proceeds without the need for additional external regulatory approvals.

SECTION 6: FINANCIAL INFORMATION

a) Capital Cost (Kshs. 191 Million) to complete the project:

- a. Consultancy, detailed design and legal fees ...NIL.....
- b. Land Acquisition Costs:NIL.....
- c. Site Access, Preparation and Utility**26,000,000**.....
- c. ConstructionNIL.....
- e. Plant and Equipment ...**160,000,000**.....
- d. Fixtures and FittingsNIL.....
- g. Other capital**5,000,000**.....

b) Recurrent Costs (Kshs. 81.5 Million) to complete the project:

- a) Labour cost**10,000,000**.....
- b) Operating Costs**50,000,000**.....
- c) Maintenance Costs ...NIL.....
- d) Others ...**21,500,000**.....

c) Total Cost Breakdown in Financial Year

FY 2026/27	FY 2027/28	FY 2028/29
Total (KShs.M)	Total (KShs. M)	Total (KShs. M)
-	-	-

d) Proposed Source of Financing

Government of Kenya only

e) Cost implications to other Related ProjectsN/A

SECTION 7: OPERATIONAL SUSTAINABILITY

The project will have very low O&M costs since most of it will be majorly updates of new information an exercise that can be handled

by officers within the State Department for Mining.

SECTION 8: PROJECT IMPLEMENTATION PLAN

No.	Activity/Task Name	Expected Duration (Months)	Estimated Cost (Kshs. M)	Expected Outputs	KPI	FY 2026/27 (Ksh M)	FY 2027/28 (Ksh M)	FY 2028/29 (Ksh M)
i.	Purchase of field equipment	12	160.5	Field equipment	No. and type of equipment purchased	100.5	60	0
ii.	Geo-hazard Mapping and Assessment in Nakuru, Muranga'a, Elgeyo Marakwet, Baringo, West Pokot Nandi, Kakamega, Tharaka Nithi, Meru, Makueni, Taita Taveta and Kwale, Counties	24	76	Geo-hazard Atlas Map	Number of risk sites Zoned	30	18	28
iii.	Collation and Updating National Geo-hazard Atlas Map for Kenya	24	23	A Revised National Geo hazard Map of Kenya	Draft Progress Report	7	7	9
iv.	Stakeholder Validation Exercise	12	5	Submission from Stakeholders	Stakeholder Attendance list	-	2	3

v.	Monitoring and Evaluation	12	8	M&E Conducted	Number of M&E exercises	3	3	2
	Total		272.5			-	-	-

6. Mineral Resources Mapping along Northern International Transport Corridor

Project Name:	Mineral Resources mapping along Northern International Transport Corridor
Project Reference Number:	SDM/DGS/004
Ministry:	Ministry of Mining, Blue Economy and Maritime
Implementing Agency (MDA):	State Department for Mining
Initiating Department / Division I Section / Unit:	Directorate of Geological Survey and Research.
Budget Vote (where applicable):	1192
Estimated Project Cost (Ksh Millions)	245
MTEF Sector:	Environment Protection, Water and Natural Resources
Accounting Officer:	Principal Secretary – State Department for Mining
Official Contact Details (Provide email, telephone number, postal and physical address):	State Department for Mining, Public Works Building, Ngong Road. P.O. BOX 30009- 00100 Nairobi, Email: ps@mining.go.ke

Project Threshold:		Small	
Project Geographic Location (Provide GPS Coordinates here):		Various Counties	
County: Lamu, Garissa, Isiolo, Baringo, Marsabit, Turkana, Laikipia, Samburu, Wajir and Mandera	Sub-County: Various	Ward: Various	Village: Various
Planned Start Date:		1 st July 2026	
Planned End Date:		30 th June 2030	
Date of Submission:		2024	
SECTION 2: PROJECT BACKGROUND			
1. Situation Analysis			
<p>Kenya is rich with tens of minerals ranging from gemstones, precious metals, industrial minerals to critical minerals many of which have not been documented. Most of the available geological reports and maps were precolonial covering 60% of the country while others are owned by private investors hence this data is either unavailable or insufficient. Recently, a National Geophysical Survey using two only two characteristics – radiometric and magnetic covered 95% of landmass and 52% under water.</p> <p>The government has been trying to reach out to investors to share their recently acquired data or linking with other institutions that undertake geological activities to improve on the readily available reports and maps but it has been established they do spatial reports for target minerals revealing very limited mineral information. The project aims to undertake geological mapping along the northern international transport corridor that traverses through Lamu, Samburu, Garissa, Isiolo, Laikipia, Marsabit, Wajir, Baringo, Turkana and Mandera counties. This will be achieved by leveraging on the excavation work that has been done during road construction, the projects intends to map and sample the exposed rocks and soil for mineral occurrences and document the data for use by the government and other investors during detailed mineral exploration.</p>			
2. Problem Statement			

Kenya does not have readily accessible geological information for planning and investment decisions. The project will leverage on the road construction excavated roadside to address the constraint of unmapped resources along the transport corridor areas passing through Lamu, Garissa, Mandera, Wajir, Isiolo, Laikipia, baringo Samburu, Marsabit and Turkana Counties. Discovery of mineral occurrence along the corridor will spur mineral exploration investments which will further contribute to the development, opening feeder roads and improvement of security in the said areas; and this work has no alternative in provision of minerals data. The data will aid the government on identifying and reserving potential mining areas according to the type of mineral occurrence that will have been revealed to exist.

3. Relevance of the Project Idea

The project will enhance extractives sector through inventory and documenting of mineral resources data. These mineral resources/materials discoveries will attract investments, while others will be injected directly in development of local infrastructure like roads, electricity, water supply and houses as envisioned in Kenya Vision 2030, the national long-term development policy that aims to transform Kenya into a newly industrializing, middle-income country, providing a high quality of life to all its citizens by 2030 in a clean and secure environment. This will be achieved through Cooperate social responsibility(CSR) by companies investing through mining in the project area as prescribed by the law.

The project aims to provide geological data on mineral occurrences in the country to facilitate investment in mining and de-risk the investments to shorten the turnaround period from exploration to mining as captured in the Nationals MTP-IV-2023-2027 plan. Project supports the Ministry’s strategic goal of sustainable exploitation of minerals.

The project will also unearth some mineral resources that supports the Manufacturing, Affordable Housing and Food security pillars of the Bottom-up Economic Agenda (BETA). Through this project, strategic mineral resources will be documented and it is expected to be used in the technology and manufacturing sector. Through this project, the unmapped and inaccessible areas will be easier to map and explore minerals that will be exposed through road excavations. This is an activity that the government will save on mineral exploration and documentation of mineral resources, and cannot be undertaken by the private investors due to security and sensitivity of data given that some targeted minerals are strategic. This will be an opportunity lost if the government fails to use it.

4. Needs Assessment

There is scarce data on the mineral occurrences and quantities in Kenya, the mineral mining investment fraternity is in dire need of information and data to enable them target exploitation of the mineral resources.

The project will benefit national and county governments by opening up new mineral exploration prospects which may lead to mining operations and expand revenue collection, while private sector players will get investment opportunities. Most of the local communities residing within 5 km on either side of the 880 km corridor will get direct benefits through infrastructure development and job creation. The geological and mineral resource information generated from the project will increase the interest in mining and exploration resulting to an increase in applications for various mineral licenses. These will increase the government revenue collection through royalties and application licenses. Discovery of construction materials may be utilized as raw materials for the construction of the corridor roads. The project will also support local businesses, in the short term and long term.

SECTION 3: SCOPE OF THE PROJECT

The project will cover mapping along the entire transport corridors including; 880 km of LAPPSET and NETIP (Isiolo – Mandera road that stretches 869 km) and mapping in parts of South Eastern Kenya. It involves desktop review, followed by field visits, grid traverses, geological mapping, geochemical sampling, trenching and pitting. This will be followed by whole sample analyses, interpretations and reporting. Successful completion of the project will inform more mining investment interest in the country and enhance the contribution of the Mining Sector to National GDP.

SECTION 4: LOGICAL FRAMEWORK

a. Goal

The goal of the project is to leverage on the excavation work done during road construction, to map the geology on exposed subsurface rock and soil and take samples for mineral analysis. This will provide mineral occurrence data along the excavated Northern Corridor where little or no exploration work has been done. The project indicators are timely and accurate geological reports and maps with information on mineral data status within the explored area.

The exploration report will inform the government on the status of mineral occurrence and provide data available to spur investment in the sector and hence expand Kenya's revenue base that is projected to achieve mining sector contribution of 10% of the country's GDP by the year 2030.

b. Project Outcomes

The outcome for this project will be an expansion of the number of minerals identified in Kenya that will lead to an increased

investment in the mining sector through mineral exploration and mining activities.

c. Proposed Project Outputs

- i. Analyzed samples
- ii. Geological map prepared
- iii. Geological maps and reports developed
- iv. Minerals/ores sampled

d. Project Activities and Inputs

- i. Undertake laboratory analysis on the samples
- ii. Preparation of geological report and map
- iii. Undertake geological mapping for the samples
- iv. Collection of rock/minerals samples

e. Project Logical Framework Matrix

Narrative	Indicators	Sources/Mean of verification	Assumptions
Goal(MTP/CID) Sustainable exploitation of mineral resources	Number of exploitable minerals	List of exploitable minerals	
Project Outcomes Increased number of minerals identified	Number of minerals identified	List of minerals identified	New minerals will be identified in the exercise
Key Output 1 Analyzed samples	Number of samples analyzed	List of samples analyzed	Samples are available for analysis
Key Activity 1 Undertake laboratory analysis	Number of analyses undertaken	List of samples analyzed	The samples can be analyzed in the laboratory

on the samples			
Key Output 2 Geological map prepared	Number of geological maps	Geological reports and maps	All the areas will be accessible for geological mapping
Key Activity 2 Preparation of geological report and map	Number of geological maps prepared	Geological reports and maps	Security will be guaranteed; Geological features will be visible
Key Output 3 Geological map and reports developed	Number of Structural features identified	Structural map and reports	Geological structures are visible
Key Activity 3 Undertake geological mapping for the samples	Number of Physical and/or chemical characteristics of minerals undertaken	Reports and maps	Areas will have minerals and/or ores to be identified
Key Output 4 Minerals/ores sampled	Number of Mineral/ore samples	Mineral/ore sample reports	Many minerals can be identified in the field through physical and/or chemical characteristics
Key Activity 4 Collection of rock/minerals samples	Number of Samples collected	Samples map	There are different minerals in the area that require different sampling method

SECTION 5: INSTITUTIONAL ARRANGEMENTS

a. Institutional Mandate

Mineral exploration falls under the State Department’s mandate of “enhancing of minerals sector capacity development. “Mineral development forms part of the mandate of the Ministry of Mining, Blue Economy and Maritime Affairs through the State Department for Mining in addressing mineral resources development through geological mapping and mineral exploration programmes. Through

this project, the State Department aims to promote sustainable development of the extractives sector, for improved livelihoods.

b. Management of the Project

The Directorate of Geological Survey, led by a Director, has qualified technical personnel including geologists who are well versed with mapping and exploration of minerals; chemists, laboratory technologists and technicians. The officers are well equipped with skills and the knowledge to prepare and analyse the geological samples. The drilling inspectors, drilling technicians and drilling assistants are well versed with drilling and recovery of geological core logs. These teams are equally supported by all cadres to handle the project to full realisation but requires additional equipment including a portable XRD unit for optimal productivity.

c. Monitoring and evaluation arrangements

The Directorate has Monitoring and Evaluation systems in place with skilled and experienced technical officers. The funds will be allocated from GOK budget to facilitate monitoring and evaluation. There will be a project monitoring and evaluation team with Supervisor, Coordinator and implementers. The team comprise of economists, finance officers, accountants, geologists, mining inspectors and administrators. The team will be undertaking monitoring and evaluation on quarterly, annual and when need arises. The team will prepare M&E reports to inform proper and timely decision making especially on the progress of the project implementation. There will also be continuous improvement from the lessons learnt.

d. Risk and Mitigation Measures

Risks	Likelihood/Probability (High, medium or low)	Risk Impact (High, medium or low)	Mitigation Strategy
Funds Availability	Medium	High	Prior budgeting
Equipment, tools, vehicles Accessibility	Low	Medium	Proper planning
Vagaries of weather	Low	Medium	Proper planning

e. Project Stakeholders Management

Describe the stakeholders that the project has to constantly engage and their level of influence and interest among others. List all the government agencies, utilities or regulatory institutions that will need to be involved in the planning and implementation of the proposed project including any legal issues that will need to be addressed. A simple table in this format will be sufficient.

Stakeholder	Level of influence	Engagement Strategy
The National Treasury	High	Constant engagement through approval of Concept Notes and funding
Ministry of Interior NGC	High	Engagement of the local administrators on security issues
Kenya Forest Service	Medium	Consent and approvals to the protected areas
Kenya Wildlife Service	Medium	Consent and approvals to the protected areas

f. Project Readiness

- a) The project plan has been laid down and the logistics have been put in place. The project does not require any operational land but consents to access the land by the communities. Through communities’ engagement and government agencies operating in the area, relevant approvals have been obtained.
- b) Other government agencies that secure or control access to some parts of the counties have been contacted and have given necessary approvals of admittance to target areas.
- c) The Project plan has been achieved through guidance of the National Treasury. Security agencies like Interior, Forest services and Kenya Wildlife are key and have been engaged continuously to inform in planning. State Department for Interior is the ground mobiliser and security advisory agency giving security details continuously. They assist in mobilizing the community and informs them through local administration. Kenya Forest Services gives access to forest alongside Kenya Wildlife Service in conservation areas. Other stakeholders include transport agencies that will offer access to the cut roads alongside other supporting partners.
- d) To ensure the success of the project, different agencies were engaged to avoid any duplication of the activities. Due to uniqueness of this project activities State Department of Roads and Kenya National Highway have been involved in Project implementation plan. The project will follow transport corridor construction pace to avoid concealing of any geological data while paving the road.
- e) The State Department for Mining has over 150 qualified technical officers comprising of geologist, drillers, laboratory officers and cartographers ready to undertake this task.
- f) The state department is equipped with various exploration equipment like geological compass, Global positioning system(GPS), Scintillometer, Hand held X-Ray spectrometer which will be utilized in the project.

SECTION 6: FINANCIAL INFORMATION

a. Capital Cost (Kshs.173 Million) to complete the project:

Estimate the capital costs required to implement the project as follows:		
a) Consultancy, detailed design and legal fees		
b) Land Acquisition Costs:		
c) Site Access, Preparation and Utility 25,000,000		
d) Construction		
e) Plant and Equipment 148,000,000		
f) Fixtures and Fittings		
g) Other capital		
b. Recurrent Costs (Kshs. 72 Million) to complete the project:		
Estimate the recurrent costs required to implement the project as follows:		
a) Labour cost		
b) Operating Costs ... 60,000,000		
c) Maintenance Costs		
d) Others 12,000,000		
c. Total Cost Breakdown in Financial Year		
FY 2026/27	FY 2027/28	FY 2028/29
Total (Ksh M)	Total (Ksh M)	Total (Ksh M)
-	-	68.7
d. Proposed Source of Financing		
<i>Government of Kenya only</i>		
e. Cost implications to other Related Projects		
<i>Not Applicable</i>		
SECTION 7: OPERATIONAL SUSTAINABILITY		
<i>Not applicable</i>		
SECTION 8: PROJECT IMPLEMENTATION PLAN		

No.	Activity/Task Name	Expected Duration (Months)	Estimated Cost (Kshs)	Expected Outputs	KPI	FY 2026/27 (Ksh M)	FY 2027/28 (Ksh M)	FY 2028/29 (Ksh M)
1	Acquisition of necessary equipment and tools	12	148	Acquired and mounted equipment	No. of functional tools and equipment	70	45	42
2	Acquisition and installation of software and necessary licenses	36	27	Data sets	No of datasets collected	15	8	-
3	Data acquisition, core sample shipment & analysis	36	37	Efficient sample and logs storage	Core log and samples library	14	10	22
4	Interpretations and report writing	48	25	Geological data and maps	No. of reports and maps	4	4	5
5	Monitoring and Evaluation	48	8	M&E reports	No. of M&E reports	1	2	3
Total			245			-	-	68.7

7. Regional Geochemical Exploration in South Eastern Kenya

SECTION 1: PROJECT PROFILE	
Project Name:	Regional Geochemical Exploration in South Eastern Kenya
Project Reference Number:	SDM/DGS/002
Ministry:	Mining, Blue Economy and Maritime Affairs
Implementing Agency (MDA):	State Department for Mining

Initiating Department / Division I Section Unit:		Directorate of Mineral Exploration and Evaluation	
Budget Vote (where applicable):		1192	
Estimated Project Cost (Ksh Million)		450	
MTEF Sector:		Environmental Protection, Water and Natural Resources	
Accounting Officer:		Principal Secretary, State Department for Mining	
Official Contact Details (Provide email, telephone number, postal and physical address):		State Department for Mining, Public Works Building, Ngong Road. P.O. BOX 30009- 00100 Nairobi, Email: ps@mining.go.ke	
Project Threshold:		Small	
Project Geographic Location (Provide GPS Coordinates here):		Various Counties	
County: Taita Taveta, Kilifi, Kwale, Mombasa, Tana River, Kitui, Machakos, Kajiado and Makueni	Sub-County: Various	Ward: Various	Villages: Various
Planned Start Date:		1 st July,2026	
Planned End Date:		30 th June, 2029	
Date of Submission:		September, 2030	
SECTION 2: PROJECT BACKGROUND			

1. Situation Analysis

Worldwide, minerals are explored through different physical geochemical and geophysical methods for optimal mineral discoveries. Despite the hundreds of minerals available, only National Airborne Geophysical Survey (NAGS) has been able to avail nationwide geophysical data. However, NAGS used two methods that could only explore magnetic and radioactive minerals which accounts to less than 10% of all minerals in Kenya. The distribution of these minerals in the south eastern of the country have no proper documented mineral data since most of exploration activities are undertaken by private investors. These private investors' data is not readily accessible for planning purposes and investment decisions making by the government. With only 5% geochemical data collected haphazardly by previous explorations in the country. This will be key project to inform mining/exploration investors.

2. Problem Statement

Kenya has insignificant national geochemical dataset. The limited geochemical data available is segregated and was acquired for targeted mineral exploration projects in some parts of the country. The geochemical sampling and testing standard operating procedures during these exercises had not been unified and thus the different available datasets cannot be used to create a comprehensive national dataset and cannot be adequately inform the mineral geochemical characteristics of the country. Adequate mineral data (geological, geochemical and geophysical) informs competitiveness in mining investments. The limited geochemical data makes Kenya less competitive hence nationwide geochemical sampling exercise that will be conducted in regional basis will lead to de-risking investments in the mining industry. This will in turn spur mining sector contribution to the economic growth of the country.

3. Relevance of the Project Idea

The proposed project will complement the available Nationwide Airborne Geophysical Survey (NAGS) and geological data that will attract investments in mining and consequently contribute to improved living standards of citizens through accrued benefits such as Revenues, research, job creation, infrastructure and social amenities development at community, county and national levels. The increased revenues derived from the Mining Sector will therefore lead to Bottom-Up Economic Transformation Agenda for Inclusive Growth as stated in MTP IV 2023-2027 that will in turn lead to fulfilment of the Economic Pillar of Vision 2030. The project data will expand revenue base through licensing to exploration investors. The Government's intent is to improve and enhance its mineral database for use by investors. Mineral exploration by use of geochemical sampling method is a capital-intensive venture and no investor can risk resources without prior information. Successful completion of the project will enhance available mineral data and accelerate mining investment interest in the country and the contribution of the Mining Sector to National GDP.

4. Needs Assessment

The available data shows the global demand for the various minerals in the country. The target minerals in this project plus others are expected to grow to six times by 2040, mostly driven by its increasing application base in the electronics industry and automotive

industry. Additionally, the production of minerals like graphite, lithium and cobalt may increase by nearly 500% by 2050 (World Bank Group Report on Minerals for Climate Action, 2020) to meet the demand for clean energy technologies. This necessitates fast tracking of exploration by use of geochemical sampling to help discover these minerals crucial for economic development.

SECTION 3: SCOPE OF THE PROJECT

The project is Countrywide and entails the following: The exercise will involve sampling of sediments across the country using a defined sampling density, analyses of the samples to extract maximum amount of geochemical information using state of the art techniques, development of a geochemical database and compilation of an atlas of geochemical maps for use in mineral exploration.

- (i) Preliminary desktop review involving compilation, collation, analyses of available geochemical data in government and private sector.
- (ii) Writing to NGOA and County Government in all counties of the intended activity.
- (iii) Preparation of grid lines required every day before moving out for fieldwork.
- (iv) Field geochemical sampling through traverses using a defined sampling density. The sampling, labelling and storage will be done using a standard operating procedure
- (v) Sample analyses using state of the art laboratory equipment.
- (vi) Populate the national geochemical databases.
- (vii) Compilation of geochemical reports and maps to inform government and potential investors

SECTION 4: LOGICAL FRAMEWORK

a. Goal

The goal of the project is expand Kenya's revenue base through Sustainable exploitation of mineral resources

b. Project Outcomes

The expected impact from the proposed project is increase in the number of locations (areas) that have potential of minerals in Kenya.

c. Proposed Project Outputs

The expected outputs for the project are:

- i. Mineral potential locations Identified
- ii. Grids/boxes sampled

d. Project Activities and Inputs

The activities for the project are;

- i. Undertake laboratory analysis on the samples collected
- ii. Collection of rock/minerals samples from every box/grid

Narrative	Indicators	Sources/means of verification	Assumptions
<p>Goal(MTP/CID)</p> <p>Sustainable exploitation of mineral resources</p>	<p>Number of locations (areas) that have potential of minerals to be exploited</p>	<p>List of exploitable minerals</p>	
<p>Project Outcomes</p> <p>Increased number of mineral potential locations (areas)</p>	<p>Number of mineral potential locations (areas)</p>	<p>List of mineral potential locations (areas)</p>	<p>New mineral potential (areas) will be identified in the exercise</p> <p>Funds availed on time;</p> <p>Market of minerals remain vibrant</p>
<p>Key Output 1</p> <p>Identified mineral potential locations</p>	<p>Number of identified mineral potential locations</p>	<p>List of identified mineral potential locations</p>	<p>The target area is fully studied and sampled without any challenge</p>
<p>Key Activities 1</p> <p>Undertake laboratory analysis on the samples collected</p>	<p>Number of analyses undertaken</p>	<p>List of samples analyzed</p>	<p>The samples can be analyzed in the laboratory</p>

Key Output 2 Grids/boxes sampled	Number of grids sampled	Grid sample reports	Every grid has been sampled
Key Activities 2 Collection of rock/minerals samples from every box/grid	Number of rock/minerals samples collected	Samples map and report	Geochemical method will identify new minerals

SECTION 5: INSTITUTIONAL ARRANGEMENTS

a. Institutional Mandate

Geochemical and grid sampling method in mineral exploration falls under the State Department’s mandate of “enhancing of minerals sector capacity development”. Mineral development forms part of the mandate of the Ministry of Mining, Blue Economy and Maritime Affairs through the State Department for Mining in addressing mineral resources development through geochemical mineral exploration programmes. Under this project, the State Department aims to promote sustainable development of the extractives sector, increased revenue through exploration licenses while there will be improved livelihoods for the community’s members who will be involved both directly and indirectly in this project.

b. Management of the Project

The Directorate of Geological Survey, led by a Director, has qualified technical personnel including geologists who are well versed with exploration of minerals using geochemical sampling method; chemists, laboratory technologists and technicians. The officers are well equipped with skills and the knowledge to prepare and analyse the geological samples. These teams are equally supported by all cadres to handle the project to full realisation but requires additional equipment including a portable XRD and sampling drones for optimal productivity.

c. Monitoring and evaluation arrangements

The State Department for Mining has Monitoring and Evaluation systems in place with trained and experienced personnel. The funds will be allocated from GOK budget to facilitate monitoring and evaluation. There will be a project monitoring and evaluation team with well-structured and knit team. The team comprise of planners, finance officers, accountants, geologists, mining inspectors and

administrators. The team will be undertaking monitoring and evaluation on quarterly, annual and when need arises. The team will prepare M&E reports to inform proper and timely decision making especially on the progress of the project implementation.

d. Risk and Mitigation Measures

<i>Risks</i>	<i>Likelihood/Probability (High, medium or low as categories)</i>	<i>Risk Impact (High, medium or low as categories)</i>	<i>Mitigation Strategy</i>
Funds Availability	Medium	High	Prior budgeting
Equipment, vehicles	Low	Medium	Proper planning
Vagaries of weather	Low	Medium	Proper planning

e. Project Stakeholders Management

Stakeholder	Level of influence	Engagement Strategy
The National Treasury	High	Budget, Facilitation
Interior and National Administration	High	Correspondences, coordination and Security
County Governments	High	Correspondences, consultations and Meetings
Kenya Wildlife Service	Medium	Collaboration, correspondences, consultations, and Meetings
Kenya Forest Services	Medium	Correspondences and Meetings
Office of the Attorney General	Medium	Correspondences, consultations and Meetings
Other Government MDAs	Low	Correspondences and Meetings

Civil societies and NGOs	High	Engagements
Local Community	High	Public engagements

f. Project Readiness

The project plan has been laid down well trained technical staff, functional hand tools and equipment. The project does not require any operational land but consents to access the land by the communities. Through communities’ engagement and government agencies operating in the area, relevant approvals have been obtained. National Government administration officers, Forest services and Kenya Wildlife have been contacted and issued necessary approvals of admittance to target areas.

The Project plan has been achieved through guidance of the National Treasury. Mobiliser and security advisory agency give security details continuously. Kenya Forest Services approved access to forest alongside Kenya Wildlife Service in conservation areas. Other stakeholders include transport agencies that will offer access to the cut roads alongside other supporting partners.

SECTION 6: FINANCIAL INFORMATION

a. Capital Cost (Kshs. 305 M) to complete the project:

Estimate the capital costs required to implement the project as follows:

- a) Consultancy, detailed design and legal feesNil.....
- b) Land Acquisition Costs:Nil.....
- c. Site Access, Preparation and Utility**5,000,000**.....
- c) ConstructionNil.....
- e. Plant and Equipment**300,000,000**.....
- d) Fixtures and FittingsNil.....
- e) Other capitalNil.....

b. Recurrent Costs (Kshs. 145 M) to complete the project

Estimate the recurrent costs required to implement the project as follows:

- a) Labour cost**15 Million**
- b) Operating Costs**100 Million**.....Nil
- c) Maintenance CostsNil

d) Others 30 Million								
c. Total Cost Breakdown in Financial Year								
FY 2026/27			FY 2027/28			FY 2028/29		
Total (KShs.)			Total (KShs.)			Total (KShs.)		
-			-			-		
d. Proposed Source of Financing								
Government of Kenya only								
e. Cost implications to other Related Projects								
There are no other related projects that are required so no need to implement them in order to realize the benefits for this project.								
SECTION 7: OPERATIONAL SUSTAINABILITY								
Data will be collected, collated and stored at the National Geo-Data Center within the Ministry for sharing.								
<ul style="list-style-type: none"> - There is adequate capacity at the Directorate of Geological Surveys. - Cost will be transferred to investor on mining of minerals 								
a) The mineral discoveries will attract mining investments. Ground rates if mining or not are applicable giving the most needed funds to sustain mining sector while royalties from the mined minerals will be shared among National Government, county Government and Local community at a ratio of 70%, 20% and 10% in that order.								
b) State Department for Mining has adequate technical, managerial and financial capacity to operate and maintain the capital asset once completed and undertake measures required to create that capacity where necessary. The anticipated post implementation operating annual costs will only apply on storage and internet services that will be very small percentage compared to annual ground rates or respective licenses.								
SECTION 8: PROJECT IMPLEMENTATION PLAN								
NO	Activity/	Expected duration	Estimated	Expected Outputs	KPI	FY	FY 2027/28	FY 2028/29

	task name	(months)	Cost (Ksh. M)			2026/27 (Ksh M)	(Ksh M)	(Ksh M)
1.	Requisition of Geochemical sampling equipment and tools	36 Months	300	Geochemical exploration Equipment purchased	Number of equipment	150	80	70
2.	Grid Geochemical Sampling and analysis of Taita Taveta Counties 2 samples/ 10km square	12 months	17	Geochemical Report and Map of Taita Taveta County	Number of reports/maps	17	-	-
3.	Grid Geochemical Sampling in Kilifi County 2 samples/ 10km square	12 Month	17	Geochemical Report and Kilifi County	Number of reports/maps	17	-	-
4.	Grid Geochemical Sampling in Mombasa and Kwale Counties 2 samples/ 10km square	12months	21	Geochemical Report and Map of Kwale County	Number of reports/maps	-	21	-
5.	Grid Geochemical Sampling in Kitui County 2 samples/ 10km square	12 Month	22	Geochemical Report and Kitui County	Number of reports/maps	-	22	-
6.	Grid Geochemical Sampling in Kajiado County 2 samples/ 10km square	12 Months	17	Geochemical Report and Kajiado County	Number of reports/maps		17	
7.	Grid Geochemical Sampling in Makueni County 2 samples/ 10km square	12 Months	19	Geochemical Report and Makueni County	Number of reports/maps	-	-	19

8.	Grid Geochemical Sampling in Machakos County 2 samples/ 10km square	12 Months	15	Geochemical Report and Machakos County	Number of reports/maps	-	-	15
9.	Grid Geochemical Sampling in Tana River County 2 samples/ 10km square	12 Months	22	Geochemical Report and Tana River County	Number of reports/maps	-	-	22
	Total		450			-	-	-

8. Artisanal and Small-Scale Miners Market Hubs

SECTION 1: PROJECT PROFILE	
Project Name:	Artisanal and Small-Scale Miners Market Hubs
Project Reference Number:	SDM/DOM/002
Ministry:	Ministry Mining, Blue Economic and Maritime Affairs
Implementing Agency (MDA):	State Department for Mining
Initiating Department / Division I Section / Unit:	Directorate of Licensing, Compliance and Enforcement Services/Mineral Audit Division
Budget Vote (where applicable):	1192
Estimated Project Cost (Ksh Millions)	474.5
MTEF Sector:	Environment Protection Water and Natural Resources
Accounting Officer:	Principal Secretary, State Department for Mining

Official Contact Details (Provide email, telephone number, postal and physical address):		State Department for Mining, Public Works Building, Ngong Road. P.O. BOX 30009- 00100 Nairobi, Email: ps@mining.go.ke	
Project Threshold:		Small	
Project Geographic Location (Provide GPS Coordinates here):		Turkana, Pokot, Kakamega, Vihiga, Siaya, Migori, Narok, Embu, Marsabit, Turkana, Wajir, Kitui and Samburu Counties	
County: Various	Sub-County: Various	Ward:	Village:
Planned Start Date:		1 st July 2026	
Planned End Date:		30 th June 2031	
Date of Submission:		October, 2024	
SECTION 2: PROJECT BACKGROUND			
1. Situation Analysis			
<p>Artisanal and small-scale mining (ASM) in Kenya accounts for over 90% of gold production and involves more than 250,000 miners. Despite its economic significance and role in poverty reduction, the sub-sector remains largely unregulated, especially in the mining, marketing and sale of gold and the recently discovered coltan. The absence of structured markets results in inefficient sales, informal pricing, and <i>lost government revenue</i>. Miners often rely on <i>exploitative informal</i> channels, receiving <i>below-market value</i> for their output, while the environmental and safety standards remain weak.</p> <p>With proper regulation and <i>appropriate mechanism</i>, the ASM sector has the <i>potential to significantly increase</i> its contribution to national revenue and drive socially and environmentally responsible mining practices. Developing <i>Regulated Market Hubs</i> for gold and coltan would enhance transparency, ensure fair pricing, and streamline revenue collection for the government.</p>			
2. Problem Statement			

The central challenge in Kenya's artisanal gold and coltan artisanal mining sub-sectors is the absence of structured sales and marketing systems, which results in significant underreporting of production and lost government revenue. Over 250,000 artisanal miners operate largely in informal markets, where gold and coltan are traded without regulatory oversight. The lack of formalized market hubs and accurate production tracking system makes it nearly impossible for the government to capture the full value of these mineral transactions.

From the State Department for Mining regional offices data, it is estimated that in the gold sector alone, approximately 300 kg is produced monthly at an average price of Kshs 10 million per kilogram in the current market price. Therefore, this represents a total of Kshs **3 billion in unregulated transactions translating to Kshs 36 billion annually**. The government misses out on potential royalties (at a rate of 3% of gross sale value) of Kshs 100 million monthly translating to **Kshs 1.2 billion annually**. Coltan, a valuable emerging resource, faces similar issues, with production and sales occurring in informal, unmonitored channels. The current self-reporting system for miners is ineffective, and there is no reliable mechanism for verifying production volumes or sales.

This problem stems from the absence of formal market infrastructure, weak regulatory enforcement, and inadequate data collection systems. The direct impact is a substantial loss of government revenue, while the indirect effects include limited investment in the sector, reduced miner earnings, and missed opportunities for national economic growth.

To resolve these issues, it is crucial to establish Regulated Market Hubs for gold and coltan, where transactions are tracked, production is recorded, and fair pricing is ensured. Strengthening regulatory oversight and developing robust data capture systems would help formalize the sector, ensuring transparency, increasing government revenue, and promoting sustainable mining practices.

3. Relevance of the Project Idea

The proposed Artisanal and Small-Scale Mining (ASM) Market Hubs project aligns directly with Kenya's Vision 2030 and the Fourth Medium-Term Plan (MTP IV), particularly under the pillar of "*Livelihood and Job Creation*." The project supports the formalization of the ASM sector by assisting miners in forming cooperatives and SACCOS, thereby enhancing productivity, improving mine health and safety, and providing better market access. This will increase income for artisanal miners, contributing to national goals of poverty reduction, sustainable economic growth, and job creation. Additionally, the project complements the Mining Strategic Plan's goal of sustainable mineral exploitation by accelerating mineral development, promoting value addition, and positioning Nairobi as a global mineral trading hub through the development of a mineral marketing policy and international mining investment forums.

The need for this project is evident from the high demand for formalization in the ASM sector, which involves over 250,000 miners and supports about 1.5 million people. The informal nature of the sector limits productivity, market access, and adherence to safety standards, while global demand for minerals continues to rise. Government intervention is crucial, as private sector players lack the

mandate to address issues like safety, environmental sustainability, and equitable market access. Without this intervention, the sector will remain informal, missing opportunities for growth and value addition.

The project's timeline is well-aligned with Vision 2030 and MTP IV goals, as it can be implemented within the next 3-5 years, delivering outcomes that will contribute to Kenya's position as a leading mineral trading hub. The ASM Market Hubs project offers a clear path to improving the livelihoods of artisanal miners while advancing Kenya's national and sectoral strategic development objectives.

4. Needs Assessment

The proposed project primarily targets approximately 300,000 artisanal miners, 300+ small-scale gold processing plants, 100+ mineral dealers, and 30+ gold elution plants. These groups will benefit from formalized market hubs, ensuring transparent sales, fair pricing, and accurate production tracking. By establishing a structured sales system, miners will receive better compensation for their output, while processing plants and dealers will gain access to regulated channels that enhance operational efficiency and compliance.

The project is expected to cater to a growing demand for formal mineral transactions. With an initial capacity to handle 300+ kg of gold monthly, market hubs will streamline the processing and sales of both gold and coltan. This demand is projected to increase by 5-10% annually, as more miners transition to formalized systems.

The market hubs will have the physical capacity to manage these transactions, ensuring space and resources for miners and dealers. By capturing accurate production data and regulating sales, the project will significantly enhance government revenue collection through royalties.

Key benefits include increased transparency, fair pricing for miners, and greater compliance in artisanal and small mining operations. The broader economy will benefit from higher government revenues and increased mining investment attractiveness. Without these formalized hubs, the government will continue losing significant revenue, and miners will remain vulnerable to exploitation. Formalization, therefore, offers a sustainable solution for growth and accountability in the mining sector.

SECTION 3: SCOPE OF THE PROJECT

The project aims to develop a market hub for artisanal and small-scale mining of gold and coltan in Kenya. The scope is organized in a logical flow as follows:

a) **Baseline Survey and Needs Assessment:**

- o Conduct a baseline survey to assess the current market dynamics, production levels, and challenges faced by artisanal

and small-scale miners in gold and coltan.

- Deliver a report that identifies gaps and opportunities for the market hub.
- b) **Multi-Agency Collaboration:**
 - Establish a multi-agency team comprising government, industry stakeholders, and local communities to oversee the development and operation of the market hub.
 - Deliver a structured collaboration framework to facilitate coordination among stakeholders.
- c) **Market Hub Design and Construction:**
 - Develop a comprehensive plan for a centralized market hub that facilitates the buying, selling, and trading of gold and coltan.
 - Construct the market hub equipped with necessary facilities, including trading spaces, storage, security and processing areas.
- d) **Guidelines for Sustainable Practices:**
 - Develop and implement guidelines that promote sustainable mining practices and compliance with regulatory standards within the market hub.
 - Deliver a set of comprehensive guidelines for miners and traders to follow.
- e) **Revenue Collection Mechanism:**
 - Create a transparent revenue collection system for transactions occurring at the market hub, ensuring fair taxation and compliance.
 - Deliver operational procedures and tools for effective revenue management.
- f) **Capacity Building and Training:**
 - Provide training programs for miners and traders on sustainable practices, market operations, and compliance.
 - Deliver trained individuals and enhanced operational protocols to support effective market functioning.
- g) **Project Boundaries**
 - **Geographic Focus:** The market hub will be located in a designated mining region in Kenya, strategically chosen based on accessibility and miner population.
 - **Stakeholder Engagement:** Active involvement of local communities, miners, and government agencies is essential for ensuring the hub's sustainability and success.
 - **Timeline and Resources:** The project will operate within a defined timeline and budget, ensuring that resources are allocated efficiently to meet deliverables.

SECTION 4: LOGICAL FRAMEWORK

a) Goal

<p>The overall goal of the project is to improve the collection of mineral revenue, aligning with the objectives of MTP IV and the strategic plan of the State Department for Mining.</p>			
<p>b) Project Outcomes</p>			
<p>The impact after implementation of this project include; enhanced contribution of mineral resource exploitation to socio-economic development, strengthened regulatory frameworks and compliance mechanisms for mineral revenue collection and increased in compliance and reporting.</p>			
<p>c) Proposed Project Outputs</p>			
<p>The expected deliverable from the implementation of the project are:</p> <ul style="list-style-type: none"> i. Stakeholders’ sensitization undertaken. ii. Land acquired. iii. Detail design of Market Hubs developed. iv. Market Hubs constructed. v. Market Hubs equipped and operationalized. vi. Key stakeholders capacity built. 			
<p>d) Project Activities and Inputs</p>			
<p>The proposed key project activities include:</p> <ul style="list-style-type: none"> i. Undertake stakeholders’ sensitization. ii. Acquisition of lands. iii. Develop detail design of Market Hubs. iv. Construction of Market Hubs. v. Equipping and Operationalization of the Centers. vi. Capacity Building of key Stakeholders. 			
<p>e) Project Logical Framework Matrix</p>			
Narrative	Indicators	Sources/ means of verification	Assumptions

GOAL To Enhance Mineral Revenue Collection for Artisanal and Small-Scale Mining (ASM) sector.	Percentage increase in mining contribution to national GDP.	Economic Survey, KNBS reports, Audited Financial records	
Project Outcome Enhanced contribution of mineral resource exploitation to socio-economic development and strengthened regulatory frameworks and compliance mechanisms	Percentage increase in compliance. Number of regulated markets. Change in livelihoods.	Compliance certificates Registration certificates, Licenses	Timely release of the exchequer
Key Output 1: Stakeholders' sensitization undertaken.	Number of public forums held.	Public forums permits.	Good will from local authorities.
Key Activity 1: Undertake stakeholders sensitization	Number of public forums held.	Public forums permits.	Good will from local authorities.
Key Output 2: Land acquired	Area in acres acquired.	Title deeds.	Availability of funds.
Key Activity 2: Acquisition of lands	Area in acres acquired.	Title deeds.	Availability of funds.
Key Output 3:	Number of architectural	Architectural designs.	Availability of funds.

Detail design of Market Hubs developed.	designs.		
Key Activity 3: Develop detail design of Market Hubs.	Number of architectural designs.	Architectural designs.	Availability of funds.
Key Output 4: Market Hubs constructed.	Number of market hubs constructed.	Completion certificate, BoQ	Availability of funds.
Key Activity 4: Construction of Market Hubs.	Number of market hubs constructed.	Completion certificate, BoQ	Availability of funds.
Key Output 5: Market Hubs equipped and operationalized.	Number of market hubs equipped and operationalized.	Purchase invoice.	Availability of funds.
Key Activity 5: Equipping and Operationalization of the Centers.	Number of market hubs equipped and operationalized.	Purchase invoice.	Availability of funds.
Key Output 6: Key stakeholders capacity built.	Number of stakeholders' capacity built.	Attendance list.	Acceptance from the community.
Key Activity 6: Capacity Building of key Stakeholders.	Number of stakeholders capacity built	Attendance list	Acceptance from the community
SECTION 5: INSTITUTIONAL ARRANGEMENTS			
a. Institutional Mandate			

The State Department for Mining, under the Mining Act of 2016, is entrusted with regulating and ensuring the sustainable exploitation of Kenya’s mineral resources for the benefit of its citizens. Additionally, the Ministry is responsible for overseeing the collection of royalties from mineral production.

b. Management of the Project

The Directorate of Mines, through its Mineral Audit Division, and Regional Mining Offices, is tasked with ensuring compliance by mineral rights and dealership holders. These units are staffed by a highly experienced team of mine inspectors and geologists. Part of their mandate includes overseeing the effective collection of mineral royalties and ensuring payments by rights and dealership holders. The proposed multi-agency team—comprising the Directorate of Mines, KRA, the National Mining Corporation, and the Ministry of Interior and National Coordination—will bring the necessary momentum to drive the successful implementation of the program.

c. Monitoring and evaluation arrangements

The Accounting Officer will oversee the overall implementation of the project, while the Ministry’s structure—including the Directorate of Mines, Mineral Audit Division, and Internal Audit—will be responsible for monitoring and evaluating its progress on a quarterly or annual basis guided by an already existing M&E Framework. The Director of Mines will track the project's implementation, with data being shared monthly by the Regional Mining Officers. To ensure the project's success, an enhanced and dedicated budgetary allocation will be required for the Mines Inspectorate Division, enabling the multi-agency team to effectively carry out the implementation.

d. Risk and Mitigation Measures

Risks	Likelihood/ Probability	Risk Impact	Mitigation Strategy
Funds unavailability	Medium	High	Prior budgeting.
Inaccessibility of the sites	Low	High	Collaboration with local government and cooperatives.
Unwillingness of the ASM members to trade at the centres.	Low	High	Conducting marketing initiatives and creating public awareness.

Safety risks such as robbery.	Low	High	Provide secure environment for trading by providing security officers, banking facilities and laboratory testing at the centres, making it a one stop shop.
Competition from other operators in the mineral trade.	High	Medium	Regulating mineral trade to ensure trading of the minerals is carried out at the designated centres only.
e. Project Stakeholders Management			
Stakeholder	Level of influence	Engagement Strategy	
Directorate of Mines	High	The lead Coordinator during the implementation of programme. Carry out sensitization	
Kenya Revenue Authority	High	Input the development of revenue collection mechanism	
Ministry of Interior and National Coordination	High	Coordinate and influence the compliance of the developed guideline	
Ministry of Infrastructure	Low	Oversee the design and implementation of the Mineral Trade Centers	
County Government	Medium	Provide land for the construction of the Mineral Trade Centers	
National Mining Corporation	High	To be engaged as a lead mineral Dealer	
Mineral Right Dealership Holders	High	The main targeted entities to generate the mineral royalty revenue. To be sensitized on the programme.	
f. Project Readiness			

Describe how prepared the implementing agency to deliver the project by providing the following information:

- a) Has the project preliminary and detailed designs been prepared and approved? –
The preliminary and detail design ongoing
- b) Whether the land been acquired or site readiness? -
The acquisition process ongoing
- c) Have necessary regulatory approvals been obtained? –
Ongoing
- d) What government agencies and stakeholders will be involved in the preparation of the Project and what roles they will play in project development and approval?
Public works – to do the designs
- e) Have you undertaken consultations with other Government
- *Ongoing*

SECTION 6: FINANCIAL INFORMATION

a) Capital Cost (Kshs. 474.5 million) to complete the project:

Estimate the capital costs required to implement the project as follows:

Item	Unit Cost per site (KSh.)	Total (13 hubs) (KSh.)
a. Consultancy, Detailed Design, and Legal Fees	1,000,000	13,000,000
b. Land Acquisition Costs	3,000,000	39,000,000
c. Site Access, Preparation, and Utility Connections	1,000,000	13,000,000
d. Construction (Main Structures, Offices, Storage, Security Posts)	25,000,000	325,000,000
e. Plant and Equipment (Scales, Processing Units, Gold Testing Kits)	1,500,000	19,500,000
f. Fixtures and Fittings (Security Vaults, Counters, ICT Infrastructure)	1,000,000	13,000,000
g. Security and Surveillance System (CCTV, Access Control,	1,000,000	13,000,000

	Guards)			
	h. Training and Sensitization (Workshops, Stakeholder Engagement)	500,000	6,500,000	
	i. Monitoring and Evaluation	1,000,000	13,000,000	
	j. Miscellaneous & Contingency	1,500,000	19,500,000	
	Total	36,500,000	474,500,000	
b) Total Cost Breakdown in Financial Year				
FY 2026/27	FY 2027/28	FY 2028/29	FY 2029/30	FY 2030/31
Total (Ksh M)	Total (Ksh M)	Total (Ksh M)	Total (Ksh M)	Total (Ksh M)
-	-	-	71.5	165.5
c) Proposed Source of Financing				
i. Government of Kenya only ID)				
d) Cost implications to other Related Projects. N/A				
SECTION 7: OPERATIONAL SUSTAINABILITY				

- a) The Directorate of Mines will be responsible for overseeing the operation of the asset created by the project.
- b) While the technical and managerial capacity of the department is deemed adequate, it will require ongoing enhancement to maintain operational efficiency. Any commercial activities related to the project will be handled by the National Mining Corporation.
- c) Estimated post-implementation operating costs, including depreciation, are as follows:
 - i) Average annual personnel or labor costs: **KSh 20,160,000**
 - ii) Annual operation and maintenance costs: **KSh 6,000,000**
 - iii) Other costs: **KSh 6,000,000**
- d) The project is projected to generate annual revenue ranging from KSh 1.2 billion to KSh 3 billion, primarily through mineral royalties that will be directed to the Consolidated Fund. Additionally, it is feasible to introduce a special levy on mineral transactions, which could partially or fully fund the operations of the Mineral Trade Centers.

SECTION 8: PROJECT IMPLEMENTATION PLAN

NO	Activity/task name	Expected duration (months)	Estimated Cost (Ksh Millions)	Expected Outputs	KPIs	FY 2026/27 (Ksh M)	FY 2027/28 (Ksh M)	FY 2028/29 (Ksh M)	FY 2029/30 (Ksh M)	FY 2030/31 (Ksh M)
1	Undertake stakeholders sensitization	3	6.5	Public forums permits	Number of public forums held	6.5	-	-	-	-
2	Acquisition of lands (13 No.)	12	39	Title deeds	Area in acres acquired	39	-	-	-	-
3	Develop detail design of Market Hubs	12	13	Architectural designs	Number of architectural designs	13	-	-	-	-
4	Construction of Market Hubs	36	338	Completion certificate, BoQ	Number of market hubs constructed	13	162.5	162.5	-	-
5	Equipping and Operationalization of the Centers	12	45.5	Purchase invoice	Number of market hubs equipped and operationalized	-	-	-	25.5	20

6	Capacity Building of key Stakeholders	36	19.5	Attendance list	Number of stakeholders capacity built	-	-	7	6.5	6
7	M & E	48	13			-	3	3	3	4
	Total		474.5			-	-	-	71.5	165.5

9. Establishment of New Regional Mining Offices

SECTION 1: PROJECT PROFILE	
Project Name:	Establishment of new Regional Mining Offices
Project Reference Number:	SDM/DOM/003
Ministry:	Ministry of Mining, Blue economy and Maritime Affairs
Implementing Agency:	State Department for Mining
Initiating Department/Division/Section/Unit:	Directorate of Licensing, Compliance and Enforcement services.
Budget Vote:	1192
Estimated Project Cost (KShs. Million):	283.5
MTEF Sector:	Environment Protection Water and Natural Resources
Accounting Officer:	Principal Secretary, State Department for Mining
Official Contact Details:	State Department for Mining, Public Works Building, Ngong Road. P.O. BOX 30009- 00100 Nairobi, Email: ps@mining.go.ke
Project Threshold:	Small
Project Geographical Location:	Country Wide
County: Turkana, Nakuru, Marsabit, Tharaka Nthi, Transzoia, Kericho and Mandera	Sub-County: Various Ward: Village:
Planned Start Date:	1 st July 2026

Planned End Date:	30 th June 2029	
Date of Submission:	2024	

SECTION 2: PROJECT BACKGROUND

1. Situation Analysis

The State Department currently has 19 Regional Mining offices. The offices are acquired under different models. Some offices are currently stand-alone offices, some are housed by other government ministries and Nakuru Mining Region has been renting an office space from a private entity. Most of the Regional Mining Offices are both congested and in deplorable conditions hence not able to accommodate both the numbers and anticipated mining services to be decentralized to such offices including mineral laboratory services. The offices are currently receiving new technical and support staff to bridge the gap on different staff cadres' requirements. The recently approved organization structure has approved establishment of these region offices under clusters whereby some of them will be merged or relocated to new places/county headquarters.

Construction of seven (7) new offices in Turkana, Nakuru, Marsabit, Tharaka Nthi, Transzoia, Kericho and Mandera in accordance with the approved organization structure of the state Department for mines will lead to improved working conditions and adequate office space in the Regional Mining Offices. This is intended to provide working space to the recently broadened work force. The project will also incorporate establishment of permanent structures for Mineral Analytical Laboratory at region levels.

2. Problem Statement :

The current work force does not have enough working space and majority of the current offices will be relocated to new County or town as per the approved organization structure of the State department. Four of the seven offices currently are operating from different Counties. The recruitment of new staff in the State Department to seal the void in service delivery is making the situation even more pressing. More so Mineral Laboratory Services are being decentralized to the region offices hence the need to create space to meet the demand. Currently the formalization of Artisanal mining is ongoing and a committee that deals with formalization at County levels also requires venue for meetings.

There are no established office space for State Department in the seven regions currently to implement the organization structure. The existing operation offices for four regions are currently situated at different County offices while the other three are rental or housed under small deplorable spaces that do not meet current number of staff deployed. With coming of new staff the situation will become even more demanding.

Existing facilities are inadequate to house the current number of officers at existing regional mining offices. Also Land parcels are required to establish office space in the newly established regional mining zones. The current approved organization has led to demand of new officers at regional offices to offer adequate service to public at regional levels. these factors require the State Department to address the need by constructing new offices and relocation of some region offices to new counties where no office for mining was existing before. This will resolve the issue of officers working under congested space with poor amenities that lower their morale and allow implementation of the new region mining offices structure.

There is no alternative for this project as renting new offices is more expensive in the long term.
3. Relevance of the Project Idea
Mining is a key sector to support BETA approach to economic transformation and the Kenya Vision 2030 hence decentralization of mining services to regional levels is key to the delivery of mining sector contribution to the country's economy. Construction of adequate office space for Regional Mining Offices will enhance the sector and improve service delivery at the Mining Regional Offices. On project completion, it will lead to enhanced service delivery. Rationale for Government intervention: creation of an enabling environment for the mining sector.
4. Needs Assessment
The 7 regional mining offices will have adequate operation offices to deliver services to the public on mining related services. The total capacity of the seven offices is approximated at around 120 officers. The officers will be able to perform under conducive environment, offer laboratory services at regional levels and facilitate issuance of artisanal mining permits at regional levels.
SECTION 3: SCOPE OF THE PROJECT
The scope of the project entails; <ul style="list-style-type: none"> i. Acquisition of land at seven regional mining offices headquarters, ii. Detail design iii. Environmental assessment iv. Tendering process v. Construction of the Regional Mining Offices; and vi. Operationalization (equipping and fittings)
SECTION 4: LOGICAL FRAMEWORK
a. Goal
The ultimate goal is to increase Kenya's revenue collection from the mining sector.
b. Project Outcomes:
Provision of adequate mining services and improve compliance by the mining stakeholders at the regional level.
c. Proposed Project Outputs
The expected outputs for the project are: <ul style="list-style-type: none"> i. Land acquired ii. Detail design developed iii. Environmental assessment conducted iv. Tendered process v. Regional Mining Offices Constructed

vi. Offices operationalized			
vii. Projects Monitored and Evaluated			
d. Project Activities and Inputs			
The main activities for the project are:			
i. Acquisition of land at seven regional mining offices headquarters,			
ii. Develop a Detail design			
iii. Conduct Environmental assessment			
iv. Tendering process			
v. Undertake Construction of the Regional Mining Offices; and			
vi. Operationalization (equipping and fittings)			
vii. Monitoring and Evaluation			
e. Project Logical Framework Matrix			
Narrative	Indicators	Sources/Means of Verification	Assumptions
Goal: To increase Kenya's revenue collection from the mining sector.	Percentage change in revenue collection	Audited Financial Statements	
Outcome: Provision of adequate mining services and improve compliance by the mining stakeholders	Number of stakeholders complying to the regulations	Mining / prospecting permits and licenses	Proper working systems
Output: i. Land acquired ii. Detail design developed iii. Environmental assessment conducted iv. Tendered process v. Regional Mining Offices Constructed	Acres of Land Number of designs Number of EIA conducted	Title deeds, Land ownership documents Drawings NEMA License	Availability of funds

<p>vi. Offices operationalized vii. Projects Monitored and Evaluated</p>	<p>Number of tenders floated Number of offices constructed Number of offices operationalized Number of M&E exercise</p>	<p>Contract documents Occupation certificate Purchase invoice, procurement documents M&E reports</p>	
<p>Activities:</p> <p>i. Acquisition of land at seven regional mining offices headquarters ii. Develop a Detail design iii. Conduct Environmental assessment iv. Tendering process v. Undertake Construction of the Regional Mining Offices; vi. Operationalization (equipping and fittings) vii. Monitoring and Evaluation</p>	<p>Acres of Land</p> <p>Number of designs Number of EIA conducted Number of tenders floated Number of offices constructed Number of offices operationalized Number of M&E exercise</p>	<p>Title deeds, Land ownership documents Drawings NEMA License Contract documents Occupation certificate Purchase invoice, procurement documents M&E reports</p>	<p>Availability of funds</p>
SECTION 5: INSTITUTIONAL ARRANGEMENTS			
a. Institutional Mandate			

The mandate of the directorate as espoused in the Mining Act states that it shall be involved in the promotion of effective and efficient management, promote best mining practices that reduce mineral wastage, value addition and marketing of minerals as well as development of mineral resources in the mining sector. This will be achieved through the establishment of more regional mining offices to ensure enhanced contribution of Artisanal and Small-scale Miners (ASM) in the mining sector.

b. Management of the Project

The project will be implemented through the leadership at the directorate and will form a Project Implementation Team (PIT). This PIT will be comprised of the technical officers such as surveyors, engineers and economists that will monitor the implementation of the project to completion. On completion, auditors in collaboration with finance officers will conduct evaluation to ascertain the absorption of the allocated funds and write a comprehensive report. There is sufficient institutional, managerial and technical capacity to implement the project successfully. Funding has been allocated to undertake the activities and in case of a shortfall the implementing agency has the financial capacity to outsource from consultants.

c. Monitoring and Evaluation arrangements

The Director of Mines will be in charge of project monitoring and evaluation supported by the project implementation committee. Evaluation of the project will be done by M&E officers from the State Department of Mining. Monitoring and evaluation will be done through the use of:

- i. Project Appraisal Reports.
- ii. Quarterly, Semi-Annual and Annual reports of project progress.
- iii. Project Implementers Self-Assessment Reports
- iv. End-term evaluation

The directorate has put in place monitoring and evaluation mechanisms to track performance of the expected project results by providing project M &E framework, financial and human resources to undertake the M&E activities. The project will set aside 5% of the total allocated project finances to undertake the M&E activities, training of M&E personnel and project implementation committee and development of M&E tools and reports. The project M&E officer will be responsible for collecting, analyzing and consolidating monitoring reports that will inform the director and Project management committee to inform on decision making and corrective actions where necessary. Monitoring information will be collected from respective project activity implementers on a monthly basis which will be consolidated in project progress quarterly reports.

d. Risk and Mitigation Measures

The risks associated with this project;

Risks	Likelihood/probability (High, medium or low as categories)	Risk Impact (High, medium or low as categories)	Mitigation Strategy
Availability Funds	Medium	High	Prior budgeting

Vagaries of weather	Low	Low	Proper planning
e. Project Stakeholders Management			
The Stakeholders for this project are;			
Stakeholder	Level of influence	Engagement Strategy	
The National Treasury	High	Continuous engagement and collaboration in line with provisions of the law	
The Parliament	High	Continuous engagement and collaboration in line with provisions of the law	
Public Works	Medium	Continuous engagement and correspondences	
County Government	Medium	Continuous engagement and correspondences	
National Environment Management Authority	low	Continuous engagement and correspondences	
f. Project Readiness			
The State Department is fully prepared to implement the construction of the seven (7) Regional mining offices. This initiative aims to enhance infrastructure, improve operational efficiency, and support local mining communities. Our plans include comprehensive budgeting, stakeholder engagement, and adherence to safety and environmental standards to ensure successful project execution.			
SECTION 6: FINANCIAL INFORMATION			
a) Capital Cost to Complete Project (Ksh 269.5 M)			
Consultancy fees	10.5 M		
Land Acquisition Costs	14 M		
Site Access, Preparation and Utility	-		
Construction of 7 Regional Mining Offices	140 M		
Equipment	105 M		
Other Capital Costs	-		

b) Recurrent Costs (KShs 14 Million):									
Labour cost			-						
Operating costs			-						
Maintenance Costs			-						
Others (monitoring and evaluation)			14 M						
c) Estimated Total Project Costs (KShs 21M):									
FY1 2026/27			FY2 2027/28			FY3 2028/29			
Total (KShs.)			Total (KShs.)			Total (KShs.)			
-			-			-			
d) Proposed Financing Options for the Project:									
GoK									
e) Other Cost Implications to other related projects									
Breakdown of Estimated Costs for other projects									
<ul style="list-style-type: none"> Operational Costs after implementation N/A Estimated average annual costsN/A 									
SECTION 7: OPERATIONAL SUSTAINABILITY									
The Operation & Maintenance of this project will be sourced from the royalty fees obtained as a result of the application of the mining and prospecting permits. The Government of Kenya will own the project and the implementing agency has the financial and technical capacity to operate the project on completion. This project will be beneficial to the stakeholders among them the Artisanal and Small Scale Miners in the regional areas.									
SECTION 8: PROJECT IMPLEMENTATION PLAN									
No.	Activity/ task name	Expected duration (months)	Estimated Cost (Ksh. M)	Expected Outputs	Key Performance Indicator	2026/27	2027/28	2028/29	
i.	Acquisition of land at seven regional mining offices headquarters	6	14	Land ownership	Landownership documents	14	-	-	

ii.	Develop a Detailed design	4	3.5	Designs and Bill of Quantities	Quotations	3.5	-	-
iii.	Conduct Environmental assessment	4	7	EIA conducted	NEMA Licence	7	-	-
iv.	Tendering process	4	-	Tender Awarded	Evaluation Report	-	-	-
v.	Undertake Construction of the Regional Mining Offices; office space- 380sm per region	36	140	Number of offices constructed	Performance certificates	40	60	40
vi.	Operationalization (equipping and fittings: furniture, stationeries and lab equipment)	18	105	7 regional mining office operationalized	Purchase invoice, procurement documents	-	50	55
vii.	Monitoring and Evaluation	24	14	M & E conducted	M&E reports	-	7	7
	Total		283.5			-	-	-

10. Establishment of the National Mining Institute

SECTION 1: PROJECT PROFILE	
Project Name:	Establishment of The National Mining Institute
Project Reference Number:	SDM/DOM/004
Ministry:	Mining, Blue Economy and Maritime Affairs
Implementing Agency (MDA):	State Department for Mining
Initiating Department / Division I Section / Unit:	Directorate of Mines

Budget Vote (where applicable):	1192		
Estimated Project Cost (Ksh Million)	680		
MTEF Sector:	Environmental Protection Water and Natural Resources		
Accounting Officer:	Principal Secretary, State Department for Mining		
Official Contact Details (Provide email, telephone number, postal and physical address):	State Department for Mining, Public Works Building, Ngong Road. P.O. BOX 30009- 00100 Nairobi, Email: ps@mining.go.ke		
Project Threshold:	Medium		
Project Geographic Location (Provide GPS Coordinates here):	Taita Taveta		
County: Taita Taveta	Sub-County: Voi	Ward: Various	Village: Various
Planned Start Date:	1 st July 2026		
Planned End Date:	30 th June 2030		
Date of Submission:	2024		
SECTION 2: PROJECT BACKGROUND			
1. Situation Analysis			
<p>Kenya's mining sector holds significant untapped potential, yet a range of challenges has hindered its optimal development and its ability to contribute fully to the national economy. One of the most pressing issues is the substantial skills gap in the industry. There is a pronounced shortage of qualified professionals such as mining engineers, geologists, economists, and metallurgists, which limits the sector's capacity for innovation, efficiency, and competitiveness. Without this expertise, the industry struggles to keep pace with international mining standards, making it reliant on foreign knowledge and practices.</p> <p>In addition to the skills gap, outdated practices continue to dominate the mining landscape in Kenya. Many miners, particularly in small-scale operations, rely on traditional techniques passed down through generations. These rudimentary methods lead to inefficient extraction and processing, resulting in lower yields and heightened environmental and health risks. Modernization of the sector is crucial to improve operational efficiency and reduce the harmful impacts associated with these outdated practices.</p>			

A lack of awareness and education about modern mining methods further compounds the challenges facing the industry. In many mineral-rich regions, local populations lack the necessary knowledge of mineral extraction and processing. This knowledge deficit limits their ability to participate in and benefit from mining activities, effectively excluding communities from opportunities that could enhance their livelihoods. Comprehensive training and education programs are needed to bridge this gap and increase local involvement in the sector.

Moreover, Kenya faces challenges in value retention within the mining industry. A significant portion of the country's minerals is exported in raw form or sent to neighboring countries for processing, resulting in the loss of economic value and job creation opportunities. If more minerals were processed domestically, Kenya could capture greater value through beneficiation, thereby increasing revenues and creating more employment in the sector.

Despite these obstacles, Kenya's mining sector has immense potential for economic growth, job creation, and skill development. Establishing a National Mining Institute could be a transformative step in unlocking this potential. Such an institute would play a crucial role in addressing the skills gap by training professionals in mining-related fields and fostering innovative research in extractive technologies. This would enable the industry to modernize, adopt international best practices, and reduce reliance on foreign expertise.

By nurturing a skilled workforce and fostering research and innovation, the National Mining Institute would not only enhance the sector's competitiveness but also ensure its sustainable growth. This aligns with Kenya's broader national development goals as outlined in Vision 2030, contributing to wealth creation and economic resilience. Through targeted capacity-building initiatives, the institute could support both small-scale and large-scale mining operations, ultimately positioning Kenya's mining sector as a key driver of national economic development.

Kenya has made significant strides in addressing the challenges within its mining sector, focusing on skill development, research, and modernization of mining practices. A pivotal step was the enactment of the Mining Act of 2016, which aimed to create a modern regulatory framework that promotes transparency, sustainable mining, and foreign investment. However, despite these reforms, the sector still grapples with a shortage of skilled professionals, outdated mining techniques, and limited local value capture, highlighting the need for further targeted interventions.

To bridge the skills gap, various capacity-building programs have been introduced, including short-term training workshops and international collaborations. These initiatives have helped Kenyan geologists and engineers acquire modern mining techniques.

However, without a dedicated mining training institution, the industry continues to rely heavily on foreign expertise. This gap underscores the importance of establishing local capacity through specialized education.

Efforts have also been made to enhance sustainable mining practices, particularly in mineral-rich regions. Many small-scale miners continue to use traditional techniques, limiting the effectiveness of these programs. Small-scale mining accounts for around 60% of the sector's activities, according to the Kenya National Bureau of Statistics, indicating a critical need for broader interventions that can reach these communities and modernize their operations.

In terms of local value capture, the government has encouraged investment in domestic mineral processing, particularly for gold and gemstones. However, Kenya still exports a significant proportion of its minerals in raw form, which results in missed economic opportunities. Local beneficiation would not only retain more value within the country but also boost revenue and create jobs.

The proposed National Mining Institute is poised to address these key challenges by providing comprehensive, practical training for mining professionals. This institute would foster research and innovation in extractive technologies, ensuring that the sector stays competitive and up-to-date with international standards. It would also equip professionals, including mining engineers, geologists, and metallurgists, with the skills required to modernize the industry and reduce reliance on foreign expertise.

Partnerships between academic institutions, such as Taita Taveta University, and the private sector have already improved practical training opportunities for students. These collaborations allow future professionals to gain hands-on experience in modern mining operations, better preparing them for the workforce. While the sector has seen growth in employment and its contribution to the economy, skilled labor shortages remain a concern, partly due to the high costs associated with specialized training.

Investing in mining education through the National Mining Institute would not only address the existing skills gap but also enhance the sector's ability to generate employment and increase its contribution to the country's GDP. By focusing on practical, industry-specific training, Kenya can unlock the full potential of its mining sector, fostering sustainable development and creating more economic opportunities for local communities.

2. Problem Statement

The absence of a dedicated mining training institute in Kenya poses significant challenges to the growth and sustainability of the mining sector due to persistent skills gap. While universities and colleges offer theoretical knowledge, they fall short in providing the practical, hands-on training required for large-scale mining operations, which has potential to turn around the economy through

investment and value creation from our raw mineral resources.

Without a strong pool of local professionals, Kenya has had to rely heavily on foreign expertise to fill key technical roles or send its students abroad to gain the knowledge. This model not only increases operational costs but also stifles the transfer of knowledge to local workers, preventing them from gaining the skills needed to take over these roles. As a result, Kenya's gains from its vast mineral resources are only sub-optimal.

Another obstacle is the limited capacity for data-aided research and innovation in the mining industry. A specialized mining institute would serve as a hub for developing new technologies and mining practices, which are essential for improving productivity and ensuring sustainable operations that are responsive to environmental and social governance (ESG) principles. Without this institution, Kenya will not reap the fruits but continue lagging behind other countries in the region. This non-alignment with regional and international best practices, such as those outlined in the African Union Mining Vision, undermines Kenya's ability to compete on a global scale despite having unique minerals that are only available in Kenya such as Tsavorite that should be researched on, to serve as Kenya's geographic indications.

Lack of skilled workforce increases the risk of accidents and safety violations within mining operations. These accidents could be averted with a properly trained workforce that is equipped with the right skills that way improving operational efficiency. A training institute could provide better skilled workforce and help the sector align more closely with the country's broader economic goals, including those set out in Vision 2030 and the Bottom-Up Economic Transformation Agenda (BETA).

The scope of the challenges facing Kenya's mining sector is broad and multifaceted, impacting various aspects of the industry and limiting its potential for economic growth and development. Key issues such as the skills gap, outdated mining practices, and limited local value capture are widespread and affect both large-scale and small-scale mining operations across the country.

The root causes of Kenya's mining sector challenges are skills shortages, outdated methods, and limited local value retention these have led to both direct and indirect effects, including limited economic growth, inefficient mining practices, environmental damage, and missed opportunities for job creation and innovation. Without access to quality technical knowledge and training, miners are more likely to employ frugal and untested methods that pose significant risks to biodiversity. Addressing these issues through interventions like the National Mining Institute is critical for unlocking the sector's full potential, as capacity building through targeted training

could

The current alternative to addressing the skills gap in Kenya's mining sector lies in training students through local universities and colleges, though evidence suggests these institutions fall short in adequately preparing graduates for the industry's practical demands. Another option is to seek apprenticeship programs in established mining nations. However, many of these countries have protectionist policies that limit opportunities for foreign students, further complicating access to the quality of training Kenya needs to advance its mining operations sustainably. Offering scholarships to study abroad presents its own challenges, as it carries the inherent risk of brain drain, where talented professionals may choose to remain in those countries, depriving Kenya of much-needed expertise.

3. Relevance of the Project Idea

The proposed project holds immense potential to contribute to Kenya's national and county integrated development plans (CIDPs) and Kenya Vision 2030, while also aligning with global objectives such as the Sustainable Development Goals (SDGs). By addressing the skills gap in the mining sector, the project supports key national strategies aimed at economic growth, human capital development and sustainability.

At the heart of Kenya Vision 2030 is the ambition to transform the mining sector into a significant contributor to the national economy. The creation of a specialized training institute will help achieve this by producing a skilled workforce capable of enhancing productivity and innovation in mining. This directly supports Vision 2030's economic pillar, which aims to increase the mining sector's contribution to the GDP, targeting 10% by 2030. In addition, the institute will foster technological advancement and innovation, aligning with Vision 2030's emphasis on promoting industrial growth and competitiveness in the global market other than focusing on human capital development. By equipping individuals with industry-relevant skills, it enhances job-skills matching, leading to greater efficiency and employability of talents universities churn out by providing them with specialized advanced training.

In regions where mining is a key economic activity, the training institute will stimulate local economies by creating employment opportunities and fostering value addition within the mining sector. Training local communities ensures that counties benefit from local expertise, reducing reliance on external professionals and promoting long-term local economic empowerment. Additionally, by promoting sustainable mining practices, the project addresses county development priorities around environmental conservation and resource management, ensuring that mining operations are conducted in harmony with local ecosystems.

Importantly, the project is well-aligned with the Sustainable Development Goals (SDGs) and directly contributes to SDG 4 (Quality

Education) and aspirations of the African Mining Vision (AMV) by offering specialized, inclusive, and equitable education in mining, helping to bridge the gap between current academic offerings and industry needs espoused under the triple helix model that links, (academia-industry-government). In terms of employment and economic growth, the project supports SDG 8 (Decent Work and Economic Growth) by equipping a skilled workforce for both local and international mining industries, fostering productive employment and decent work. The emphasis on innovation and industrialization also aligns with SDG 9 (Industry, Innovation, and Infrastructure), as the project equips professionals to enhance mining sector infrastructure and foster sustainable growth. Moreover, the focus on responsible mining practices directly contributes to SDG 12 (Responsible Consumption and Production) by ensuring the sustainable management of natural resources and promoting environmentally friendly extraction methods.

The proposed project has high potential for wealth and employment creation, revenue generation and provision of green energy alternatives critical for economic growth. The project rides on filling existing capacity gaps in the mining sector by providing requisite knowledge in mineral development including management of disused and abandoned sites through concerted reclamation and rehabilitation efforts. This pool of skill-set developed will leverage on technology to better collect, analyze and use geophysical, geochemical and geohazard data including the management of the online transaction mining cadaster system.

The creation of a National Mining Institute in Kenya will significantly enhance the mining sector by addressing the skills gap and aligning with the sector's strategic objectives. The institute will provide practical, hands-on training for mining operators, increasing workforce efficiency and contributing to the sector's growth. This will help achieve the goal of increasing mining's contribution to GDP by 10% by 2030, attract more investment and boost mineral production. By integrating sustainable mining practices, environmental protection and social responsibility into the curriculum, the institute will ensure that mining operations adhere to international standards, reducing environmental degradation and fostering community trust.

Additionally, the institute will enhance local content and value addition by training professionals in mineral processing, leading to job creation and economic development. It will also strengthen governance and transparency in the sector through courses on legal and ethical standards, promoting accountability and investor confidence. Through capacity building and a focus on environmental and social governance (ESG), the institute will prepare graduates to implement responsible mining practices, contributing to long-term sustainability and the economic turnaround of Kenya's mining sector.

Kenya's mining sector is rich in untapped strategic raw resources such as titanium, graphite, copper and rare earth minerals, among others that are poised as a potential driver of economic growth. However, the sector faces a severe shortage of specialized mining

experts, both in terms of numbers and expertise. The country's mineral resources, although substantial, remain largely underexploited due to the lack of skilled professionals capable of managing and optimizing mining operations. The government's Vision 2030 outlines ambitious growth projections for the sector, emphasizing its potential to significantly contribute to GDP. Achieving these goals hinges on the development of a skilled workforce to support and sustain industry growth.

Current data reveals a notable gap between the number of trained mining professionals and the sector's needs. Many mining operations in Kenya rely on expatriate expertise because of this local deficit. This reliance underscores the urgent necessity to bolster the domestic workforce with specialized skills. As investments in mining infrastructure and new projects increase, the demand for qualified personnel to oversee these developments is rising. Addressing these gaps through targeted training and capacity-building efforts is important for Kenya to effectively harness its mineral wealth and propel the sector forward.

The government has a pivotal role in providing public goods, including educational programs that align with national development needs. In Kenya, the mining sector's potential is hindered by a mismatch between the skills offered by local universities and the technical expertise required in the industry. This misalignment arises partly because private universities design their programs based on profitability, focusing on courses that attract more students rather than those that meet specific industry needs. While public universities could theoretically offer alternatives, their pedagogical approaches often fail to equip students with the practical skills demanded by the mining sector, which is highly specialized and technical.

The rationale for government intervention through the National Mining Institute is to bridge the gap between academic training and industry requirements. By establishing programs that are closely aligned with the needs of the mining sector, the National Mining Institute can ensure that graduates possess the skills necessary to drive the industry forward. This intervention would involve developing curricula that address current industry challenges, providing hands-on training, and fostering partnerships with mining companies to ensure that educational programs remain relevant and up-to-date. Private institutions might not prioritize the development of specialized programs for sectors with high technical demands unless they see a clear financial incentive. As such, they may not yield the comprehensive and industry-focused education required for the mining sector. Failure to implement this project could have several adverse consequences.

Without a well-trained workforce, Kenya may struggle to fully exploit its mineral resources, missing out on potential economic benefits and slowing down the sector's growth. This skills gap could also lead to increased reliance on expatriate professionals, which may limit job opportunities for Kenyans and reduce the sector's contribution to local economic development. Additionally, inadequate

training could result in operational inefficiencies and environmental management issues, further impacting the sector's sustainability and reputation.

The establishment of the National Mining Institute aligns well with Kenya's strategic goals for the mining sector by addressing the critical skills gap and supporting sector growth. The project's phased implementation plan ensures that milestones are met in a realistic timeframe, with early stages focusing on setup and later stages on full-scale operation. Regular monitoring and evaluation will ensure that the project remains on track to achieve its objectives and contribute effectively to the sector's development.

4. Needs Assessment

The Mining Training Institute will benefit university students in mining-related fields by providing practical skills, current industry practitioners by offering advanced training, and aspiring professionals across relevant sectors who have a direct role in mining (legislators, advocates, security, policy, research, universities, CBOs, CSOs, ASMs etc.) by equipping them with foundational skills. This will address the sector's needs and enhance expertise across different levels.

The end-users of the Mining Training Institute's services include a broad range of stakeholders. The State Department of Mining and its agencies, will benefit from enhanced expertise and training support. Legislators, lawyers, security personnel, and policy makers will gain valuable insights and updates relevant to the mining sector. Research institutions and universities will use the institute's resources for academic and practical applications. Community-Based organizations (CBOs) and civil society organizations (CSOs) will engage with the institute for community and advocacy work. Additionally, artisanal and small-scale miners (ASMs), who number in the thousands, will receive training to improve their practices. In sum, the end-users include several thousand individuals across various sectors and organizations.

Upon completion, the National Mining Institute is expected to train 1,000 trainers per annum through lectures and workshops. Also, the project will need: 15 lecture halls; 3 laboratories; and 100 pieces of specialized mining equipment and materials

SECTION 3: SCOPE OF THE PROJECT

The project involves establishing the National Mining Institute, including designing specialized curricula, setting up training facilities, and recruiting staff. It will deliver undergraduate and postgraduate programs, professional workshops & symposia as well as certifications, while partnering with industry and research institutions to ensure relevant, practical training.

SECTION 4: LOGICAL FRAMEWORK

a) Goal

The goal as per MTP IV is to expand Kenya’s revenue base that will be achieved by increasing the mining revenue through enhancing capacity building of the technical experts in the mining sector.			
b) Project Outcomes			
The expected outcome for the project is to improve performance of the mining sector through training and skills capacity building.			
c) Proposed Project Outputs			
The output for this project will be;			
<ol style="list-style-type: none"> 1. Stakeholder engagements conducted. 2. Project designs and plans prepared. 3. The National Mining Institute constructed. 4. The institute operationalized and equipped. 5. Ex-post project evaluation conducted. 			
d) Project Activities and Inputs			
<ol style="list-style-type: none"> 1. Conducting stakeholder engagements. 2. Preparing project designs and plans. 3. Construction of the National Mining Institute. 4. Operationalization and equipping of the institute. 5. Ex-post project evaluation. 			
e) Project Logical Framework Matrix			
Narrative	Indicators	Sources/Means of verification	Assumptions
Goal (MTP/CID): The goal as per MTP IV is to expand Kenya’s revenue base	Number of trained professionals/experts in mining field	Training attendance records, course completion certificates, institutional reports	
Project Outcomes: To improve performance of the mining sector through training and skills capacity	Number of trainings to be offered.	Reports and certificates.	Availability of sufficient funds to complete the project

building.			
Key Output 1: Stakeholder engagement conducted.	Number of stakeholder meetings.	Meeting minutes.	Availability of sufficient funds to complete the project
Key Activity 1: Conducting stakeholder engagement.	Number of stakeholder meetings.	Meeting minutes.	Availability of sufficient funds to complete the project
Key Output 2: Project designs and plans.	Design and plans developed.	Drawings and reports.	Availability of sufficient funds to complete the project
Key Activity 2: Preparing project designs and plans.	Design and plans developed.	Drawings and reports.	Availability of sufficient funds to complete the project
Key Output 3: National Mining Institute constructed.	Completion of the grounds and buildings.	Completion reports.	Availability of sufficient funds to complete the project
Key Activity 3: Construction of the National Mining Institute.	Completion of the grounds and buildings.	Completion reports.	Availability of sufficient funds to complete the project
Key Output 4: Institute operationalized and equipped.	Number of equipment purchased.	Purchase invoices.	Availability of sufficient funds to complete the project
Key Activity 4: Operationalization and equipping of the institute.	Number of equipment purchased.	Purchase invoices.	Availability of sufficient funds to complete the project
Key Output 5: Ex-post project evaluation conducted.	Number of project evaluation inspections	Reports.	Availability of sufficient funds to complete the project

	and meetings.		
Key Activity 5: Ex-post project evaluation.	Number of project evaluation inspections and meetings.	Reports.	Availability of sufficient funds to complete the project

SECTION 5: INSTITUTIONAL ARRANGEMENTS

a. Institutional Mandate

The National Mining Institute's mandate focuses on advancing the mining sector through education, training, policy support, sustainability promotion, and community engagement. The proposed project aligns with this mandate by strengthening local expertise through specialized training, producing evidence-based policy recommendations, and supporting the formalization of artisanal and small-scale miners. These efforts aim to enhance livelihoods and promote sustainable practices in mining communities.

Project outcomes will directly contribute to the institute's goals by increasing the number of trained professionals, influencing policy development, fostering safer mining practices, and engaging stakeholders through workshops. Ultimately, this project will empower the National Mining Institute to fulfill its mandate and support the strategic objectives of Kenya Vision 2030.

b. Management of the Project

The State Department for Mining is well-equipped to deliver the project, showcasing strong technical, managerial, and financial capacities through a team of qualified experts. Established structures, such as a dedicated project management team and a steering committee, ensure effective oversight and accountability. SDM can address any expertise shortfalls by engaging consultants and partnering with academic institutions. With a proven track record in similar projects and access to various funding sources, SDM is poised to manage the project effectively, ensuring it meets its objectives and benefits the mining sector.

c. Monitoring and evaluation arrangements

The Accounting officer will oversee the implementation of the project while the Directorate of Mines and Internal Audit will monitor and evaluate the implementation of the project.

Under the Department, we have established a monitoring and evaluation unit whose functions are as follows:

- Tracking project's implementation process.
- Ensuring compliance with standards and regulations.
- Assessing project outcomes and impacts at each phase.
- Making recommendations on areas for improvements or adjustments

d. Risk and Mitigation Measures			
<i>Risks</i>	<i>Likelihood/Probability</i>	<i>Risk Impact</i>	<i>Mitigation Strategy</i>
Funds unavailability	Medium	High	Prior budgeting.
Resistance from stakeholders/ community	Low	High	Continuous stakeholder engagement and marketing the benefits of the project.
Competition from other institutions in the industry.	High	Medium	Strategic partnerships with other institutions to jointly offer some trainings, and equipping the institution with state of the art facilities to attract research students.
e. Project Stakeholders Management			
Stakeholder	Level of influence	Engagement Strategy	
National Treasury	High	The lead coordinate in the ministerial budget allocation and issuance of ex chequer.	
Office of the Attorney General	High	Regular meetings to address and guide on legal matters and institution policies.	
National Land Commission	High	To provide support and guidance on matters relating to land where the institution is to be located.	
State department for higher education and research (SDHER)	High	To guide on curriculum design.	
State department for environment and climate change	Medium	To provide input on matters environmental policies and climate change initiatives for the development of trainings around these topics.	
Kenya Bureau of Standards (KEBS)	High	Provide guidance on standards.	
National Science, Technology and Innovation (NACOSTI)	Medium	To guide on curriculum development.	

The Kenya Institute of Curriculum Development (KICD)	High	Guidance on curriculum development
Association of Small-Scale Miners and other businesses	High	Engage in engagements to assert industry experience and training needs.
Kenya Institute for Public Policy Research and Analysis (KIPPRA)	High	Meetings to guide on policy research, providing insights on navigating project dynamics.
Kenya School of Government (KSG)	Medium	Engagements for guidance on adult pedagogues.
National Oil Corporation (NOC)	Low	Meetings to assert industry player experience
National Research Fund (NRF)	Low	Input on curriculum development for trainings to be offered at the Institute.
Kenya National Innovation Agency (KeNIA)	Medium	Input on curriculum development for trainings to be offered at the Institute.
Kenya Industrial Property Institute (KIPI)	Medium	Input on curriculum development for trainings to be offered at the Institute.
Kenya Ports Authority (KPA)	Medium	Input on curriculum development for trainings to be offered at the Institute.
Universities	Medium	Input on curriculum development for trainings to be offered at the Institute.
Kenya Private Sector Alliance (KEPSA)	Medium	Input on curriculum development for trainings to be offered at the Institute.
Kenya Maritime Authority (KMA)	Medium	Input on curriculum development for trainings to be offered at the Institute.
Kenya Association of Manufacturers (KMA)	Medium	Input on curriculum development for trainings to be offered at the Institute.

f. Project Readiness

The Mining Act of 2016, along with the relevant regulations, provides the legal framework and foundation for the proposed project’s implementation. To ensure its successful execution, the Ministry will seek input from a multi-agency team comprising of other government training institutions and the academia in forming curriculum that aligns with industry needs. Consequently, the project will adhere to the provisions of other legal instruments, such as the Environmental Management and Coordination Act, 1999 and Public Investment Management Regulations.

The project will be phased over five years period which will entail;

1. Conducting stakeholder engagements
2. Preparing project designs and plans.
3. Construction of the National Mining Institute.
4. Operationalization and equipping of the institute.
5. Ex-post project evaluation.

SECTION 6: FINANCIAL INFORMATION

a) Capital Cost (Kshs. 470M) to complete the project:

Estimate the capital costs required to implement the project as follows:

- a. Consultancy, detailed design and legal fees**60M**.....
- b. Land Acquisition Costs:**240M**.....
- c. Site Access, Preparation and Utility**10M**.....
- c. Construction**78M**.....
- e. Plant and Equipment**42M**.....
- d. Fixtures and Fittings**40M**.....
- g. Other capital

b) Recurrent Costs (Kshs.210M) to complete the project:

Estimate the recurrent costs required to implement the project as follows:

- a) Labour cost**90M**.....
- b) Operating Costs**80M**.....
- c) Maintenance Costs**25M**.....
- d) Others**15M**.....

c) Total Cost Breakdown in Financial Year			
FY 2026/27	FY 2027/28	FY 2028/29	FY 2029/30
Total (KShs.)	Total (KShs.)	Total (KShs.)	Total (KShs.)
-	-	-	40

d) Proposed Source of Financing

Government of Kenya only

e) Cost implications to other Related Projects

The project has no cost implication on other related projects

SECTION 7: OPERATIONAL SUSTAINABILITY

The State Department for Mining will undertake the project to establish the National Mining Institute, and will retain ownership of the institute as is provided for in the Mining Act. There is adequate technical and managerial capacity at the State Department for Mining to undertake the project. The government will be responsible for the long-term maintenance of the institute's infrastructure, ensuring that it remains functional and effective in delivering its services. Sources of revenues for operating the complete assets will be Budget allocation from treasury, and revenues earned by the Institute.

SECTION 8: PROJECT IMPLEMENTATION PLAN

No.	Activity/ Task Name	Expected Duration (Months)	Estimated Cost (Kshs (M))	Expected Outputs	KPI	FY 2026/27 (Kshs (M))	FY 2027/28 (Kshs (M))	FY 2028/29 (Kshs (M))	FY 2029/30 (Kshs (M))
1	Conducting stakeholder engagements	3 Months	2	Feasibility studies undertaken	Number of Feasibility studies undertaken	2	-	-	-

2	Preparing project designs and plans.	6 Months	38	Secured land for construction	Land Title Documents	38	-	-	-
3	Construction of the National Mining Institute.	36 Months	390	National Mining Institute Constructed	constructed national mining institute	-	160	130	100
4	Operationalization and equipping of the institute	12 Months	235	Institute operationalized	Number of equipment purchased	-	-	65	170
5	Monitoring and Evaluation	36 Months	15	M&E Undertaken	Number of M&E exercises	-	5	5	5
	Total		680			-	-	-	40

11. Post-Mining Land Reclamation and Mine Site Rehabilitation

SECTION 1: PROJECT PROFILE	
Project Name:	Post-Mining land reclamation and Mine site rehabilitation
Project Reference Number:	SDM/DOM/001
Ministry:	Mining, Blue Economy and Maritime Affairs
Implementing Agency (MDA):	State Department for Mining
Initiating Department/Division / Section/Unit	Directorate of Mines
Budget Vote (where applicable);	1192
Estimated Project Cost: (Kshs. Million)	831.6
MTEF Sector:	Environmental Protection Water and Natural Resources
Accounting Officer:	Principal Secretary, State Department for Mining
Official Contact Details (provide email, telephone number, postal and physical address):	State Department for Mining, Public Works Building, Ngong Road. P.O. BOX 30009- 00100 Nairobi, Email: ps@mining.go.ke
Project Threshold:	Medium

Project Geographic Location (provide GPS Coordinates here):		Countrywide	
County: All the 47 Counties	Sub-County: Various	Ward: Various	Village: Various
Planned Start Date:		1 st July 2026	
Planned End Date:		30 th June 2031	
Date of Submission:		2024	
SECTION 2: PROJECT BACKGROUND			
1. Situation Analysis			
<p>According to KNBS Economic Survey, 2024, the construction sector registered a growth of 3.0 per cent in 2023. The growth was mainly driven by the government expenditure on the Affordable Housing Program (AHP) across the country, maintenance of roads by the Kenya Roads Board as well as loans advanced by commercial banks to the construction sector. The number of dwelling units completed by the State Department for Housing and Urban Development (SDHUD) almost doubled to 3,357 housing units in 2023.</p> <p>The rise in real estate development and construction industry in Kenya has contributed to the increase in quarrying of building stones, limestone for cement production, among others.</p> <p>However, there are concerns about the lack of rehabilitation, restoration and illegal abandoned quarries and mines spread across the country and most of which are as a result of past mining activities before the implementation of the Mining Act, 2016. Unfilled quarries, mines pits and trenches have threatened environmental integrity, affecting the local ecosystem, water quality, public safety, as well as the well-being of local communities and animals. Furthermore, the absence of a coordinated rehabilitation effort has hindered the potential for sustainable land use, economic development, and community prosperity in the country.</p> <p>Prior to the commencement of Mining Act 2016, there were no clear legal framework on mine closure and progressive rehabilitation plans, which led to irresponsible abandonment of quarrying sites especially in areas surrounding urban centers. However, the government of Kenya enacted the Mining Act 2016, which then interprets construction minerals among others as stones, gravel, sand and any other material used for construction of building, roads and dams, meaning anyone mining these minerals shall be expected to acquire permit or licence through application via the cadastre system. In addition, section 179 of the act requires a holder of permit or licence to ensure sustainable use of land through restoration of exhausted mine sites and quarries to its original status or to an acceptable and reasonable condition as close as possible to its original state. There is however no one to be held accountable for the previously abandoned mines, leaving the responsibility to the government through State Department for Mining.</p>			
2. Problem Statement			
Existence of abandoned mines especially those near our urban centres (some dating back to precolonial period) which no responsible person can be traced to undertake rehabilitation poses major environmental risks.			

A performance Audit carried out by the Office of the Auditor General in the year 2020 indicate the following data;

Table 9.1. Number of Abandoned Quarries per County. *Source: State Department for Mining, 2025.*

S No.	County	List of Quarries
1.	Nairobi	11
2.	Kakamega	28
3.	Kisumu	6
4.	Marsabit	10
5.	Embu	19
6.	Machakos	9
7.	Taita Taveta	2
8.	Baringo	5
9.	Kitui	1
10.	Migori	5
11.	Homa bay	2
12.	Kajiado	9
13.	Garissa	13
14.	Tana River	9
15.	Kilifi	14
16.	Laikipia	11
17.	Baringo	5
18.	Turkana	3
19.	Kwale	12
20.	Tharaka Nithi	1
21.	Meru	6
22.	Kiambu	16
23.	Murang'a	2
24.	Nakuru	16
25.	Nyeri	4
26.	Nyandarua	4
27.	Uasin Gichu	3
28.	Nandi	2

	Total	228
<p>The above data representing the status of quarrying subsector in eleven counties indicate the possibility of a much bigger national wide problem caused by abandoned quarries and mines. There are cases of abandoned mining pits that date back to the pre-colonial period. This situation thus calls for intervention by the Ministry in conjunction with other relevant Government agencies such as NEMA and County Governments.</p> <p>Lack of a person or entity to be held responsible for rehabilitation and restoration of the previously abandoned mines poses a major risk to the environment including health hazards, economic challenges, water pollution and loss of biodiversity which may lead to displacement of communities.</p>		
<p>3. Relevance of the Project Idea</p>		
<p>This project proposal will be repurposed for various economic activities, including agriculture, recreational facilities, reforestation, livestock rearing, and tourism, thereby addressing hunger and promoting sustainable development. The repurposed dams will serve as sources of irrigation, as well as industrial and domestic water, contributing to enhanced food security, manufacturing, and livestock production. Rehabilitating abandoned areas through tree planting will contribute towards MTP IV target of increasing forest coverage to 17% by 2027. The enhanced forest cover will support the achievement of the 15th SDG goal by acting as carbon sinks for greenhouse gas emissions. Additionally, the project aims to map and assess land degradation for the rehabilitation, reclamation, and restoration of abandoned mine pits, thereby increasing land productivity and utilization, in line with MTP IV target.</p> <p>Throughout the project’s implementation, both direct and indirect employment opportunities will be created for local communities through activities such as tree planting, tree nursery operations, and the engagement of local contractors and suppliers in line with BETA targets.</p> <p>Implementation of this project will provide a conducive environment to the community surrounding the disused/abandoned mine sites and quarries, creating jobs and where applicable support the planting of 15 billion trees by 2032 championed by the president.</p> <p>Government intervention in the rehabilitation of abandoned mines requires a multi-faceted approach, involving enforcement and monitoring, financial support, community engagement, and collaboration with various stakeholders. Seeking collaboration with international organizations and private partners who can provide additional finances, knowledge and exchange, and best practices.</p>		
<p>4. Needs Assessment</p>		
<p>As per the auditor general report above, and article 69 of the Constitution of Kenya 2010, the Obligations in respect of the environment the ministry plans to play a key role and rehabilitate about 50 abandoned mine sites especially those located in the urban centres with the aim to provide a clean environment for the surrounding communities. On completion, the rehabilitated mines/ quarries will be used in food production such as undertaking irrigation activities or planting of trees to increase the forest cover for our country.</p>		
<p>SECTION 3: SCOPE OF THE PROJECT</p>		

The scope of this project entails the following;

- (a) Mapping of approximately 228 abandoned quarries and mining sites within 28 counties.
- (b) Assessment of the extent and impacts of such sites based on the data collected
- (c) Design of rehabilitation programs of the sites
- (d) Rehabilitation of the disused and abandoned mine site

SECTION 4: LOGICAL FRAMEWORK

1. Goal

The Goal of the project is to Reduce risks posed by disused and abandoned mines through restoration and management

2. Project Outcomes

The expected projected outcome for the project is to achieve post mining land reclamation and mine site rehabilitation

3. Proposed Project Outputs

The outputs for the projects will be;

- a) Mapped Disused and abandoned mine site
- b) Assessed Disused and abandoned mine site
- c) Rehabilitation design and plans
- d) Rehabilitated sites
- e) Ex-post evaluation of the rehabilitated land

4. Project Activities and Inputs

- a) Mapping of disused and abandoned quarries and/or mine sites
- b) Assess of the nature, extent and impacts of the sites
- c) Prepare rehabilitation designs and plans
- d) Rehabilitate the abandoned mine site
- e) Undertake Ex-post evaluation of the rehabilitated sites

5. Project Logical Framework Matrix

Narrative	Indicators	Sources/ means of verification	Assumptions
<p>GOAL To Reduce risks posed by disused and abandoned mines through restoration and management</p>	<p>No. of disused and abandoned mines rehabilitated</p>	<p>Reports on disused and abandoned mines rehabilitated</p>	

Project Outcome Post mining land reclamation and mine site rehabilitation	Area of land reclaimed/rehabilitated (in acres)	Reports	
Key Output 1: Mapped Disused and abandoned mine site	Number of Mapped Disused and abandoned mine site	Reports	Availability of sufficient funds to complete the project
Key Activity 1: Mapping of disused and abandoned quarries and/or mine sites	Number of Mapped Disused and abandoned mine site	Reports	
Key Output 2: Assessed Disused and abandoned mine site	Number of assessed Disused and abandoned mine site	Reports	
Key Activity 2: Assess of the nature, extent and impacts of the sites	Number of assessed Disused and abandoned mine site	Reports	Timely release of Exchequer
Key Output 3: Rehabilitation design and plans	Number of designs and plans developed	Reports	Availability of sufficient funds to complete the project
Key Activity 3: Prepare rehabilitation designs and plans	Number of designs and plans developed	Reports	
Key Output 4: Rehabilitated sites	Disused and abandoned mine site	Reports	Availability of sufficient funds to complete the project
Key Activity 4: Rehabilitate the abandoned mine site	Number of levelled Disused and abandoned mine site	Reports	

Key Output 5: Ex-post evaluation of the rehabilitated land	Number of evaluated rehabilitated land	Reports	Availability of sufficient funds to complete the project
Key Activity 5: Undertake Ex-post evaluation of the rehabilitated sites	Number of evaluated rehabilitated land	Reports	Collaboration with local community to assist in maintaining the restored sites
SECTION 5: INSTITUTIONAL ARRANGEMENTS			
<p>a. Institutional Mandate</p> <p>Mineral exploration falls under the State Department’s mandate of “enhancing of minerals sector capacity development. “Mineral development forms part of the mandate of the Ministry of Mining, Blue Economy and Maritime Affairs through the State Department for Mining in addressing mineral resources development through geological mapping and mineral exploration programmes. Through this project, the State Department aims to promote sustainable development of the extractives sector, for improved livelihoods. Management of Health Conditions and Health and Safety in Mines also forms part of the SDM’s mandate making the rehabilitation of abandoned mine sites a key priority of theirs.</p>			
<p>b. Management of the Project</p> <p>The Directorate of Mines through the Division of Mine Inspectorate and the Regional Mining Offices will oversee the restoration/rehabilitation process which comprises of a team of inspectors of mines and geologists. There shall be a need for the formation of a multi-agency team consisting of representatives from; Ministry of National Treasury and Planning, Directorate of Mines, NEMA, Ministry of Infrastructure and County Government in order to oversee the implementation of the projects.</p>			
<p>c. Monitoring and evaluation arrangements</p> <p>The Accounting officer will oversee the implementation of the project while the Directorate of Mines and Internal Audit will monitor and evaluate the implementation of the project.</p> <p>Under the Department, we have established a monitoring and evaluation unit whose functions are as follows:</p> <ul style="list-style-type: none"> • Tracking project’s implementation process, • Ensuring compliance with standards and regulations • Assessing project outcomes and impacts at each phase • Making recommendations on areas for improvements or adjustments 			
<p>d. Risk and Mitigation Measures</p>			
<i>Risks</i>	<i>Likelihood/ Probability</i>	<i>Risk Impact</i>	<i>Mitigation Strategy</i>

Funds unavailability	Medium	High	Prior budgeting
Inaccessibility of the sites	Medium	Medium	Collaboration with security agencies and local administration.
Ground instability	Medium	High	Geotechnical investigations prior to implementation.
Safety risks such as water logging during rainy season.	Medium	High	Conduct analysis during the dry season to ensure safety.
e. Project Stakeholders Management			
Stakeholder	Level of influence	Engagement Strategy	
Ministry Of National Treasury and Planning	High	The lead coordinate in the ministerial budget allocation and issuance of ex chequer	
Directorate of Mines	High	The lead Coordinator during the implementation of project	
NEMA	High	Actively participate in the design, demobilization and rehabilitation of the disused mines and quarries.	
Ministry of Infrastructure	Low	Oversee the design and implementation of the rehabilitation process	
Ministry of environment and forestry	Medium	Provide appropriate seedlings to the identified sites	
County Government	Medium	Engage the participation of the relevant departments	
Local Community	High	Public engagements	

NGO	Medium	Engage in community work, development partner
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f. Project Readiness

The Mining Act of 2016, along with the relevant regulations, provides the legal framework and foundation for the proposed project’s implementation. To ensure its successful execution, the Ministry will seek input from a multi-agency team comprising relevant National and County Government departments. Consequently, the project will adhere to the provisions of other legal instruments, such as the Environmental Management and Coordination Act, 1999, Water Act, 2016, Forest Conservation and Management Act, 2016, and Public Investment Management Regulations.

The project will be phased over five years period which will entail;

- i. Mapping of disused and abandoned quarries and/or mine sites
- ii. Assessment of the extent and impacts of mapped disused and abandoned quarries and/or mine sites
- iii. Excavation and backfilling of the disused and abandoned quarries and/or mine sites
- iv. Levelling of the backfilled abandoned mines
- v. Restoration of levelled abandoned quarries and/or mine sites

SECTION 6: FINANCIAL INFORMATION

a) Capital Cost (Kshs. 812,000,000) to complete the project:

Estimate the capital costs required to implement the project as follows:

Items	Unit cost / counties (KSh.)	Total (28 counties)
a. Consultancy, Detailed Design, and Legal Fees	2,000,000	56,000,000
b. Land Acquisition Costs	Nil	0
c. Site Access, Preparation & Utility Installation	1,000,000	28,000,000
d. Construction & Earthworks (Excavation, Backfilling, Levelling, Drainage Systems, Safety Fencing, etc.)	15,000,000	420,000,000
e. Environmental Remediation (Soil Testing, Trees planting, Wetland Restoration, Water Quality Management, Tree Nurseries, Irrigation, Landscaping, Fencing etc.)	7,000,000	196,000,000
f. Community Engagement (Stakeholder Consultations, Compensation Where Required, Capacity Building)	2,000,000	56,000,000
g. Other Capital Costs (Monitoring, Compliance, Contingency, etc.)	2,000,000	56,000,000

Total Capital Cost	27,000,000	812,000,000
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b) Recurrent Costs (Kshs. 19.6 million) to complete the project:
 Estimate the recurrent costs required to implement the project as follows:

Item	Annual Cost per county (KSh.)	Total (28 counties) (KSh.) per Year
a. Labor Costs (Supervision, Technicians, Security, etc.)	300,000	8,400,000
b. Environmental Monitoring & Compliance (Impact Assessments, Reports, etc.)	200,000	5,600,000
c. Other Recurring Costs (Community Liaison, Legal Compliance, Insurance, etc.)	200,000	5,600,000
Total Annual Recurrent Cost	700,000	19,600,000

c) Total Capital Cost Breakdown in Financial Year

FY 2026/27	FY 2027/28	FY 2028/29	FY 2029/30	FY 2030/31
Total (Ksh M)	Total (Ksh M)	Total (Ksh M)	Total (Ksh M)	Total (Ksh M)
-	-	65	175	190

d) Proposed Financing Options for the Project:
Government of Kenya, any other international organization and private partners

e) Cost implications to other Related Projects
The project has no cost implication on other related projects

SECTION 7: OPERATIONAL SUSTAINABILITY

Services and benefits on completion of the project among stakeholders

- i. The organization(s) that will own and operate the asset created by the project as follows:
 - *The SDM will undertake the rehabilitation of the abandoned mining sites and transfer the rehabilitated sites to the relevant authorities.*
- ii. Adequacy of the capacity within the organizations:
There is adequate technical and managerial capacity at the Directorate of Mines to undertake the project.
- iii. Coverage of anticipated post implementation operating costs:
 - *This project will require negligible maintenance after completion*

Sources of revenues for operating the complete assets: *Budget allocation from Treasury*

SECTION 8: PROJECT IMPLEMENTATION PLAN

NO	Activity/ task name	Expected duration (months)	Estimated Cost (Ksh. M)	Expected Outputs	Key Performance Indicator	FY 2026/27 (Ksh. M)	FY 2027/28 (Ksh. M)	FY 2028/29(Ksh. M)	FY 2029/30 (Ksh. M)	FY 2030/31 (Ksh. M)
1	Map disused and abandoned quarries and/or mine sites within the country	3 months	14	Clear guiding data on the status of abandoned quarries and mines	Reports	14.0	7	10	8	-
2	Land Acquisition (if applicable)	TBD	0	Secured land for project implementation	Land Title Documents	-	-	-	-	-
3	Assess of the nature, extent and impacts of the sites	6 months	14	Number of assessed Disused and abandoned mine site	Reports	14.0	7	10	9	-
4	Prepare rehabilitation designs and	3 months	28	Secured land for project implementation	Land Title Documents	27	3	7	-	-

	plans			on						
5	Community Engagement	60 months	56	Engaged stakeholders, public forum permit	Number of stakeholders capacity built	20	9	9	9	10
6	Rehabilitate the abandoned mine site (Site access, construction and rehabilitation)	24 months	644	Excavated and backfilled quarries and mines	Completion Certificates	100	150	275	60	20
7	Undertake Ex-post evaluation of the rehabilitated sites, M & E exercise	48 months	56	M& E reports	Number of M&E Reports	-	14	14	14	11.6
	Total		812			-	-	65	175	190

12. Construction of Madini Complex

SECTION 1: PROJECT PROFILE	
Project Name:	Construction of Madini Complex
Project Reference Number:	SDM/DOM/005
Ministry:	Ministry of Mining, Blue economy and Maritime Affairs
Implementing Agency:	State Department for Mining
Initiating Department/Division/Section/Unit:	Directorate of Mines

Budget Vote:	1192
Estimated Project Cost (KShs. Million):	1,810
MTEF Sector:	Environment Protection Water and Natural Resources
Accounting Officer:	Principal Secretary, State Department for Mining
Official Contact Details:	State Department for Mining, Public Works Building, Ngong Road. P.O. BOX 30009- 00100 Nairobi, Email: ps@mining.go.ke
Project Threshold:	Large
Project Geographical Location:	Nairobi
County: Nairobi Sub County: Makadara	Ward: Village:
Planned Start Date:	1 st July 2026
Planned End Date:	30 th June 2030
Date of Submission:	2024

SECTION 2: PROJECT BACKGROUND

1. Situation Analysis

Madini House is the Official Headquarters of Technical in the Stated Department for Mining. Firstly, the current office spaces are not sufficient to accommodate the current workforce based at Madini leading to overcrowding and overuse of the existing amenities. This has left some Technical Officers without being allocated office spaces. This can result to reduced morale and low productivity. To fully implement its mandate, the State Department has proposed a new structure that will result to increased workforce. This will also lead to increased traffic from clients seeking government services related to mineral and mining related activity. Secondly, most of the Regional Mining Offices are in deplorable condition and hence not to able to accommodate both the numbers and anticipated devolved mining services. Lastly, the current structure limit expansion of the Madini Mineral Analytical Laboratory and storage facilities for specialized technical equipment and machinery. The project will entail construction of a building complex at Madini Headquarters that will add at least 6300m² of office space, enhanced safe secure storage of technical equipment and machinery, provide adequate space for ISO Certified Madini Mineral Analytical Laboratory and lastly, improved working condition in the Regional Mining Offices.

2. Problem Statement

The current office spaces at Madini headquarters are inadequate, with only 40 office spaces available to accommodate 146 officers. This limited capacity hampers the proper separation of offices into their respective divisions. With 40 office spaces accommodating 146 officers, the average density per office is approximately 4 officers per space. This overcrowding complicates workflows and limits operational efficiency. National Mining Cooperation (NAMICO) is paying 24 million per year in rent, and their plans to expand further would increase costs for the government. The current store for geophysical equipment is inadequate and not well secured hence putting

at risk very expensive equipment stored there. The current lapidary is not spacious enough to set up a Mini-value addition unit hence more space would be necessary. The insufficient office spaces have led to crowding of offices and security of available equipment. The existing facility is inadequate to house the current number technical and support staff stationed at Madini House and low morale for officers stationed at Regional Mining Offices. The SAGAs under the State Department will likely continue renting office spaces leading to loss of revenue, delays and lack of smooth coordination of the Mining Sector. **The** Alternative options for this project is renting new offices which is more expensive in the long term.

3. Relevance of the Project Idea

Mining is a key sector to support **BETA** approach to economic transformation and the Kenya Vision 2030 hence, construction of Madini Complex and rehabilitation of Regional Mining Offices will enhance the sector and improve service delivery both at the Headquarters and the Regional Offices. The Link for this project to Sector Strategic Objectives is enhancement service delivery in the mining sector that will be achieved through construction of the complex and the rationale for Government intervention is creation of an enabling environment for the mining sector.

4. Needs Assessment

Beneficiary will be the staff of the State Department for Mines and the client who seek services. This project will improve work environment and boost morale of the officers who current work under congested environment with and thus unable to serve clients efficiently at the same time there are risk of some equipment getting mishandled or getting lost due to lack of proper storage facilities.

SECTION 3: SCOPE OF THE PROJECT

The Scope of the project will entail;

- Conducting Feasibility Studies to ascertain the viability of the project
- Undertaking the Environmental Impact Assessment to ensure that the project is in conformity with various requirements for environmental protection.
- Involving public works in designing the project and Bill of Quantities
- Tendering (Madini Complex) of the project to contractors and interested partners.
- Construction of Madini complex
- Monitoring and Evaluation exercise to determine the implementation progress
- Official hand-over of the project was implementation is complete.

SECTION 4: LOGICAL FRAMEWORK

a) Goal:

The ultimate goal is to increase Kenya's revenue base from the mining sector through enhanced operational efficiency of the systems and service delivery.

b) Project Objectives/Outcomes:

Provision of adequate mining services and improved service delivery through enhanced operational efficiency.

c) Proposed Project Outputs

The expected deliverables for the project are:

- i. Feasibility Studies conducted
- ii. Environmental Impact Assessment undertaken
- iii. Project Designed
- iv. Project tendered
- v. Madini Complex constructed
- vi. Monitoring and Evaluation exercise conducted

d) Project Activities and Inputs

The expected deliverables from this project are;

- i. Conduct Feasibility Studies
- ii. Undertake Environmental Impact Assessment
- iii. Project Designing
- iv. Tendering for the project
- v. Construction of the Complex
- vi. Monitoring and Evaluation exercise

e) Project Logical Framework Matrix

Narrative	Indicators	Sources/Means of Verification	Assumptions
Goal (MTP): Increase Kenya’s revenue base from the mining sector.	Percentage increase in revenue generation	Audited Financial Statements	
Project Objectives/Outcomes: Provision of adequate mining services and improved service delivery through enhanced operational efficiency	Percentage change in service delivery	Feedback reports	Timely release of the exchequer
Key Outputs:			
i. Feasibility Studies conducted	Number of feasibility studies conducted	Feasibility study reports	Availability of funds
ii. Environmental Impact	Number of EIA	EIA reports	Favorable weather conditions

Assessment undertaken	undertaken		
iii. Project Designed	The project design	Architectural drawings	
iv. Project tendered	Number of tenders floated	Tender documents	
v. Madini Complex constructed	Complex constructed	Completion certificate	Availability of funds
vi. Monitoring and Evaluation exercise conducted	Number of M&E exercises conducted	M&E reports	
Key Activities:			
i. Conduct Feasibility Studies	Number of feasibility studies conducted	Feasibility study reports	Availability of funds
ii. Undertake Environmental Impact Assessment	Number of EIA undertaken	EIA reports	Favorable weather conditions
iii. Project Designing	The project design	Architectural drawings	
iv. Tendering for the project	Number of tenders floated	Tender documents	
v. Construction of the Complex	Complex constructed	Completion certificate	Availability of funds
vi. Monitoring and Evaluation exercise	Number of M&E exercises conducted	M&E reports/ Progress reports	
SECTION 5: INSTITUTIONAL ARRANGEMENTS			
a. Institutional Mandate			
<p>The State Department is mandated to undertake management of mineral exploration and mining policy, inventory and mapping of mineral resources, and the development of mining and minerals policies and standards. The mandate of the directorate as espoused in the Mining Act states that it shall also be involved in the promotion of effective and efficient management, promote best mining practices that reduce mineral wastage, value addition and marketing of minerals as well as development of mineral resources in the mining sector. This will be achieved through the establishment of a Madini Complex to ensure operational efficiency and enhance contribution to the mining sector.</p>			
b. Management of Project			

The project will be implemented through the leadership at the directorate and will form a Project Implementation Team (PIT). This PIT will be comprised of the technical officers such as surveyors, engineers and economists that will monitor the implementation of the project to completion. On completion, auditors in collaboration with finance officers will conduct evaluation to ascertain the absorption of the allocated funds and write a comprehensive report. There is sufficient institutional, managerial and technical capacity to implement the project successfully. Funding has been allocated to undertake the activities and in case of a shortfall the implementing agency has the financial capacity to outsource from consultants.

c. Monitoring and Evaluation

The Director of Mines will be in charge of project monitoring and evaluation supported by the project implementation committee. Evaluation of the project will be done by M&E officers from the State Department of Mining. Monitoring and evaluation will be done through the use of:

- i. Project Appraisal Reports.
- ii. Quarterly, Semi-Annual and Annual reports of project progress.
- iii. Project Implementers Self-Assessment Reports
- iv. End-term evaluation

The directorate has put in place monitoring and evaluation mechanisms to track performance of the expected project results by providing project M &E framework, financial and human resources to undertake the M&E activities. The project will set aside 5% of the total allocated project finances to undertake the M&E activities, training of M&E personnel and project implementation committee and development of M&E tools and reports. The project M&E officer will be responsible for collecting, analyzing and consolidating monitoring reports that will inform the director and Project management committee to inform on decision making and corrective actions where necessary. Monitoring information will be collected from respective project activity implementers on a monthly basis which will be consolidated in project progress quarterly reports.

d. Risk and Mitigation Measures

Risks	Likelihood/probability <i>(High, medium or low as categories)</i>	Risk Impact <i>(High, medium or low as categories)</i>	Mitigation Strategy
Funds availability	Medium	High	Prior budgeting
Vagaries of weather	Low	Low	Proper planning

e. Project Stakeholders and Collaborators

The project stakeholders will be;

Stakeholder	Level of influence	Engagement Strategy
The National Treasury	High	Continuous engagement and collaboration in line with

		provisions of the law
The Parliament	High	Continuous engagement and collaboration in line with provisions of the law
Public Works	Medium	Continuous engagement and correspondences
National Environment Management Authority	Medium	Continuous engagement and correspondences
f. Project Readiness		
The State Department is fully prepared to implement the construction of the Madini Complex. This initiative aims to enhance infrastructure, improve operational efficiency, and support local mining communities. The project designs are in the process of getting the necessary approvals and land is already in place to implement the project. The project plan includes comprehensive budgeting, stakeholder engagement, and adherence to safety and environmental standards to ensure successful project execution.		
SECTION 6: FINANCIAL INFORMATION		
A. Capital Cost to Complete Project (Kshs 1,798 Million)		
Consultancy fees	22 M	
Land Acquisition Costs	-	
Site Access, Preparation and Utility	-	
Refurbishment of Regional Mining Offices	-	
Construction (Madini Complex)	1,760 M	
Equipment	-	
Other Capital Costs	16 M	
B. Recurrent Costs (KShs 12 Million):		
Labour cost	-	
Operating costs	-	
Maintenance Costs	-	

Others		12 M							
C. Estimated Total Project Costs (KShs Million per Year):									
FY2 2026/27			FY2 2027/28			FY2 2028/29		FY2 2029/30	
Total (KShs.)			Total (KShs.)			Total (KShs.)		Total (KShs.)	
-			-			-		40	
D. Proposed Financing Options for the Project:									
GoK									
E. Other Cost Implications to other related projects									
Breakdown of Estimated Costs for other projects.....N/A									
SECTION 7: OPERATIONAL SUSTAINABILITY									
The Operation & Maintenance of this project a total of Ksh 500,000 annually will be sourced from the royalty fees obtained as a result of the application of the mining and prospecting permits. The Government of Kenya will own the project and the implementing agency has the financial and technical capacity to operate the project on completion. This project will be beneficial to the stakeholders among them the Artisanal and Small Scale Miners in the regional areas.									
SECTION 8: PROJECT IMPLEMENTATION PLAN									
No.	Activity/ task name	Expected duration (months)	Estimated Cost (Ksh. M)	Expected Outputs	Key Performanc e Indicator	FY 2026/27 (Ksh M)	FY 2027/28 (Ksh M)	FY 2028/29 (Ksh M)	FY 2029/30 (Ksh M)
1.	Conduct Feasibility Studies	6	20	Feasibility Report	Inception Report	25	-	-	-
2.	Undertake Environmental Impact	1	2	Environment al Impact Assessment	Inception Report	4.5	-	-	-

	Assessment			Report					
3.	Project Designing	2	1	Designs and Bill of Quantities	Quotations	4.5	-	-	
4.	Tendering for the project	6	5	Tender Awarded	Evaluation Report	-	-	-	
5.	Construction of the Complex	36	1760	Completion certificate	Performance certificates	-	400	1000	250
6.	Monitoring and Evaluation exercise	36	10	Project Progress Report	Interim Certificate	6	40	40	40
	Total		1,798			-	-	-	40