



REPUBLIC OF KENYA

MINISTRY OF MINING

*CABINET SECRETARY'S SPEECH DURING THE OFFICIAL
LAUNCH OF THE ONLINE TRANSACTIONAL MINING
CADSTRE SYSTEM*

Salutations

Your Excellency,

We have seen earlier ‘the voice of the people’ showing interest regarding mining and the natural riches of our country, being keen to participate in this sector but complaining that the information is lacking. They are obviously right! From our own information and stakeholder monitoring we know that mining is associated more often with conflicts regarding claims and licenses and illegal mining rather than a prosperous industry.

I believe that today we are witnessing the beginning of the end of that perception. The ministry did not want to engage in PR campaigns of empty promises. We believe that actions speak louder

than words and today we are breaking that reputation. Today is different because we are launching a system that is primarily a communication tool between the State, Investors and the Public.

Your Excellency,

Today's event is not only a first in terms of public information. The event we are witnessing now is a first from several points of view:

- It is a First major result of our strategy, improve the efficiency and transparency of the mineral rights process;
- It is the first in Africa to allow online applications for new licenses and among the few in the world;
- It is the first time mineral rights and their holders are transparent for anyone to see and who seeks an opportunity to share the riches of our country

Let me briefly now go through the strategic thinking behind today's launch so that the significance of what is apparently a mundane event is better captured.

From the outset, the Ministry of Mining identified three critical areas of intervention: The first is that we must provide a robust legal framework that is stable, logical and equitable. This is the much-awaited Mining Bill, which has now been forwarded to the Senate for consideration. When the time comes the Ministry will actively conduct an information and education campaign among our stakeholders.

The second pillar is transparent and efficient processes.

The third pillar is to achieve equitable sharing of Kenya's mineral potential between our communities, the people of Kenya, and investors alike.

It is in line with this aspiration that in May 2013 the Ministry expressed a request for an online transaction mining cadastre. The Kenya Extractive Industries Development Program, implemented by Adam Smith International and financed by the UK Department for International Development contracted Spatial Dimension, a leading company in this field to develop this application and provide the necessary support for its implementation.

The project was developed in several steps. First, the work included the "cleaning" of the data that would make the system operational, adapting the workflow to the regulations, acquiring and installing new and high performance hardware, additional survey work in the field to verify boundaries.

As mentioned before, computers and software applications are unforgiving and only accurate data and logical relationships between transactions will allow the computerized mining cadastre to perform as projected. The works contracted included:

- Upgrading of the existing system to the to the latest version of the software;

- Reconfiguration of the system to provide management reports;
- Implementation of an Online Transactional Mining Cadastre Portal that would allow online submissions for registration of applications, renewals, surrenders, reductions and transfers of licences;
- Training of the staff, workshops, on –line help and maintenance.

In its final format, the system is designed to perform according to some of the most advanced international practices. The main features of the system are the following:

- A public cadastre map portal that allows anyone (although the main stakeholder are potential investors) to see the current exploration and mining licences and application. The increased transparency will encourage domestic and foreign investors to explore opportunities.
- It is at the same time an investor friendly application. Any modification to their concession can now be made on-line without requiring lengthy bureaucratic activities and trips from anywhere places to the ministry HQ.
- It allows the on-line process of registration of applicants, submission of applications. However, it is important to note that for the less computer literate, applications and accompanying documents can and will be also submitted in paper, in person, for proof of submission.

- The cadastral procedures are in line with current legal framework governing the mineral sector. The Mining Act of 1940 also known as Cap 306 .The system can be adapted to the eventual changes of the regulations.
- It can easily and quickly store, access and process the cadastral information captured (introduced) into the system.
- It facilitates the management of the licences by automatic control of the duration of the various steps of the procedure:
- Issues notifications and reminders regarding payments, reports that are due, environmental obligations, reports due and issues standard letters on these subjects.
- Edits and prints cadastral map and documents.
- Facilitates statistical processing of mining data and production of reports;

The development of the system is a dynamic process and will continue to improve as additional and corrective surveying and processing of the data continues and new upgrades will be implemented.

The staff of the Ministry is fully prepared to carry out their work in the “backoffice “ as well as to provide support to applicants that may not be computer literate. Even more, we have already trained and are now fully operational, regional offices where local applicants can find support to enter their applications, access the concession documents and monitor the activity.

The Mining Cadastre Portal is central to achieving these last two!
And its impact comes from the synergic principles that sustain it:

- Transparency – anyone, including local communities can access the public portal map, find out existing concessions
- Avoidance of border disputes by eliminating overlaps
- Application of “first come first served” principle embodied in our Mining Act, by time stamping of the application
- Minimizing human contact so as to make compliance non-negotiable. As one cannot persuade a computer to defer the fees or modify royalty rates whatever inducements one may use!
- Efficiency as application can be submitted within a few minutes any time and from anywhere.

What is it we expect now from this tool??

First, significant progress in one of the key aspects of the mining sector reform, which is to improve the efficiency of operations. In this regard, the online mineral management system is a critical milestone. The transparency, accountability and avoidance of disputes together with minimizing human contacts will diminish

opportunities for corruption, instill discipline and increase competition in the sector. You can't argue with a computer about not paying your fees in time!

Already, the Ministry has achieved significant progress. For example, the turn-around time for the whole process, including the environmental permitting is down from 18 month to three months.

We also expect this progress to encourage foreign and domestic direct investments. The attractiveness is a result of offering a level playing field and a more attractive business environment due to diminished risk and increased efficiency. This in turn will generate mining related investments from mines and valorification plants such as transportation infrastructure, social investments and other interventions that may prove beneficial to local communities by stimulating local content. All these may translate into jobs, increased revenue to the national budget and ultimately better living standards for Kenyans.

There is a saying in the extractive industry that” The geology drives the geography”. Meaning that there will be no changes if there are no identified mineral reserves. That is why we also make strides to increase the level and quality of the geological information regarding the mineral wealth of the country. We are just now beginning to glimpse its full potential.

For all Kenyans to benefit from the wealth of the reserves/ deposits these have to be managed efficiently and with accountability. This is the reason we have started with improving the governance of the mineral rights! So that the mineral wealth, as it become known, becomes a blessing, not a curse nor a source of corruption and conflict.

Together with the mining cadastre, we are today witnessing the launch of a strategic plan for the Ministry for the coming three years. Indeed it is also a first for the sector since independence. The document has been crafted with the aspirations of the people of Kenya at hand and with the Vision 2030 as its guiding principle. It aims at ensuring the potential of the sector is fully exploited for the benefit of the people of Kenya.

Another first will be the Kenya Mining Investment handbook. This booklet summarizes for potential investors the key pillars that make Kenya the preferred investment destination. It assures investors that indeed, investment in Kenya's' mining is an investment in the future, an investment in success.

At this time, I would like us to welcome his Excellency the Deputy President to address us and officially launch the Online Mining Cadastre System, the Mining Investment Handbook and the Mining Strategic Plan.