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THE NATIONAL ASSEMBLY

THIRTEENTH PARLIAMENT - FIFTH SESSION - 2026

DEPARTMENTAL COMMITTEE ON ENERGY

REPORT ON:

THE CONSIDERATION OF THE SESSIONAL PAPER NO. 4 OF 2026
ON THE NATIONAL PETROLEUM POLICY

 THE NATIONAL ASSEMBLY PAPERS LAID	
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ABBREVIATIONS

AfCTA	-	African Continental Free Trade Area
Amb	-	Ambassador
ANC	-	Amani National Congress
AVISTEP	-	Avian Sensitivity Tool for Energy Planning
AWEIK	-	Association of Women in Energy and Extractives in Kenya
BETA	-	Bottom-Up Transformation Agenda
CAK	-	Competition Authority of Kenya
CANCO	-	Community Action for Nature Conservation
Cap	-	Chapter
CBOs	-	Community Based Organisations
CBS	-	Chief of the Burning Spear
CCM	-	Chama cha Mashinani
CCUS	-	Carbon Capture, Utilisation and Storage
COVID	-	Corona Virus Disease
CPD	-	Continuous Professional Development
CSOs	-	Civil Society Organisations
DOSH	-	Directorate of Occupational Safety and Health Services
EANHS	-	East Africa Natural History Society
EBK	-	Engineers Board of Kenya
EIAs	-	Environmental Impact Assessments
EITI	-	Extractive Industries Transparency Initiative
ELCOS	-	Electricity Consumers Society of Kenya
EMCA	-	Environmental Management and Co-ordination Act
EPRA	-	Energy and Petroleum Regulatory Authority
ESG	-	Environment, Social and Governance
EOPS	-	Early Oil Pilot Scheme
ESIA	-	Environmental Social Impact Assessment
FPIC	-	Free, Prior and Informed Consent
GEDSI	-	Gender Equality, Disability and Social Inclusion
GESI	-	Gender Equality and Social Inclusion
GHG	-	Greenhouse Gas
IBAT	-	Integrated Biodiversity Assessment Tool
KBAs	-	Key Biodiversity Areas
KEBS	-	Kenya Bureau of Standards
KENAWRUA	-	Kenya National Association of Water Resources Users Association
KEPTAP	-	Kenya Petroleum Technical Assistance Project
KOGWG	-	Kenya Oil and Gas Working Group
KPC	-	Kenya Pipeline Corporation
KPLC	-	Kenya Power and Lighting Company
KRA	-	Kenya Revenue Authority
LETA	-	Law for Energy Transitions Africa
LPG	-	Liquefied Petroleum Gas
MW	-	Mega Watt

NCCAP	-	National Climate Change Action Plan
NDCs	-	National Determined Contributions
NEMA	-	National Environment Management Authority
NGO	-	Non-Governmental Organisation
NLC	-	National Lands Commission
NOCK	-	National Oil Corporation of Kenya
NUPAC	-	National Upstream Petroleum Advisory Committee
NuPEA	-	Nuclear Power and Energy Agency
ODM	-	Orange Democratic Movement
OTS	-	Open Tender System
PAA	-	Pamoja Africa Alliance
PA	-	Protected Areas
SEA	-	Strategic Environmental Assessment
SDP	-	State Department for Petroleum
TIK	-	Transparency International Kenya
UDA	-	United Democratic Alliance
WDM-K	-	Wiper Democratic Movement Kenya
PIEA	-	Petroleum Institute of East Africa

LIST OF ANNEXURES

- Annexure 1 : Adoption Schedule of the Report
- Annexure 2 : Minutes of the Committee Sitzings
- Annexure 3 : Copy of the Newspaper Advertisement
- Annexure 4 : Submissions from stakeholders

CHAIRPERSON'S FOREWORD

The Sessional Paper No. 4 of 2026 on the National Petroleum Policy was tabled in the House on 7th April, 2026 and subsequently referred to the Departmental Committee on Energy for consideration.

The main objective of the National Petroleum Policy is to establish a robust governance and regulatory framework for the oil and gas sector while promoting sustainable exploration, development and production of petroleum resources.

The specific objectives of the Policy are to:

- a) strengthen policy, legal, institutional and regulatory framework for the oil and gas sector;
- b) promote sustainable petroleum resource exploration, development and production;
- c) promote value addition of petroleum resources for local and regional petroleum products demand;
- d) ensure security of supply of petroleum products;
- e) enhance storage and transportation capacity of petroleum products;
- f) enhance LPG uptake in the country;
- g) enhance management of revenues from the oil and gas sector;
- h) facilitate capacity development and technology transfer;
- i) facilitate an enabling environment for sustainable petroleum operations; and
- j) promote environmental protection and conservation of biodiversity.

The policy paper is structured as follows:

- a) **Chapter 1** presents background information on the oil and gas sector, which comprises upstream, midstream, and downstream petroleum sub-sectors. It also highlights the rationale for development of the Policy, the scope, the structure, and the goals, objectives, and guiding principles of the policy;
- b) **Chapter 2** provides an overview of the prevailing status of the oil and gas sector in Kenya, the existing policy, legislative, and institutional frameworks that guide petroleum operations in the country, and the emerging issues and challenges facing the sector;
- c) **Chapter 3** presents the policy statements, which comprise strategic issues and corresponding strategies that will be implemented towards sustainable management of the Kenyan petroleum resources and provision of petroleum products;
- d) **Chapter 4** focuses on resource mobilization and the institutional framework for implementation of the policy. It articulates the various strategies that will be used in the mobilization of funds for the oil and gas sector and provides the roles of all the institutions responsible for the implementation of this policy; and

- e) **Chapter 5** presents the details of how implementation of this policy will be monitored, evaluated, and reported, and lessons learnt to ensure set targets are achieved within set timelines.

Pursuant to the provisions of Article 118(1) (b) of the Constitution, the Clerk of the National Assembly placed an advertisement in the print media on 17th April, 2026, requesting comments on the Sessional Paper from the public and relevant stakeholders (*annexure 3*). The Committee received two (2) memoranda from the Katiba Institute and Nature Kenya. The Committee held four (4) meetings to consider the Sessional Paper and **recommends that the House adopt the Report on the Sessional Paper No. 4 of 2026 on the National Petroleum Policy.**

The Committee is grateful to the Offices of the Speaker and the Clerk of the National Assembly for the logistical and technical support accorded to it during the consideration of the Sessional Paper. I wish to express appreciation to the Honourable Members of the Committee and the Committee Secretariat for their resilience and commitment to duty, which made the consideration of the Sessional Paper successful. May I also, on behalf of the Committee, thank and appreciate the Principal Secretary, State Department for Petroleum, and other stakeholders for their submissions. Indeed, the views informed the consideration of the Sessional Paper.

On behalf of the Committee and pursuant to provisions of Standing Order 216(5)(b), 208B (1), and 199 (6), it is my pleasant privilege and honour to present to this House the report of the Committee on its consideration of the Sessional Paper No. 4 of 2026 on the National Petroleum Policy.

Hon. David Gikaria, CBS, MP
Chairperson, Departmental Committee on Energy

CHAPTER ONE

1.0 PREFACE

1.1 Establishment of the Committee

1. The Departmental Committee on Energy is one of the twenty Departmental Committees of the National Assembly established under Standing Order 216 whose mandate pursuant to Standing Order 216(5) is as follows:
 - a) *To investigate, inquire into, and report on all matters relating to the mandate, management, activities, administration, operations and estimates of the assigned Ministries and departments;*
 - b) *To study the programme and policy objectives of Ministries and departments and the effectiveness of the implementation;*
 - c) *on a quarterly basis, monitor and report on the implementation of the national budget in respect of its mandate;*
 - d) *To study and review all legislation referred to it;*
 - e) *To study, assess, and analyze the relative success of the Ministries and departments as measured by the results obtained as compared with their stated objectives;*
 - f) *To investigate and inquire into all matters relating to the assigned Ministries and departments as they may deem necessary, and as may be referred to them by the House;*
 - g) *To vet and report on all appointments where the Constitution or any law requires the National Assembly to approve, except those under Standing Order 204 (Committee on Appointments);*
 - h) *To examine treaties, agreements, and conventions;*
 - i) *To make reports and recommendations to the House as often as possible, including recommendations of proposed legislation;*
 - j) *To consider reports of Commissions and Independent Offices submitted to the House pursuant to the provisions of Article 254 of the Constitution; and*
 - k) *To examine any questions raised by Members on a matter within its mandate.*

1.2 Mandate of the Committee

2. In accordance with the Second Schedule to the Standing Orders, the Committee is mandated to consider fossil fuel exploration, development, production, maintenance, and distribution; nuclear energy; clean energy; and regulation of energy.
3. In executing its mandate, the Committee oversees the Ministry of Energy and Petroleum.

I.3 Committee Membership

4. The Departmental Committee on Energy was constituted by the House on 27th October 2022 and comprises the following Members:

Chairperson

Hon. David Gikaria, CBS, MP
Nakuru Town East Constituency
UDA Party

Vice-Chairperson

Hon. Lemanken Aramat, MP
Narok East Constituency
UDA Party

Members

Hon. Charles Gimose, MP
Hamisi Constituency
ANC Party

Hon. Siyad Amina Udgoon, MP
Garissa County
Jubilee Party

Hon. Walter Owino, MP
Awendo Constituency
ODM Party

Hon. Barongo Nolfason Obadiah, MP
Bomachoge Borabu Constituency
ODM Party

Hon. Musili Mawathe, MP
Embakasi South Constituency
WDM - K Party

Hon. George Aladwa Omwera, MP
Makadara Constituency
ODM Party

Hon. Elisha Odhiambo, MP
Gem Constituency
ODM Party

Hon. Cecilia Asinyen Ng'itit, MP
Turkana County
UDA Party

Hon. Gonzi Rai, MP
Kinango Constituency
PAA Party

Hon. Victor Koech Kipngetich
Chepalungu Constituency
CCM Party

Hon. Simon King'ara, MP
Ruiru Constituency
UDA Party

Hon. Geoffrey Ekesa Mulanya, MP
Nambale Constituency
Independent Member

Hon. Tom Mboya Odege, MP
Nyatike Constituency
ODM Party

1.4 Committee Secretariat

5. The Committee is facilitated by the following Secretariat:

Mr. Fredrick O. Otieno
Clerk Assistant I/Head of Secretariat

Ms. Grace Wahu
Clerk Assistant II

Mr. Brian Njeru
Fiscal Analyst II

Ms. Lily Cherotich
Public Communications Officer

Mr. Collins Mahamba
Audio Assistant III

Ms. Brigita Mati
Senior Legal Counsel

Mr. Yakub Ahmed
Media Relations Officer I

Ms. Lena Wawira
Hansard Reporter II

Mr. Anthony Wamae
Serjeant-at-Arms

CHAPTER TWO

2.0 OVERVIEW OF SESSIONAL PAPER NO. 4 OF 2026 ON THE NATIONAL PETROLEUM POLICY

2.1 Background Information

6. The Oil and Gas Sector comprises three sub-sectors: Upstream, which covers exploration, appraisal, development and production of crude oil and natural gas; Midstream, which covers transportation, storage and refining; and Downstream, which covers importation, storage, distribution and retail of petroleum products.
7. Kenya has four sedimentary basins — Lamu, Anza, Mandera and Tertiary Rift — covering approximately 487,000 square kilometres, subdivided into 50 petroleum blocks. Kenya discovered commercial oil deposits in 2012 in the Tertiary Rift Basin, in Blocks T6 and T7 in Turkana County, marking a turning point for the sector.
8. The Midstream Sub-sector has remained largely dormant since the Kenya Petroleum Refineries Limited (KPRL) ceased crude oil refining in 2013. The Downstream Sub-sector, by contrast, is well established, with the country importing approximately 5.9 million metric tonnes of petroleum products annually as of 2024.
9. Policy direction for the sector was previously provided under Sessional Paper No. 4 of 2004 on Energy. Development of this new Petroleum Policy commenced in October 2023 through a Multi-Agency Technical Working Committee, building on an earlier draft developed in 2021 with support from the World Bank. The Policy was approved by the Cabinet on 15th December 2025 and tabled before the National Assembly on 7th April 2026.

2.2 Legislative Background

10. **Constitution of Kenya:** Article 62 classifies minerals and mineral oils as public land held by the National Government in trust for the people of Kenya. Article 69 obliges the State to ensure sustainable exploitation, utilisation, management and conservation of natural resources, and equitable sharing of the resulting benefits. Article 71 requires that any concession granted for the exploitation of a natural resource of Kenya be ratified by Parliament.
11. **Petroleum Act, (Cap. 308) of 2019:** The principal statute governing the petroleum sector. Section 5(1) requires the Cabinet Secretary responsible for petroleum operations to develop a National Petroleum Policy, which this Sessional Paper fulfils. The Act provides the framework for contracting, exploration, development, and production of petroleum, and for the regulation of midstream and downstream operations.

12. **Energy Act, (Cap. 314) of 2019:** Establishes the Energy and Petroleum Regulatory Authority (EPRA), which regulates petroleum operations across the entire value chain, and the Energy and Petroleum Tribunal, which determines disputes arising in the sector.
13. **Energy Act (Cap. 314) of 2019:** This is the principal statute governing the energy sector. It establishes the Energy and Petroleum Regulatory Authority (EPRA), the Energy and Petroleum Tribunal, and the Nuclear Power and Energy Agency (NuPEA), and provides the legal and regulatory framework that this Policy is intended to align with.
14. **Climate Change Act, 2016:** Requires all State organs, including those in the energy sector, to mainstream climate change considerations into their planning, in line with Kenya's Nationally Determined Contribution (NDC) under the Paris Agreement.
15. **Environmental Management and Co-ordination Act (EMCA), 1999:** Provides the legal framework for environmental protection and requires environmental impact assessments for energy infrastructure projects.
16. Other relevant statutes include the Environmental Management and Co-ordination Act (EMCA) (Cap. 387) of 1999; the Land Act, (Cap. 280) of 2012; the Public Procurement and Asset Disposal Act, (cap. 412C) of 2015; and the Public Finance Management Act, (Cap. 412A) of 2012, all of which apply to various aspects of petroleum operations.

2.3 Scope of the Policy

17. The Policy provides Kenya's overarching national policy guidance on all matters relating to petroleum and the Oil and Gas Sector. It applies to Upstream, Midstream, and Downstream petroleum operations within Kenya, as well as cross-border operations that affect the country.
18. It forms the basis for developing and implementing the legal, regulatory, institutional, fiscal and contractual frameworks for the sector, and guides Government agencies, operators, investors and other stakeholders.

2.4 Rationale for the Policy

19. The discovery of commercial oil reserves in 2012 transformed the policy landscape for the sector, creating opportunities for employment, revenue generation, infrastructure development and poverty reduction, while also introducing new regulatory and environmental challenges that required a comprehensive policy response.
20. Increased regional interest in petroleum resources and the need for coordinated infrastructure for the storage, transportation, and distribution of petroleum products further necessitated the development of this Policy.

2.5 Policy Goal and Objectives

21. The goal of the Policy is to sustainably explore, exploit, utilise and manage petroleum resources and products to contribute towards Kenya's economic development. Its objectives are to:
- Strengthen the policy, legal, institutional, and regulatory framework for the Oil and Gas Sector;
 - Promote sustainable petroleum resource exploration, development, and production;
 - Promote value addition of petroleum resources for local and regional demand;
 - Ensure security of supply of petroleum products;
 - Enhance storage and transportation capacity of petroleum products;
 - Enhance Liquefied Petroleum Gas (LPG) uptake in the country;
 - Enhance management of revenues from the Oil and Gas Sector;
 - Facilitate capacity development and technology transfer;
 - Facilitate an enabling environment for sustainable petroleum operations; and
 - Promote environmental protection and conservation of biodiversity.

2.6 Institutional and Implementation Framework

22. Implementation of the Policy involves both public and private institutions, coordinated by the Ministry of Energy and Petroleum. The table below sets out the key institutions and their mandates.

No.	Institution	Mandate
1.	Ministry of Energy and Petroleum (State Department for Petroleum)	Development of the Policy, coordination of its implementation, security of supply of petroleum products, and regulation of the Oil and Gas Sector.
2.	National Upstream Petroleum Advisory Committee (NUPAC)	Advising the Cabinet Secretary on Upstream petroleum operations.
3.	Energy and Petroleum Regulatory Authority (EPRA)	Economic and technical regulation, licensing and permitting across the entire petroleum value chain.
4.	National Oil Corporation of Kenya Limited (NOCK)	Representing the Government's commercial interests in the sector, including exploration and distribution of petroleum products.
5.	Kenya Pipeline Company Limited (KPC)	Storage, transportation, and handling of petroleum products and petroleum infrastructure development.

6.	Energy and Petroleum Tribunal	Adjudication of disputes relating to the Oil and Gas Sector.
7.	Kenya Revenue Authority (KRA)	Collection of taxes from petroleum-related transactions.
8.	National Environment Management Authority (NEMA)	Enforcement of environmental laws and regulations in petroleum operations.
9.	County Governments	Implementation of applicable policy provisions, county planning, and issuance of licences and approvals as prescribed by law.
10.	Parliament	Oversight, representation, enactment of laws and regulations, and approval and appropriation of the sector's budget.

2.7 Monitoring, Evaluation and Review

23. The Policy provides for monitoring to be coordinated by the State Department for Petroleum, supported by a Multi-Agency Committee, with monitoring reports prepared every six months.
24. A full evaluation of the Policy's implementation is to be carried out every five years to assess whether its intended outcomes and objectives have been achieved.
25. The Policy provides that it will be reviewed after every five years, or any other period determined by the Ministry responsible for petroleum.

CHAPTER THREE

3.0 PUBLIC PARTICIPATION ON SESSIONAL PAPER NO. 4 OF 2026 ON THE NATIONAL PETROLEUM POLICY

26. Article 118 (1) (b) of the Constitution provides that Parliament shall facilitate public participation and involvement of the public in the legislative and other business of Parliament and its Committees.
27. Pursuant to the provisions of Article 118(1) (b) of the Constitution, the Committee, through an advertisement in the local daily newspapers of 17th April 2026, invited the public and stakeholders to make submissions on the Sessional Paper.
28. The Committee received two (2) memoranda from the Katiba Institute and Nature Kenya. Further, the Committee met with the Ministry of Energy and Petroleum and other stakeholders to deliberate on the Sessional Paper.

3.1 Submission by the State Department for Petroleum

Mr. Kello Harsama, CBS, Principal Secretary, State Department for Petroleum, appeared before the Committee on Friday, 5th June, 2026 and submitted as follows:

29. That, the Policy was developed pursuant to the Petroleum Act, (Cap. 308) of 2019, which requires the Cabinet Secretary responsible for petroleum matters to formulate and publish a National Petroleum Policy to guide the development and management of the petroleum sector.
30. That, the National Petroleum Policy is intended to provide a comprehensive policy framework for the sustainable exploration, development, production, transportation, storage, distribution, utilization, and management of petroleum resources and petroleum products in Kenya.
31. That, the Policy seeks to address existing policy gaps, provide strategic direction to the petroleum sector, strengthen governance and regulatory frameworks, facilitate investment, and support national economic development.

3.1.1 Policy Development Process

32. The development of the National Petroleum Policy commenced in 2021 with support from the World Bank through the Kenya Petroleum Technical Assistance Project (KEPTAP). Following the initial drafting process, a Multi-Agency Technical Working Committee was established in 2023 to spearhead the review and finalization of the Policy. The Committee comprised representatives drawn from seventeen institutions involved in the petroleum sector and was tasked with reviewing the draft document, incorporating emerging sector

issues, aligning the Policy with the Constitution and the Petroleum Act, 2019, and integrating stakeholder views.

33. The revised Draft Policy underwent validation by internal stakeholders, including the Principal Secretary, State Department for Petroleum, heads of departments, chief executive officers of sector agencies, and other senior government officials. Consultations were also undertaken with the Council of Governors Energy Committee and County Executive Committee Members responsible for energy before the document was subjected to nationwide public participation.

3.1.2 Rationale for the Policy

34. Kenya currently lacks a standalone comprehensive petroleum policy. The petroleum sector has historically been guided by Sessional Paper No. 4 of 2004 on Energy, which does not adequately address contemporary developments such as petroleum discoveries, natural gas development, petroleum infrastructure expansion, energy transition, technological innovation, climate change obligations, and evolving global petroleum markets. The Ministry therefore considered the development of a National Petroleum Policy necessary to provide strategic guidance for sustainable sector development.

3.1.3 Status of the Petroleum Sector

35. Kenya possesses four sedimentary basins divided into fifty petroleum exploration blocks. Geoscientific data have been acquired in twenty-eight blocks, ninety-five exploration wells have been drilled, and forty-two wells have encountered hydrocarbons. Kenya has recorded ten oil discoveries in the Tertiary Rift Basin and gas discoveries within the Lamu and Anza Basins. The South Lokichar Basin is estimated to contain approximately 2.85 billion barrels of oil in place, although commercial production is yet to commence.
36. It was further noted that the downstream petroleum sector comprises a substantial pipeline network, petroleum storage infrastructure, and thousands of retail fueling stations, while the midstream sector requires significant development to support future commercialization of petroleum resources.

3.1.4 Key Policy Focus Areas

37. The Policy addresses all petroleum value chain segments, including upstream, midstream and downstream operations. Key policy focus areas include—Ownership and management of petroleum resources; Promotion of petroleum investments; Licensing of petroleum blocks; Petroleum exploration, development and production operations; Sustainable utilization of natural gas resources; Petroleum infrastructure development; Petroleum supply and pricing; Liquefied Petroleum Gas promotion; Revenue management; Technology and innovation; Local content development; Petroleum data management; Decommissioning of petroleum facilities; Health and safety; Security of petroleum infrastructure; Environmental, social and governance considerations; Climate change mitigation and adaptation measures.

3.1.5 Emerging Issues and Challenges

38. The Policy responds to several emerging issues affecting the sector, including geopolitical developments affecting global petroleum markets, energy transition, technological advancements, biofuels, climate change, inadequate infrastructure, insufficient exploration data, low LPG uptake, petroleum price volatility, and limited local technical and financial capacity. The Policy seeks to provide strategic interventions to address these challenges while enhancing Kenya's competitiveness within the petroleum sector.

3.1.6 Public Participation and Stakeholder Engagement

39. The Committee was informed that extensive stakeholder engagement and public participation were undertaken during the development of the Policy in accordance with constitutional requirements and Government policy development guidelines. The Draft Policy was published on the Ministry's website, public notices were issued through print and electronic media, and stakeholders were invited to submit views through physical forums, online platforms, email submissions, and direct memoranda.
40. The Ministry grouped the forty-seven counties into regional clusters and conducted public participation forums across the country between 12th and 14th March 2025. Additional consultations were held with County Executive Committee Members responsible for energy through the Council of Governors framework. Members of the public were also invited to submit views through an online feedback platform, official email addresses, postal submissions, and physical delivery of memoranda.
41. It was reported that approximately 580 participants contributed to the public participation exercise. Key issues raised included petroleum revenue sharing, environmental protection, climate change, local content, youth employment, security of petroleum infrastructure, LPG uptake, petroleum pricing, technology transfer, community rights, petroleum infrastructure development, petroleum product quality, public participation, safety of petroleum facilities, energy transition, and petroleum sector governance. The Ministry indicated that comments received from stakeholders and members of the public were reviewed, analyzed, and incorporated into the final Draft Policy where appropriate.
42. The Ministry further submitted that stakeholder consultations involved Government Ministries, Departments and Agencies, County Governments, Energy Sector State Corporations, Oil Marketing Companies, investors, professional bodies, development partners, civil society organizations, community groups, consumer organizations and members of the public.

3.1.7 Implementation Framework

43. The Policy contains an implementation framework supported by a detailed implementation matrix identifying strategic interventions, responsible institutions, timelines, outputs,

performance indicators, monitoring mechanisms and reporting requirements. The implementation framework assigns responsibilities to various national and county government institutions and provides a basis for coordination, accountability, and monitoring of progress.

3.1.8 Financing

44. The Ministry submitted that implementation of the National Petroleum Policy will require approximately Kshs. 68.292 billion. Funding will be sourced from National Government budgetary allocations, petroleum sector investors, development partners, revenue generated from petroleum data and related services, and Public-Private Partnerships.

3.1.9 Overall Position

45. The Ministry of Energy and Petroleum submitted that the Draft National Petroleum Policy, 2026, provides a comprehensive framework for governance and sustainable development of Kenya's petroleum sector. The Committee was urged to support adoption of the Policy, noting that it addresses existing policy gaps, provides strategic direction for petroleum resource management, promotes investment and local content, strengthens environmental safeguards, enhances energy security, and establishes a framework for long-term development of the petroleum industry. The Ministry further submitted that views collected through stakeholder engagement and public participation had been considered and incorporated into the final Draft Policy to ensure the document reflects national priorities and stakeholder expectations.

3.2 Submission by Kenya Oil and Gas Working Group (KOGWG)

46. The Kenya Oil and Gas Working Group (KOGWG) is a public interest network that advocates for sustainable development and good governance of the energy and petroleum sectors in Kenya.
47. While appearing before the Committee, KOGWG commended the Ministry of Energy and Petroleum for developing a policy document that embodies the aspirations of Kenyans regarding resource management, intra-generational equity, and inter-generational equity, and submitted as follows:
 - i. **Security of petroleum infrastructure and communities:** Many petroleum blocks are situated in areas prone to high insecurity, posing risks to both infrastructure and adjacent communities.
 - ii. **Balancing investment with sustainability:** While the Policy seeks to attract petroleum investment, it must ensure this does not come at the expense of other sectors or sustainable development.

- iii. **Transparency and accountability in revenue management:** Improved transparency would enable citizens to scrutinise government management of petroleum resources and support data-driven decision-making by policymakers, civil society, and the public.
- iv. **Unimplemented Transparency and Accountability Framework:** Six years after developing the Transparency and Accountability Framework under Section 119 of the Petroleum Act 2019, Kenya has yet to implement it, leaving the petroleum sector vulnerable to secrecy, mismanagement, and public mistrust. Joining the Extractive Industries Transparency Initiative (EITI) would enforce public disclosure of contracts, revenues, and ownership.
- v. **Hazardous waste management:** Kenya urgently needs a comprehensive policy statement on hazardous waste management in the petroleum sector. In Turkana, communities have been exposed to contaminated hazardous waste liners, while in Lamu, poor disposal and improper decommissioning processes have raised concerns over long-term health impacts on exposed communities.
- vi. **Oil spill preparedness:** Kenya's past experiences with oil exploration have highlighted gaps in emergency preparedness, weak enforcement of environmental safeguards, and limited public awareness of spill response. The National Oil Spill Contingency Plan remains largely unimplemented.
- vii. **Land governance under the Community Land Act, 2016:** The Policy must recognize the shifting land governance landscape, particularly in areas where community land has been registered under the Community Land Act, 2016. Communities now have legal authority over their land, with established bylaws, governance structures, and financial management systems. Adherence to the principles of Free, Prior, and Informed Consent (FPIC) is now non-negotiable.
- viii. **Absence of Gender Equality and Social Inclusion (GESI/GEDSI) provisions:** The Policy has no explicit provisions addressing Gender Equality and Disability and Social Inclusion. It does not specifically mandate gender-responsive or inclusive measures.
- ix. **Local content gaps:** The Early Oil Pilot Scheme (EOPS) in Turkana highlighted key gaps, including limited local employment, lack of capacity building, and minimal participation of local businesses in the supply chain. Without strong local content policies, the sector risks becoming an enclave industry.

a. Chapter I: Introduction

- i. **Policy Objectives (Section 1.4.2):** The section does not exhaustively cover social safeguards for communities affected by upstream petroleum operations.

- ii. **Transparency and Accountability:** While the fundamental aspect of Transparency and Accountability has been highlighted, the Policy is silent on the measures to be taken, including accession to EITI.
- iii. **Public Access to Information:** Public access to information on petroleum operations has not been catered for, despite being a fundamental constitutional right underpinning transparency and accountability.

b. Chapter 2: Situation Analysis

- i. **Exploration (Section 2.1.1.2):** The section does not fully exhaust the exploration history of the Early Oil Pilot Scheme (EOPS) in terms of the accurate number of barrels produced or the final market destination of the oil. There is inconsistent data in the Policy and what was presented to the Senate on 23rd May 2023: the figure presented to the Senate was 414,777 bbl, while the Policy indicates 415,032 bbl. The Policy also lacks transparency on revenues from oil exports.
- ii. **Midstream Sub-sector (Section 2.1.2):** The opening statement under this section contradicts Section 1.1.2 on the components of the midstream sub-sector. The Policy does not fully capture all components of the midstream sub-sector, including transportation (pipeline, road, rail, tankers), processing, and storage, nor does it cover all four sedimentary basins.
- iii. **Importation of Petroleum Fuels (Section 2.1.3.1):** Data on the potential of LPG in the country, including in the automotive sector and other small industries, have not been fully captured.
- iv. **Existing Legislative Framework (Section 2.2.2):** Several legislations that govern petroleum operations have been omitted, including the Water Act 2024, Forestry Act 2015, Wildlife Act 2016, Fisheries Act CAP 378, EMCA 1999, Community Land Act 2016, County Governments Act 2012, and the Model Production Sharing Agreement.
- v. **Existing Institutional Framework:** Several institutions with a mandate to run the petroleum sector have been omitted from the institutional framework.

c. Chapter 3: Emerging Issues and Challenges

- i. **Geopolitical Factors (Section 3.1.1):** The focus on geopolitical factors has only been limited to the Russia-Ukraine conflict, whereas broader geopolitical and geo-economic factors (conflict, regime change in super-powers, global pandemics, etc.) have implications on global oil prices, which have a ripple effect felt in Kenya.

- ii. **Environment and Regulatory Concerns (Section 3.1.2):** The Policy references unpredictable global policies on environment and climate concerns, which lead the oil and gas sector not to make long-term investment decisions.
- iii. **Technological Advancements (Section 3.1.3):** The Policy does not incorporate technological advancements in the oil and gas sector, including enhanced oil recovery (EOR), digital monitoring of emissions, advanced waste treatment techniques, spill detection, carbon capture, and the incorporation of research and development on renewable energy in fossil fuel extraction, development, and production processes (e.g., heating pipelines using geothermal energy).
- iv. **Emerging Issues (Section 3.1): Energy Transition:** The effects of the energy transition on the petroleum sector have not been captured. As Kenya seeks to balance energy security, economic growth, and climate commitments, a coherent approach is needed to harmonize investments, regulatory frameworks, and long-term energy planning.
- v. **Emerging Issues (Section 3.1): Community Conflicts:** There are frequent conflicts between communities and petroleum project proponents. During the EOPS, disruptions were experienced where disenfranchised communities blocked transportation of crude oil from Lokichar to Mombasa.

d. Chapter 4: Policy Statements

- i. **Exploration, Development and Production (Section 4.1.4):** The statement on best industry practice covers only production and not the entire upstream cycle. The Policy also does not acknowledge existing national, regional, and international Treaties, Legislation, and Regulations.
- ii. **Exploration, Development and Production (Section 4.1.4), Policy Statement (d):** Facilitation of land access is framed as a direct mandate for the Ministry of Energy and Petroleum, whereas land access for public projects falls under the mandate of the National Land Commission (NLC). The term 'third party' is also not defined.
- iii. **Decommissioning (Section 4.1.6) Policy Statement:** The policy statement omits the post-decommissioning implications of project activities on the environment, including reference to Environmental Deposit Bonds, which already exist under EMCA, 1999.
- iv. **Midstream Sub-Sector (Section 4.2), Policy Statement (h):** The statement is not aligned, and the Government's responsibility should be clearly set out towards enhancing energy security.

- v. **Management of Revenues from Petroleum Operations (Section 4.4.1):** The Policy is silent on creating intergenerational wealth from revenues accrued. The COVID-19 pandemic exposed Kenya's economic vulnerabilities, particularly its dependence on external borrowing and fluctuating revenues. The Sovereign Wealth Fund Policy and Bill (2019) provide a framework for managing oil revenues through three key funds: the Stabilization Fund, the Infrastructure and Development Fund, and the Future Generations Fund.

e. Chapter 5: Cross-Cutting Issues

- i. **Land (Section 5.4), Policy Statement (a):** The statement is silent on compensation. The government has the responsibility to fairly compensate persons affected by land acquisition.
- ii. **Host Community Rights (Section 5.5) Policy Statement:** The statement is silent in respect to upholding the cultures and practices of host communities.
- iii. **Institutional Framework (Section 6.1.2, Table 6: Role of Institutions in Implementation of the Policy):** Other players have not been specified. CSOs and CBOs should be included as examples under 'Other Players' to monitor compliance and implementation as watchdog organizations.

f. Implementation Framework

- i. **Petroleum Pricing of Petroleum Products (page 53):** The Policy lacks a clear strategy to address and manage global oil price volatility and geopolitical risks, including stabilization mechanisms or buffer funds to protect consumers.
- ii. **Environmental Social Governance (page 56):** The Policy mentions environmental protection and sustainable practices, but without robust enforcement or clear targets, including climate change mitigation and adaptation targets within petroleum operations.
- iii. **Local Content (page 56):** The implementation framework for local content is incomplete. The last activity in the section reads 'Develop a framework to facilitate collaboration with...' and is incomplete. The Policy outlines the intent to promote local participation but remains vague on concrete measures, targets, quotas, and capacity-building programs with defined timelines and measurable performance indicators.

g. Annex I: Implementation Matrix for Oil and Gas Sector Operations

- i. **Oil and Gas Sector Policy, Legal, Institutional and Regulatory Framework:** The activities listed are non-exhaustive and duplicated, omitting activities addressing review of the transparency framework and action plan, guidelines for hazardous

waste management for the oil and gas sector, a communication strategy for the petroleum sector, the National Petroleum Master Plan, and incorporation of Community Development Agreements in the Petroleum Act, 2019.

- ii. **Strengthening Cooperation with Government Agencies and other Governments:** Key government agencies necessary in the implementation process are missing, including NEMA, DOSH, and Tribunals.
- iii. **Establish a Mechanism for Conflict Management and Dispute Resolution:** Key government agencies necessary in conflict management and dispute resolution have been omitted, including the relevant Tribunals as implementing agencies in addition to the State Department for Petroleum (SDP).
- iv. **Decommissioning:** NEMA, a key agency in decommissioning, is missing from the implementation process.
- v. **Public Participation:** The Policy makes public participation optional and subject to determination by the SDP, rather than a continuous process.
- vi. **Climate Change Mitigation and Adaptation:** The State Department for Climate Change and Forestry has not been included in the implementation process.
- vii. **Land and Host Community Rights:** Civil Society and Community-Based Organizations are lacking from the process, and the National Land Commission has not been included as one of the key institutions important in facilitating land acquisition.
- viii. **Local Content:** There is a lack of a governing framework for the local content legal and regulatory framework.

3.3 Submission by the Transparency International Kenya (TI-Kenya)

48. Transparency International Kenya is the Kenyan chapter of the global anti-corruption movement. TI-Kenya's submission focused specifically on transparency, anti-corruption, and accountability mechanisms in petroleum sector governance, with particular emphasis on EITI membership, contract transparency, and beneficial ownership disclosure. TI-Kenya submitted as follows:

- a. **Unimplemented Transparency Framework:** Six years after the development of the Transparency and Accountability Framework under the Petroleum Act 2019, Kenya has yet to implement it, leaving the petroleum sector vulnerable to secrecy, mismanagement, and public mistrust.
- b. **Lack of Revenue Transparency:** The Policy does not address transparency on petroleum revenues. There is no provision for public disclosure of contracts, impact

assessments, or benefit-sharing agreements, preventing communities from challenging exploitative deals or claiming their share of revenues.

- c. **Weak Revenue Management Accountability:** The revenue management provisions lack adequate accountability mechanisms, creating conditions for mismanagement and corruption in the collection, reporting, and disbursement of petroleum revenues.
- d. **Optional Public Participation:** The implementation matrix makes public participation optional and subject to determination by the State Department of Petroleum, rather than a mandatory continuous requirement throughout the petroleum development lifecycle.

3.4 Submission by Community Action for Nature Conservation (CANCO)

49. Community Action for Nature Conservation (CANCO) is a public interest Environmental Civil Society Organization registered under the NGO Coordination Act (1990) of the laws of Kenya in 2008, consisting of multidisciplinary professionals and practitioners committed to good environmental governance, conservation, and sustainable use of natural resources. CANCO's submission focused on environmental safeguards, hazardous waste, and oil spill preparedness, and was submitted as follows:

- a. **Technological Advancements (Section 3.1.3):** The Policy does not incorporate technological advancements in the oil and gas sector, including cleaner drilling technologies, enhanced oil recovery, digital emissions monitoring, or advanced waste treatment.
- b. **Hazardous Waste Management:** There is no comprehensive policy statement on hazardous waste management in the petroleum sector. In Turkana, communities have been exposed to contaminated hazardous waste liners. In Lamu, poor disposal and improper decommissioning have raised long-term public health concerns.
- c. **Decommissioning (Section 4.1.6):** The decommissioning policy statement omits post-decommissioning environmental implications and does not reference Environmental Deposit Bonds, despite the Environmental Deposit Bonds regulations under EMCA 1999 already existing and requiring activation.
- d. **Oil Spill Preparedness (Section 3.1.2):** Kenya's National Oil Spill Contingency Plan remains largely unimplemented. Past experiences reveal gaps in emergency preparedness, weak enforcement of environmental safeguards, and limited public awareness of spill response. Inter-governmental coordination for response is fragmented.
- e. **Existing Institutional Framework:** NEMA, the primary environmental regulatory agency, is absent from the decommissioning implementation process and other key environmental activities in the implementation matrix.

- f. **Annex I: Climate Change Mitigation:** The State Department for Climate Change and Forestry is not included in the implementation process for climate change mitigation activities.

3.5 Submission by Kenya National Association of Water Resources Users' Association (KENAWRUA)

50. KENAWRUA is a national forum bringing together all Water Resources Users in Kenya, advocating for good water governance and sustainable management of water resources. KENAWRUA's submission focused on the intersection between petroleum operations and water resources, and on the completeness of the legislative and institutional framework, and was submitted as follows:

- a. **Existing Legislative Framework (Section 2.2.2):** Several pieces of legislation governing sectors directly impacted by petroleum operations are missing, including the Water Act, 2024; Forestry Act, 2015; Wildlife Act, 2016; Fisheries Act, Cap. 378; EMCA, 1999; Community Land Act, 2016; County Governments Act, 2012; and the Model Production Sharing Agreement.
- b. **Existing Institutional Framework:** Several institutions with mandates intersecting petroleum operations are omitted from the institutional framework, undermining cross-sectoral governance.
- c. **Environmental and Regulatory Concerns (Section 3.1.2):** The Policy references specific global environmental policies that are prone to political and institutional change, creating long-term investment planning uncertainty.
- d. **Annex I: Strengthening Cooperation with Government Agencies:** Key government agencies necessary for implementation, including NEMA, DOSH, and relevant Tribunals, are missing from the cooperation and implementation activities.

3.6 Submission by the Association of Women in Energy and Extractives in Kenya (AWEIK)

51. AWEIK is a nationwide organization that connects women in Kenya with professional and business opportunities in the extractives value chain. AWEIK's submission focused on the absence of gender-responsive provisions in the Policy and was submitted as follows:

- a. **Absence of GEDSI Provisions:** The Policy has no explicit provisions addressing Gender Equality and Disability and Social Inclusion (GEDSI). It does not mandate gender-responsive or inclusive measures, and women and persons with disabilities are treated as an afterthought rather than as integral to sector development.

- b. **Exploration, Development and Production (Section 4.1.4):** Policy statements on workforce and community benefits do not include any gender-disaggregated participation targets or requirements for inclusive hiring and procurement practices.
- c. **Host Community Rights (Section 5.5):** Host community rights provisions do not specifically address the differentiated impacts of petroleum operations on women, who often bear disproportionate social and environmental costs of petroleum development.
- d. **Annex I: Local Content Implementation:** Local content implementation activities contain no gender-specific targets or mechanisms to ensure women and women-owned enterprises benefit from local content requirements.

3.7 Submission by Oxfam

52. Oxfam is a worldwide development organization that mobilizes the strength and voice of people against poverty, inequality, and injustice. Oxfam's submission focused on equitable revenue distribution, community rights, and ensuring that petroleum development delivers broad-based socio-economic benefits, and was submitted as follows:

- a. **Management of Revenues from Petroleum Operations (Section 4.4.1):** The Policy provides no framework for equitable distribution of petroleum revenues to host communities or for ensuring that resource extraction translates into tangible poverty reduction for communities in petroleum-producing areas.
- b. **Exploration History/EOPS (Section 2.1.1.2):** The EOPS experience in Turkana demonstrated limited local employment, lack of capacity building, and minimal participation of local businesses in the supply chain, creating community grievances that resulted in operational disruptions.
- c. **Host Community Rights (Section 5.5):** The Policy's host community rights provisions are weak and do not provide enforceable mechanisms for communities to claim their rights or seek redress for violations.
- d. **Security (Section 3.1)/Emerging Issues:** Communities in petroleum areas, particularly Turkana, continue to face insecurity risks that affect both their safety and the stability of petroleum operations, yet the Policy has no specific community safety framework.

3.8 Submission by Solidaridad

53. Solidaridad is an international civil society organization promoting sustainable supply chains, responsible production, and inclusive economic development. Solidaridad's submission focused on local content, technology transfer, and ensuring that petroleum development contributes to sustainable economic transformation, and submitted as follows:

- a. **Local Content (Cross-cutting and page 56):** Without strong local content policies, the petroleum sector risks becoming an enclave industry with minimal impact on Kenya's broader economy. The Policy lacks enforceable local content targets, defined timelines for skills development, and mechanisms for technology transfer.
- b. **Technological Advancements (Section 3.1.3):** There is no policy provision for incorporating renewable energy in fossil fuel extraction, development, and production processes for example, using geothermal energy to heat pipelines which would reduce costs and environmental footprints.
- c. **Annex I: Local Content Legal Framework:** There is no governing framework for the local content legal and regulatory architecture referenced in the implementation matrix.
- d. **Midstream Sub-sector (Section 2.1.2):** The midstream sub-sector section has an opening statement that contradicts Section 1.1.2 on the components of the midstream sub-sector and fails to capture all midstream components, including transportation (pipeline, road, rail, tankers), processing, and storage.

3.9 Submission by Nature Kenya (East Africa Natural History Society)

54. Nature Kenya, the East Africa Natural History Society (EANHS), is Africa's oldest environmental society, established in 1909, and serves as the Birdlife International partner in Kenya. While its memorandum was formally submitted on Sessional Paper No. 5 of 2026 (National Energy Policy 2025-2034), specifically addressing Sub-section 3.14.2 (Environmental Issues in Energy), its inputs are relevant to the Petroleum Policy given that petroleum infrastructure pipelines, processing facilities, and transmission lines present biodiversity risks equivalent to those raised for the energy sector generally. Nature Kenya submitted as follows:

- a. **Absence of Biodiversity Compliance Standards:** Petroleum and energy infrastructure, including pipelines, processing facilities, and transmission lines, is not subject to any requirement to comply with recognized international biodiversity standards. There is currently no legal obligation for such infrastructure development to achieve a 'no net loss' of biodiversity outcome.
- b. **Transmission and Distribution Infrastructure:** Transmission and distribution lines and poles associated with petroleum and energy operations do not conform to international best practices designed to prevent bird collisions and electrocution. Existing pole designs, including cement poles, have not been assessed or modified against these risks.
- c. **Absence of Mandated Biodiversity Assessment Tools in EIAs:** Environmental Impact Assessments for petroleum and energy infrastructure projects do not currently require the use of recognized biodiversity-specific mitigation and assessment tools, such

as the Avian Sensitivity Tool for Energy Planning (AVISTEP), the Integrated Biodiversity Assessment Tool (IBAT), and Strategic Environmental Assessment (SEA) frameworks for biodiversity.

- d. **Inadequate Protection of Protected Areas and Key Biodiversity Areas:** Protected Areas (PAs) and Key Biodiversity Areas (KBAs) are not explicitly safeguarded from petroleum and energy infrastructure siting decisions, creating exposure to irreversible biodiversity loss in ecologically sensitive areas.
- e. **Weak Governance, Stakeholder Engagement, and Transparency Mechanisms:** Governance frameworks applicable to petroleum and energy infrastructure projects do not adequately incorporate the input of scientific experts during planning and assessment processes, ensure consistent compliance with biodiversity regulations, or foster substantive partnerships with conservation organizations. There is also no requirement for regular, publicly accessible biodiversity monitoring reporting, including disclosure of wildlife mortality incidents.

3.10 Submission by National Environment Management Authority (NEMA)

55. NEMA is established under the Environmental Management and Co-ordination Act, Cap. 387 (EMCA) as the principal Government instrument responsible for implementing environmental policy and exercising general supervision and coordination over all environmental matters, guided by Articles 42, 69, and 70 of the Constitution of Kenya. NEMA appeared before the Committee and submitted as follows:

- a. **Conditional Support:** NEMA supports the policy objective of ensuring reliable, affordable, secure, and sustainable energy and petroleum supply for national development. However, NEMA's support is conditional: approval of the Sessional Papers should not be construed as approval, exemption, waiver, or pre-clearance of any energy or petroleum project, plan, programme, petroleum block, transmission corridor, generation facility, LPG facility, pipeline, depot, refinery, petrochemical facility, critical minerals value chain, nuclear programme, or related infrastructure. All such undertakings remain subject to EMCA and the applicable environmental and social safeguards framework.
- b. **Environmental Assessment as a Substantive Requirement:** Environmental assessment is not a procedural formality but a substantive decision-making tool required to identify, predict, evaluate, avoid, minimize, mitigate, and monitor environmental and social risks before policy, programme, and project decisions become irreversible. Implementation of the Sessional Papers must be anchored in Strategic Environmental Assessment (Section 57A of EMCA), Environmental and Social Impact Assessment (Section 58 of EMCA), Environmental Audit (Section 68 of EMCA), and broader compliance monitoring and enforcement under EMCA.

- c. **Extensive Legal and Regulatory Framework:** The relevant legal framework includes, but is not limited to, the Constitution of Kenya; EMCA Cap. 387; the Climate Change Act, Cap. 387A; the Environmental (Impact Assessment and Audit) Regulations, 2003 (as amended); the Environmental Management and Co-ordination (Strategic and Integrated Environmental Assessments and Environmental Audits) (No. 2) Regulations, 2025; the Environmental Management and Co-ordination (Deposit Bonds) (No. 2) Regulations, 2025; the Environmental Management and Co-ordination (Water Quality) Regulations, 2024; the Environmental Management and Co-ordination (Waste Management) Regulations, 2024; the Environmental Management and Co-ordination (Air Quality) Regulations, 2024; the Environmental Management and Co-ordination (Management of Toxic and Hazardous Chemicals and Materials) Regulations, 2024; the Sustainable Waste Management (Extended Producer Responsibility) Regulations, 2024; and the Climate Change (Carbon Markets) Regulations, 2024, together with all other applicable laws governing biodiversity, wetlands, forests, wildlife, water resources, occupational health and safety, land, community land, physical planning, public health, and disaster risk management.
- d. **Inherently High Environmental and Social Risks in Petroleum Operations:** Petroleum operations present inherently high environmental and social risks, including seismic disturbance, drilling waste, produced water, oil spills, soil and groundwater contamination, gas flaring, methane emissions, hazardous chemicals, pipeline leaks, fire and explosion hazards, marine and coastal impacts, land acquisition, community conflict, and decommissioning liabilities. These risks require binding instruments, clear institutional responsibility, measurable indicators, and adequate budgetary provisions, not merely broad policy commitments.
- e. **Comprehensive Petroleum Environmental Risk Management Framework:** The Petroleum Policy should further require a comprehensive petroleum environmental risk management framework covering produced water management, drilling muds and cuttings, hazardous chemicals, contaminated land, oil spill contingency planning, pipeline integrity, vapor recovery, tank integrity testing, groundwater monitoring, methane leak detection and repair, flaring and venting controls, oil spill drills, incident reporting, community notification, and multi-agency emergency response.
- f. **Decommissioning:** While commending the Policy for recognizing decommissioning as a cross-cutting issue, decommissioning plans and costed restoration plans should be required at the ESIA stage and updated throughout the petroleum project cycle. Operators should maintain adequate financial assurance, including environmental deposit bonds, to secure restoration, contaminated land remediation, post-closure monitoring, and management of residual liabilities. Decommissioning should not be deferred to the end of production when risks and costs have already crystallized.
- g. **Land, Water and Community Right:** The Petroleum Policy should clearly require alternatives analysis, avoidance of displacement where feasible, lawful land acquisition, community land safeguards, livelihood restoration, water availability assessment, Water

Resources Authority permits, produced-water management, protection of ecosystems and community water needs, local language disclosure, grievance redress, and participatory monitoring. Corporate social responsibility should not be treated as a substitute for legally enforceable mitigation, compensation, or restoration obligations.

- h. **Cross-cutting Environmental Safeguards:** The Committee should adopt cross-cutting environmental safeguards as express conditions and implementation directions in the Sessional Papers, spanning: environmental law as a condition precedent; Strategic Environmental Assessment and cumulative impacts; pollution prevention and environmental quality standards; climate change, GHG accounting, and carbon markets; waste and circular economy; biodiversity, water resources, and sensitive ecosystems; decommissioning and financial assurance; public participation and grievance redress; inter-agency coordination; and monitoring, enforcement, and public disclosure.
- i. **NEMA's Institutional Role:** The implementation matrices of the Sessional Papers should identify NEMA as the principal environmental regulator and mandatory coordinating agency for environmental assessment, audit, permitting, compliance monitoring, incident response, decommissioning, and environmental data disclosure. NEMA's role should not be reduced to a post-approval commentator; the Authority must be engaged at the planning, licensing, implementation, audit, and decommissioning stages.
- j. **Budgetary and Institutional Support:** Adequate budgetary and institutional support should be provided for environmental regulation of the energy and petroleum sectors. The policy ambitions will generate increased demand for SEA review, ESIA review, compliance inspections, audits, incident response, climate reporting verification, carbon market oversight, data integration, and enforcement, requiring technical capacity, laboratories, digital systems, and field logistics.
- k. **Overall Position:** NEMA's bottom-line position is that the Sessional Papers are progressive and may be supported in principle, but should be approved with clear Committee recommendations requiring the responsible State Departments to incorporate binding environmental safeguards, measurable implementation indicators, and compliance linkages with EMCA, the Climate Change Act, and the relevant subsidiary legislation.

3.11 Submission by the Engineers Board of Kenya (EBK)

56. The Engineers Board of Kenya (EBK) is the statutory body established under the Engineers Act, 2011, mandated to register, regulate, and promote the engineering profession in Kenya. EBK's submission focused on the technical, safety, quality assurance, and professional capacity dimensions of the Policy, and was submitted as follows:

- a. **Absence of Mandated Engineering Oversight:** The Policy extensively references infrastructure development (pipelines, storage facilities, refineries, LPG reticulation,

decommissioning) but does not explicitly require that such infrastructure be designed, constructed, inspected, and certified by registered engineers. The Policy lacks provisions on mandatory engagement of registered professional engineers for feasibility studies, detailed design, construction supervision, and commissioning of petroleum facilities; certification of pressure vessels, pipelines, storage tanks, and LPG reticulation systems; and continuing professional development (CPD) for engineers working in the petroleum sector.

- b. **Upstream Petroleum Sub-Sector (Section 3.2):** The Policy provides for exploration, development, and production operations but does not require engineering design verification for drilling platforms, wellheads, flow lines, and processing facilities. Decommissioning (Section 3.8.1) is mentioned, but there is no requirement for decommissioning plans to be prepared or approved by qualified engineers.
- c. **Midstream Petroleum Sub-Sector (Section 3.3):** The Policy promotes development of midstream infrastructure (pipelines, storage, refining) but lacks engineering quality assurance requirements. Third-party access to infrastructure is allowed, but there is no provision for technical audits to ensure infrastructure integrity before access is granted.
- d. **Downstream Petroleum Sub-Sector (Section 3.4):** Infrastructure development for storage, transportation, and distribution is discussed, but no engineering standards for tank farms, dispensing stations, or reticulation systems are referenced. LPG promotion includes reticulation into housing units and commercial entities, but there is no mention of safety standards or engineer certification for gas piping networks.
- e. **Liquefied Petroleum Gas (Section 3.4.4):** The Policy aims to increase LPG uptake and develop bulk storage and filling infrastructure, but does not address the shortage of qualified engineers for LPG facility design, operation, and maintenance. The role of EBK in enforcing engineering standards is absent.
- f. **Decommissioning (Section 3.8.1):** The Policy requires financial assurances and environmentally sustainable decommissioning but does not require engineering sign-off on decommissioning methods.
- g. **Petroleum Data Management (Section 3.8.2):** Data management is addressed, but engineering data such as well logs, pipeline integrity reports, and material certifications are not specifically protected or standardized.
- h. **Health and Safety (Section 3.8.10):** The Policy states that compliance with health and safety laws will be ensured, but does not reference the Engineers Act or EBK's role in engineering safety.

- i. **Environment, Social and Governance (Section 3.8.11):** ESG principles are promoted, but engineering aspects of environmental protection such as leak detection, spill containment, and emissions control are not linked to professional certification.
- j. **Local Content (Section 3.8.7):** The Policy prioritizes local content but does not specify that local engineering firms must be registered with EBK or that local engineers must hold valid practicing licenses.
- k. **Institutional Capacity Development (Section 3.6):** The Policy provides for institutional capacity development but does not mandate CPD for engineers in the petroleum sector.
- l. **Technology and Innovation (Section 3.7):** The Policy encourages adoption of AI, IoT, robotics, and blockchain, but does not address the need for engineering validation of these technologies in safety-critical applications.
- m. **Implementation Matrix (Annex I):** The implementation matrix lists many activities but does not assign EBK any role in quality assurance, engineering certification, or capacity building.

3.1.1.1 Proposed Textual Amendments

57. EBK proposed specific amendment language for insertion into Chapters 3 and 4 of the Policy, covering:
- a. Section 3.2.4 (Exploration, Development, Production): requiring EBK certification and sign-off before commissioning of upstream facilities;
 - b. Section 3.3.1 (Value Addition): requiring triennial engineering integrity audits of midstream infrastructure;
 - c. Section 3.4.3 (Infrastructure Development): requiring annual engineering certification of storage and distribution facilities;
 - d. Section 3.4.4 (LPG): requiring EBK-registered gas engineer supervision of LPG systems with annual safety certification to EPRA and EBK;
 - e. Section 3.8.1 (Decommissioning): requiring engineering certification of structural safety and environmental restoration;
 - f. Section 3.8.7 (Local Content): defining local engineering content as services from EBK-registered firms and individuals, with a minimum 30% sub-contracting requirement for foreign contractors to local EBK-registered firms; and

- g. Section 4.1 (Institutional Framework, Table 5): inserting EBK as a supporting institution responsible for regulation of the engineering profession in petroleum operations, certification of engineers, technical audits, and capacity building.

3.12 Submission by Competition Authority of Kenya (CAK)

- 58. The Competition Authority of Kenya (CAK) is established under the Competition Act, Cap 504, with a mandate to promote and safeguard competition in markets, protect consumers from unfair or misleading market conduct, prohibit restrictive trade practices and regulate mergers. The object of the Act (Section 3) is to enhance the welfare of Kenyans by promoting effective competition and preventing unfair market conduct. CAK appeared before the Committee and submitted as follows:

3.12.1 Overview of the National Petroleum Policy

- 59. CAK described the National Petroleum Policy as a comprehensive government document designed to regulate and transform Kenya's oil and gas sector into a driver of sustainable economic growth, establishing a modernised framework for upstream (exploration), midstream (infrastructure development), and downstream (product distribution) operations, in alignment with the country's Bottom-Up Economic Transformation Agenda. CAK noted that the Policy achieves competition and consumer protection through a combination of regulatory oversight, price controls, quality assurance, and competitive procurement frameworks.

3.12.2 Mechanisms for Achieving Fair Competition Identified in the Policy

- a. **Guiding Principles:** The Policy is premised on national values requiring stakeholders to promote fair competition and ethical business practices.
- b. **Open Tender System (OTS) for Downstream:** The Policy utilises the OTS, a competitive process where monthly imports of petroleum fuels are determined through consultations between the government and oil marketers to meet national demand.
- c. **Competitive Sourcing for LPG:** To lower retail prices and increase uptake, the government uses competitive sourcing of Liquefied Petroleum Gas (LPG).
- d. **Third-Party Infrastructure Access:** The Policy facilitates third-party access to petroleum infrastructure (pipelines, storage) in exchange for fair compensation, preventing monopolies from restricting market entry.

3.12.3 Mechanisms for Ensuring Consumer Protection Identified in the Policy

- a. **Price Regulation:** The government maintains a regulated price regime through the energy and petroleum sector regulator for essential products, including Automotive Gas

Oil (Diesel), Premium Motor Spirit (Super Petrol), and Illuminating Kerosene, to ensure fair pricing and market stability.

- b. **Quality Control and Standards:** To protect consumers from substandard products, the Policy mandates regular spot checks at randomly selected dispensing sites, quality checks at the point of vessel discharge, and strict adherence to statutory quality and standards enforced by EPRA and KEBS.
- c. **Security of Supply:** The Policy aims to protect consumers from supply disruptions by establishing and maintaining strategic petroleum stocks.

3.12.4 Identified Competition Concerns

- a. **High Barriers to Entry:** The petroleum sector is extremely capital intensive, requiring massive upfront capital investments for exploration and infrastructure. These high costs, combined with exploration risks and volatile global prices, can discourage new investors, serving as a barrier to entry and limiting the number of market participants.
- b. **Inadequate Legal Frameworks:** The Policy admits that existing laws and regulations need review to enhance the efficiency of petroleum operations and enable the country to compete effectively with other jurisdictions.

3.12.5 Identified Consumer Protection Concerns

- a. **Cost Management Risks:** There is a concern that the government has difficulty challenging unnecessary, inefficient, or unchecked expenditures by oil contractors due to an inadequate regulatory framework.
- b. **Global Price Shocks:** Because Kenya relies heavily on imports, fluctuations in global crude oil prices contribute directly to an increased cost of living for citizens. As a petroleum-importing country, Kenya is vulnerable to global price volatility.

3.13 Submission by Electricity Consumer Societies of Kenya

60. The Electricity Consumer Societies of Kenya, represented by Amb. Dr. Joshua Gwara presented a Strategic Report on Kenya's Transition to Open Access Electricity together with a Draft ELCOS (Electricity Consumer Societies) Framework. While developed primarily in the context of the electricity sub-sector, the submission specifically identified issues and proposals for direct application to the National Petroleum Policy 2025, as follows:

- a. **Absence of Transparent Pricing Mechanisms:** The National Petroleum Policy lacks provisions ensuring transparent pricing of petroleum products to consumers.
- b. **No Consumer Representation in Petroleum Tariff Reviews:** There is no mechanism for consumer representation in EPRA's petroleum tariff review processes,

leaving consumers without a formal voice in how petroleum product prices are set or adjusted.

- c. **No Ring-Fenced Fund for LPG and Kerosene Affordability Advocacy:** There is no dedicated, ring-fenced fund to support consumer advocacy specifically on the affordability of LPG and kerosene, fuels that are disproportionately relied upon by lower-income households for cooking and lighting.
- d. **Absence of Statutory Protections Against Market Manipulation by Oil Marketing Companies:** There is a gap in statutory protections that would guard against market manipulation practices by oil marketing companies, including the absence of enforcement mechanisms equivalent to anti-collusion and anti-trust powers that could address such conduct in the petroleum retail market.

3.14 Submission by Kenya Bureau of Standards (KEBS)

- 61. The Kenya Bureau of Standards (KEBS) is the national standards body established under the Standards Act, Cap. 496, mandated to formulate, publish, promote, and enforce standards, provide testing, calibration, and certification services, and coordinate conformity assessment for goods and services. KEBS submitted its memorandum in its capacity as the national standards and conformity assessment authority with direct responsibility for petroleum product quality standards, measurement accuracy standards, and standards governance for emerging petroleum technologies.
- 62. KEBS commended the Government for developing a comprehensive National Petroleum Policy covering the upstream, midstream and downstream petroleum sectors. However, KEBS identified several critical gaps requiring policy strengthening and submitted as follows:

3.14.1 Key Cross-Cutting Observations

- a. Absence of robust provisions on artificial intelligence, digital technology, cybersecurity, data governance, and digital transformation in the petroleum sector;
- b. Lack of data sovereignty protections, cybersecurity standards, and a national petroleum data repository;
- c. Absence of quantified climate commitments, gas flaring reduction targets, carbon capture provisions, and just transition measures;
- d. Weak local content provisions lacking mandatory thresholds for employment, procurement, equity participation, and technology transfer;
- e. Lack of regional integration provisions under AfCFTA, the Africa Energy Transition Framework and related regional petroleum trade frameworks;

- f. Insufficient safeguards on regulatory independence and governance;
- g. Absence of Extractive Industries Transparency Initiative (EITI) commitments, beneficial ownership disclosure requirements, and sovereign wealth fund provisions; and
- h. Limited recognition of KEBS' statutory role in petroleum product quality assurance, measurement standards, and conformity assessment.

3.14.2 Specific Policy Recommendations

a. Technology, Innovation and Data Governance

- i. Introduce mandatory adoption of digital technologies, artificial intelligence, digital twins, predictive maintenance systems, and Industrial 4.0 standards in petroleum operations;
- ii. Establish a National Petroleum Data Repository and provide legal protections for petroleum sector data sovereignty;
- iii. Introduce cybersecurity obligations for critical petroleum infrastructure aligned with international standards; and
- iv. Promote petroleum sector digital skills development and establish a national petroleum digital technology centre of excellence.

b. Energy Transition and Climate Alignment

- i. Adopt a Zero Routine Flaring policy and establish measurable flaring reduction targets;
- ii. Develop a Carbon Capture, Utilisation and Storage (CCUS) framework;
- iii. Align petroleum sector emissions management with Kenya's Nationally Determined Contributions (NDCs); and
- iv. Establish a petroleum sector Just Transition Framework to support affected workers and communities.

c. Local Content and Industrialisation

- i. Introduce mandatory local content thresholds for employment, procurement, and equity participation;
- ii. Require technology transfer agreements for petroleum operators; and

- iii. Strengthen linkages between the petroleum sector and the Bottom-Up Economic Transformation Agenda (BETA), including support for SMEs and local enterprises.

d. Regulatory and Institutional Framework

- i. Strengthen the operational and financial independence of EPRA;
- ii. Introduce mandatory beneficial ownership disclosure requirements; and
- iii. Formally recognise KEBS as the standards development authority for petroleum product quality, custody transfer measurement standards and conformity assessment systems.

e. Fiscal Regime and Revenue Management

- i. Commit Kenya to accession to the Extractive Industries Transparency Initiative (EITI);
- ii. Establish a Petroleum Revenue Sovereign Wealth Fund; and
- iii. Review Production Sharing Contracts and introduce provisions on windfall profits and revenue accountability.

3.15 submissions by the Petroleum Institute of East Africa (PIEA)

- 63. The Petroleum Institute of East Africa (PIEA), a professional association representing stakeholders across the petroleum and energy value chain in East Africa, submitted comments on the Draft National Petroleum Policy, 2025. PIEA acknowledged that several recommendations previously submitted by the petroleum industry had been incorporated into the Draft Policy, particularly regarding energy transition, local content, and stakeholder participation. However, the Institute proposed further enhancements to strengthen the Policy and support sustainable development of the petroleum sector.
- 64. PIEA noted that the Draft National Petroleum Policy now expressly recognizes energy transition as a policy objective and includes provisions on energy transition and climate change, industrial energy transition, just energy transition, and carbon markets and carbon financing. While welcoming these provisions, PIEA recommended that petroleum products continue to be recognized as an important component of Kenya's transitional energy mix. The Institute emphasized that Liquefied Petroleum Gas (LPG) remains a critical transition fuel, particularly in advancing the clean cooking agenda, while lubricants remain essential across both renewable and conventional energy systems. PIEA further recommended that energy transition pathways be anchored on energy security, affordability, accessibility, and reliability, and that implementation remain technology-neutral and market-driven.

65. The Institute further welcomed the Policy's recognition of local manufacturing and support for clean cooking solutions. However, PIEA observed that the Draft Policy primarily focuses on LPG, biofuels, clean cooking technologies, and energy technologies while giving limited attention to downstream petroleum manufacturing opportunities. The Institute therefore recommended explicit recognition and support for manufacturing of lubricants, greases, coolants, LPG cylinders and accessories, autogas technologies, electric vehicle charging infrastructure integrated within existing petroleum retail stations, and biofuel feedstock value chains. According to PIEA, these sectors present significant industrialization and local content opportunities that should be reflected in the Policy.
66. PIEA also observed that although the implementation framework recognizes the role of the private sector, civil society, and community participation, it does not explicitly identify professional industry associations as implementation partners. The Institute recommended formal recognition of organizations such as PIEA, the Petroleum Outlets Association of Kenya (POAK), and other professional industry bodies within implementation structures, technical committees, and stakeholder engagement mechanisms to strengthen industry participation in implementation of the Policy.
67. With regard to LPG uptake, PIEA noted that the Draft Policy had improved by recognizing multiple barriers to LPG adoption, including inadequate bulk LPG facilities, price volatility, legal and regulatory challenges, and distribution infrastructure constraints. However, the Institute argued that additional factors such as public awareness and education, safety perceptions, supply reliability, accessibility, and last-mile distribution challenges should be expressly recognized and addressed. The Institute recommended that policy interventions be aligned with findings from existing government and industry LPG adoption studies.
68. PIEA further submitted additional recommendations on energy security, emphasizing the need for implementation of Strategic Petroleum Reserves (SPR) through an appropriate regulatory framework and optimization of existing storage infrastructure. The Institute called for recognition of petroleum supply security, storage infrastructure, strategic stockholding, and downstream logistics as integral components of national energy security planning. It also recommended leveraging existing petroleum retail and distribution infrastructure to support deployment of emerging energy technologies, including electric vehicle charging facilities, autogas systems, biofuels, and future alternative fuels. Additionally, PIEA advocated for enhanced collaboration between Government and industry to facilitate secure and timely sharing of petroleum sector data for planning, emergency response, and policy formulation.
69. On environmental, social and governance matters, PIEA observed that the Policy contains provisions on occupational health and safety, workplace safety, risk management, OSHA compliance, and safety awareness. The Institute nonetheless recommended broader adoption of Environmental, Social and Governance (ESG) principles across the petroleum and energy sectors as a framework for sustainable development. PIEA also emphasized the importance of continuous capacity building and training to strengthen compliance with legal, regulatory, health, safety, and environmental requirements and to promote a strong safety culture across petroleum operations.

70. Overall, PIEA supported the Draft National Petroleum Policy and acknowledged that many of the petroleum industry's earlier recommendations had been incorporated. The Institute, however, urged the Committee to strengthen provisions relating to energy transition, energy security, local manufacturing, industry participation, LPG uptake, ESG integration, and capacity building to ensure a resilient, competitive, and sustainable petroleum sector.

CHAPTER FOUR

4.0 COMMITTEE OBSERVATIONS

The Committee, having considered the Sessional Paper No. 4 of 2026 on the National Petroleum Policy, makes the following observations:

1. That, the Policy provides a long-overdue standalone framework for the petroleum sector and fulfils the requirements of Section 5(1) of the Petroleum Act (Cap. 308) of 2019. However, its successful implementation will depend on adequate financing, clearly defined institutional responsibilities, effective inter-agency coordination, and a robust monitoring and evaluation framework to ensure that its strategic objectives are realized.
2. That, while the Policy estimates its implementation cost at Kshs. 68.292 billion, it does not provide a detailed financing strategy, clearly identify funding sources, establish implementation priorities, or outline phased resource requirements. This may undermine effective implementation and the attainment of the Policy's objectives.
3. That, the Policy does not adequately provide for transparency, accountability, and public disclosure mechanisms in petroleum governance, including regular publication of petroleum contracts, revenues, beneficial ownership, and sector performance. Further, it does not expressly commit Kenya to the Extractive Industries Transparency Initiative (EITI), contrary to emerging international best practice in the governance of extractive resources.
4. That, the Policy's provisions on management of revenues from petroleum operations (Section 4.4.1) are not sufficiently developed to support stabilization of resource revenues and intergenerational wealth creation, and do not reference the Sovereign Wealth Fund Bill, 2026, which was published on 9th March 2026, read a First Time on 11th March 2026, and committed to the Departmental Committee on Finance and National Planning. The Sovereign Wealth Fund Bill, 2026, proposes a tripartite Fund comprising a Stabilization Component, an Infrastructure and Development Component, and a Future Generations Component, into which proceeds from petroleum and other non-renewable resources would be channelled.
5. That, there is need to reinforce separation of policy, regulatory and commercial functions in the petroleum sector in line with best practice, and recommends that regulatory functions remain vested in the Energy and Petroleum Regulatory Authority (EPRA) under the Petroleum Act, (Cap. 308) of 2019 and the Energy Act, (Cap. 314) of 2019, with the Ministry retaining responsibility for policy formulation and the National Oil Corporation of Kenya (NOCK) retaining the State's commercial interests. The Committee confirmed, upon review, that Section 10(d) of the Energy Act (Cap. 314) of 2019, expressly assigns EPRA the function to collect, maintain, and manage upstream petroleum data; the Policy's assignment of this function to the Ministry of Energy and Petroleum is therefore inconsistent with the law.
6. That, the Policy's local content provisions remain largely aspirational and do not provide measurable targets, implementation timelines, monitoring indicators, or enforcement

mechanisms necessary to promote meaningful participation of Kenyan enterprises, professionals, women, youth, and host communities throughout the petroleum value chain.

7. That, lessons from the Early Oil Pilot Scheme (EOPS) in Turkana demonstrate persistent challenges relating to local employment, enterprise development, community participation, and equitable benefit sharing, which are not adequately addressed in the Policy.
8. That, although the Policy recognizes environmental protection as a key objective, it does not sufficiently address critical environmental risks associated with petroleum operations, including hazardous waste management, oil spill prevention and response, decommissioning obligations, biodiversity conservation, and climate change mitigation and adaptation.
9. That, the Policy does not adequately integrate existing environmental governance frameworks established under national legislation, including environmental impact assessments, environmental audits, environmental restoration and deposit bonds, nor does it clearly anchor the statutory role of the National Environment Management Authority (NEMA) in environmental regulation and oversight of petroleum activities.
10. That, the Policy does not adequately respond to emerging technological developments shaping the global petroleum industry, including digital transformation, automation, petroleum data management systems, cybersecurity, and innovation, thereby limiting its relevance in an increasingly technology-driven sector.
11. That, the institutional framework provided in the Policy does not comprehensively recognize or coordinate the mandates of all relevant State agencies responsible for environmental management, engineering regulation, water resources, standards, occupational safety, and other complementary functions, thereby creating the risk of institutional overlaps and implementation gaps.
12. That, despite the strategic importance of petroleum data, the Policy does not establish a comprehensive petroleum data governance framework addressing data ownership, custody, sovereignty, cybersecurity, information sharing protocols, and the establishment of a secure national petroleum data repository.
13. That, the Policy gives limited attention to engineering standards, professional oversight, technical assurance, and regulatory compliance in the design, construction, operation, maintenance, and decommissioning of petroleum infrastructure, which are critical for ensuring operational safety and integrity.
14. That, the Policy does not explicitly mainstream Gender Equality, Disability and Social Inclusion (GEDSI) principles across the petroleum value chain, thereby limiting opportunities for equitable participation and benefit-sharing by women, youth, persons with disabilities, and other marginalized groups.

15. That, Kenya remains highly dependent on imported petroleum products, exposing the country to global price volatility, foreign exchange risks, and supply chain disruptions. Further, as Kenya prepares to transition into an oil-producing and exporting country, the Policy does not provide a sufficiently comprehensive strategic framework for the development of petroleum refining and value-addition infrastructure and strategic petroleum reserves necessary to enhance energy security, maximize value from the country's petroleum resources, and strengthen Kenya's position as a regional petroleum hub.
16. That, the Policy does not sufficiently strengthen consumer protection measures relating to pricing transparency, fair market competition, quality assurance, and safeguards against anti-competitive practices, thereby limiting protection of consumers and confidence in the petroleum market.

CHAPTER FIVE

5.0 COMMITTEE RECOMMENDATIONS

From the above observations, the Committee recommends, **THAT:**

1. The House **adopts** this Report on the Sessional Paper No. 4 of 2026 on the National Petroleum Policy.
2. Following the adoption of this Policy, all proposed legislation on oil and gas matters should be guided by the provisions of the Policy.
3. **FURTHER**, the House **RESOLVES** that the Cabinet Secretary for Energy and Petroleum, the Energy and Petroleum Regulatory Authority (EPRA), the National Environment Management Authority (NEMA), and other relevant State agencies implement the following directives, and that the Cabinet Secretary for Energy and Petroleum reports to the Committee on progress made within twelve (12) months of the adoption of this Report—
 - a) **Implementation framework:** The Cabinet Secretary for Energy and Petroleum shall, within six (6) months of the adoption of this Report, develop and submit to the Committee a comprehensive implementation plan for the National Petroleum Policy comprising clear timelines, measurable performance indicators, prioritized interventions, institutional responsibilities, resource requirements, and a monitoring and evaluation framework.
 - b) **Financing strategy:** The Cabinet Secretary for Energy and Petroleum, in consultation with the National Treasury and Economic Planning, shall develop a financing and resource mobilization strategy to support phased implementation of the National Petroleum Policy, including identification of funding sources, financing priorities, and annual budgetary requirements within six (6) months of the adoption of this Report.
 - c) **Transparency and accountability:** The Cabinet Secretary for Energy and Petroleum shall, within twelve (12) months of the adoption of this Report, operationalize the Transparency and Accountability Framework established under Section 119 of the Petroleum Act, 2019, and submit to the Committee a position paper on Kenya's accession to the Extractive Industries Transparency Initiative (EITI), including disclosure of petroleum contracts, revenues and beneficial ownership within six (6) months of the adoption of this Report.
 - d) **Petroleum revenue management and the Sovereign Wealth Fund:** The Cabinet Secretary for Energy and Petroleum, in liaison with the Cabinet Secretary for the National Treasury and Economic Planning, shall align the Policy's revenue management framework with the Sovereign Wealth Fund Bill, 2026, once enacted, and ensure that petroleum

revenues directed to the Stabilization, Infrastructure and Development, and Future Generations components are first paid into the Consolidated Fund and appropriated by Parliament in accordance with Article 206 of the Constitution. The framework shall further promote macroeconomic stability, intergenerational equity, and sound resource governance to safeguard the country against the adverse economic and governance challenges commonly associated with oil-rich economies within twelve (12) months of the adoption of this Report.

- e) **Institutional separation and petroleum data management:** The Cabinet Secretary for Energy and Petroleum shall, within six (6) months of the adoption of this Report, revise the Policy to vest upstream petroleum data custody, management, and oversight in EPRA in conformity with Section 10(d) of the Energy Act, 2019. In addition, the Energy and Petroleum Regulatory Authority shall be responsible for exercising regulatory functions assigned under the Petroleum Act, (Cap. 308) of 2019 and the Energy Act, (Cap. 314) of 2019, the State Department of Petroleum shall be responsible for exercising the role of policy formulation and the National Oil Corporation of Kenya shall be responsible for exercising the role of managing the commercial interests of the petroleum sector, within twelve (12) months of the adoption of this Report.
- f) **Strengthening local content implementation frameworks.** The Cabinet Secretary for Energy and Petroleum, in collaboration with EPRA, shall strengthen local content implementation frameworks to ensure meaningful community participation and equitable benefit sharing in petroleum projects and strengthen provisions on host community engagement and protection of community rights throughout the petroleum project lifecycle, within twelve (12) months of the adoption of this Report.
- g) **Host community participation:** The Cabinet Secretary for Energy and Petroleum shall strengthen the implementation framework on host community participation and benefit-sharing by incorporating lessons learnt from the Early Oil Pilot Scheme (EOPS), including enhanced local employment, enterprise development, community engagement, and protection of community rights throughout the petroleum project lifecycle within twelve (12) months of the adoption of this Report.
- h) **Environmental safeguards:** The Cabinet Secretary for Energy and Petroleum, in collaboration with NEMA, shall revise the Policy to incorporate binding environmental safeguards on hazardous waste management, oil spill preparedness and contingency planning, decommissioning and post-decommissioning restoration, environmental deposit bonds under the Environmental Management and Co-ordination Act, 1999, biodiversity protection, and climate change mitigation and adaptation measures within twelve (12) months of the adoption of this Report.

- i) **Role of NEMA:** The implementation matrix of the Policy shall be revised to explicitly designate NEMA as the principal environmental regulator and mandatory coordinating agency at the planning, licensing, implementation, audit, compliance monitoring, incident response, and decommissioning stages of petroleum operations within six (6) months of the adoption of this Report.
- j) **Digital infrastructure and petroleum data governance:** The Cabinet Secretary for Energy and Petroleum, in liaison with EPRA, shall, within twelve (12) months of the adoption of this Report, develop a petroleum data governance framework, including a national petroleum data repository, data sovereignty protections and cybersecurity standards for critical petroleum infrastructure, in conformity with EPRA's mandate under Section 10(d) of the Energy Act, 2019 within six (6) months of the adoption of this Report.
- k) **Inter-agency coordination:** The Policy's institutional and implementation framework shall be revised to explicitly incorporate all relevant State agencies with statutory mandates touching on the petroleum sector, including NEMA, the Directorate of Occupational Safety and Health Services, the Energy and Petroleum Tribunal, the National Land Commission, the State Department for Climate Change and Forestry, and relevant civil society and community-based organizations within six (6) months of the adoption of this Report.
- l) **Engineering standards and professional oversight:** The Cabinet Secretary for Energy and Petroleum, in collaboration with relevant professional regulatory bodies, shall strengthen engineering standards, technical compliance, professional certification, and oversight mechanisms applicable to petroleum infrastructure development, operation, maintenance, and decommissioning within six (6) months of the adoption of this Report.
- m) **Gender Equality, Disability and Social Inclusion (GEDSI):** The Cabinet Secretary for Energy and Petroleum shall mainstream Gender Equality, Disability and Social Inclusion (GEDSI) considerations throughout the petroleum value chain, including participation, employment, procurement, skills development, and equitable benefit-sharing for women, youth, persons with disabilities, and marginalized communities within twelve (12) months of the adoption of this Report.
- n) **Energy security, petroleum infrastructure, and value addition:** The Cabinet Secretary for Energy and Petroleum shall, within twelve (12) months of the adoption of this Report, revise the Policy to incorporate a comprehensive framework for Kenya's transition into an oil-producing and exporting country. The revised Policy shall provide for the development of petroleum refining and value-addition infrastructure and strategic petroleum reserves. The Cabinet Secretary shall further submit to the Committee a time-bound implementation framework outlining the policy, regulatory, and investment

measures required to operationalize these strategic interventions within six (6) months of the adoption of this Report.

- o) **Consumer protection and market regulation:** The Cabinet Secretary for Energy and Petroleum, in collaboration with EPRA and the Competition Authority of Kenya, shall strengthen consumer protection measures by enhancing pricing transparency, promoting fair market competition, preventing anti-competitive practices, and strengthening regulatory oversight of petroleum markets within twelve (12) months of the adoption of this Report.

SIGNED

DATE

THE HON. DAVID GIKARIA, CBS, M.P.

CHAIRPERSON,

DEPARTMENTAL COMMITTEE ON ENERGY

	
THE NATIONAL ASSEMBLY PAPERS LAID	
DATE: 02 JUN 2026	DAY: Thursday
TABLED BY:	Chairperson DC Energy
CLERK-AT-THE-TABLE:	Halima Ahmed

LIST OF ANNEXTURES

1. Annexure 1 : Adoption Schedule of the Report
2. Annexure 2 : Minutes of the Committee Sitzings
3. Annexure 3 : Copy of the Newspaper Advertisement
4. Annexure 4 : Submissions from stakeholders



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REPUBLIC OF KENYA
THE NATIONAL ASSEMBLY

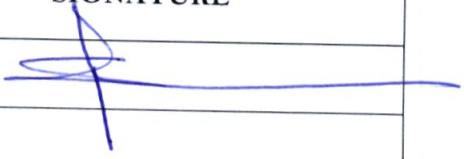
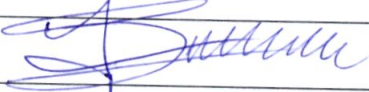
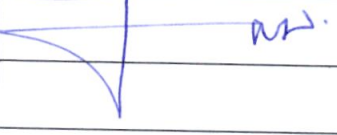
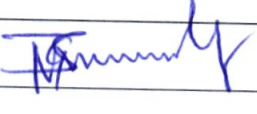
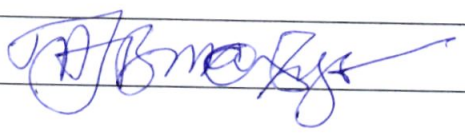
THIRTEENTH PARLIAMENT – FIFTH SESSION, 2026

DIRECTORATE OF DEPARTMENTAL COMMITTEES

DEPARTMENTAL COMMITTEE ON ENERGY

ADOPTION OF THE REPORT ON CONSIDERATION OF THE SESSIONAL PAPER NO. 4 OF 2026 ON THE NATIONAL PETROLEUM POLICY

We, the undersigned Honorable Members of the Departmental Committee on Energy today 30/06/2026, do hereby affix our signatures to this **Report on the Consideration of the Sessional Paper No. 4 of 2026 on the National Petroleum Policy** to affirm our approval and confirm their accuracy, validity, and authenticity.

NO.	NAME	SIGNATURE
1.	The Hon. David Gikaria, CBS, M.P -Chairperson	
2.	The Hon. Lemanken Aramat, CBS, M.P – Vice-Chairperson	
3.	The Hon. Samuel Gonzi Rai, M.P.	
4.	The Hon. Charles Gimose, M.P.	
5.	The Hon. Julius Musili Mawathe, M.P.	
6.	The Hon. Walter Owino, M.P.	
7.	The Hon. Elisha Odhiambo, M.P.	
8.	The Hon. Tom Mboya Odege, M.P.	
9.	The Hon. Simon King'ara, M.P.	
10.	The Hon. George Omwera Aladwa, M.P.	
11.	The Hon. Victor Koech Kipngetich, M.P.	
12.	The Hon. Geoffrey Ekesa Mulanya, M.P.	
13.	The Hon. Cecilia Asinyen Ngikit, M.P.	
14.	The Hon. Barongo Nolfason Obadiah, M.P.	
15.	The Hon. Siyad Amina Udgoon, MP	



**THE NATIONAL ASSEMBLY
THIRTEENTH PARLIAMENT – FIFTH SESSION, 2026
DIRECTORATE OF DEPARTMENTAL COMMITTEES**

**MINUTES OF THE 11TH SITTING OF THE DEPARTMENTAL COMMITTEE ON ENERGY
HELD ON WEDNESDAY, 6TH MAY, 2026 IN THE 5TH FLOOR BOARDROOM,
CONTINENTAL HOUSE AT 10.00 A.M.**

PRESENT

- | | |
|---|--------------------|
| 1. The Hon. David Gikaria, CBS, MP | - Chairperson |
| 2. The Hon. Lemanken Aramat, CBS, MP | - Vice-Chairperson |
| 3. The Hon. Samuel Gonzi Rai, MGH, M.P. | |
| 4. The Hon. Charles Gimose, M.P. | |
| 5. The Hon. Julius Musili Mawathe, M.P. | |
| 6. The Hon. Walter Owino, M.P. | |
| 7. The Hon. Tom Mboya Odege, M.P. | |
| 8. The Hon. Victor Koech Kipngetich, M.P. | |
| 9. The Hon. Geoffrey Ekesa Mulanya, M.P. | |
| 10. The Hon. Cecilia Asinyen Ngiti, M.P. | |
| 11. The Hon. Barongo Nolfason Obadiah, M.P. | |

ABSENT WITH APOLOGY

1. The Hon. Elisha Odhiambo, M.P.
2. The Hon. Simon King'ara, CBS, M.P.
3. The Hon. George Omwera Aladwa, M.P.
4. The Hon. Siyad Amina Udgoon, MP

IN-ATTENDANCE

COMMITTEE SECRETARIAT

- | | |
|------------------------|------------------------|
| 1. Mr. Fredrick Otieno | - Clerk Assistant I |
| 2. Ms. Grace Wahu | - Clerk Assistant II |
| 3. Ms. Brigitta Mati | - Senior Legal Counsel |
| 4. Mr. Collins Mahamba | - Audio Officer |
| 5. Ms. Mariana Nyagol | - Intern |
| 6. Ms. Lena Wawira | - Hansard Reporter |
| 7. Mr. Anthony Wamae | - Serjeant At-Arm |

AGENDA

1. Preliminaries and adoption of the agenda
2. Confirmation of Minutes of previous Sitzings
3. **Policy, Legal and Fiscal briefings on the following Sessional Papers:**
 - a. **Sessional Paper No. 4 of 2026 on the National Petroleum Policy; and**
 - b. **Sessional Paper No. 5 of 2026 on the National Energy Policy 2025.**
4. Any other Business
5. Adjournment.

MIN./NO./DC-ENERGY/2026/057: PRELIMINARIES & ADOPTION OF AGENDA

The Chairperson, Hon. David Gikaria, CBS, MP called the meeting to order at 10.26 am and said a prayer. The agenda of the meeting was adopted having been proposed by Hon. Victor Koech, MP and seconded by Hon. Simon King'ara, MP.

MIN./NO./DC-ENERGY/2026/058: CONFIRMATION OF MINUTES OF THE PREVIOUS SITTINGS

The confirmation of Minutes was deferred to a later date.

MIN./NO./DC-ENERGY/2026/059: POLICY AND LEGAL BRIEFINGS ON SESSIONAL PAPER NO. 4 OF 2026 ON THE NATIONAL PETROLEUM POLICY AND SESSIONAL PAPER NO. 5 OF 2026 ON THE NATIONAL ENERGY POLICY 2025

PART ONE: POLICY BRIEFING

The Research Officer briefed the Committee as follows:

A. Sessional Paper No. 4 of 2026 on the National Petroleum Policy:

The National Petroleum Policy (2026) marks a pivotal shift in Kenya's energy landscape. Developed under **Executive Order No. 1 of 2025**, it replaces the outdated 2004 framework.

- i. **The Catalyst:** The 2012 discovery of commercial crude in the **Tertiary Rift Basin** necessitated a move from a consumption-based policy to a production-oriented one.
- ii. **Strategic Goal:** To manage petroleum resources sustainably to support the **Bottom-Up Economic Transformation Agenda (BETA)** and ensure national energy security.

On Policy Objectives & Guiding Principles

The policy is built upon five strategic pillars and seven core principles to ensure equitable and transparent resource management and they include: -

- a) **Governance:** Strengthening legal and regulatory structures.
- b) **Production:** Promoting sustainable exploration and local value addition.
- c) **Infrastructure:** Expanding storage, transport, and LPG uptake.
- d) **Sustainability:** Prioritizing biodiversity and environmental protection.
- e) **Innovation:** Facilitating technology transfer and capacity building.

Key aspects of the 2026 Sessional Paper on oil include:

- a) **Commercialization and Investment:** The policy focuses on accelerating the development of discovered oil and gas reserves by creating a conducive environment to attract investors, particularly for projects in the upstream and midstream sectors.
- b) **Regulatory Framework:** The paper establishes the legal framework for petroleum operations, addressing challenges in the sector and promoting sustainable development in line with Kenya Vision 2030.

- c) **Local Content Development:** It aims to ensure that the development of oil resources benefits local communities and businesses through "local content" provisions, promoting employment and creating economic opportunities at the grassroots level.
- d) **Integration with Economic Goals:** The policy aligns with the Government's Bottom-Up Economic Transformation Agenda (BETA), recognizing the oil sector's role in the national economy.
- e) **Public Participation:** The National Assembly has initiated public participation, inviting submissions on the policy to ensure stakeholders are involved in shaping the future of Kenya's oil and gas sector

On the Situational Analysis

Kenya's petroleum value chain is categorized into three distinct sub-sectors:

a) Upstream (Exploration & Production)

Kenya manages four major sedimentary basins: **Lamu, Mandera, Anza, and the Tertiary Rift.**

- i. **Discovery Status:** 95 wells drilled, 42 discoveries made. The **Ngamia-I Well (2012)** remains the flagship commercial find.
- ii. **Data Gaps:** Of 50 blocks, only 5 are actively licensed. 22 blocks lack adequate geoscientific data, hindering investor interest.
- iii. **Roadmap:** A 25-year **Field Development Plan (FDP)** is being finalized for the South Lokichar development zone.

b) Midstream (Processing & Transport)

This sector has been largely dormant since the **Kenya Petroleum Refineries Limited (KPRL)** ceased refining in 2013

- i) **Priority:** The **824 km Lokichar-Lamu Crude Oil Pipeline (LLCOP)** is the "trigger" for commercialization.
- ii) **Status:** Currently in the planning stage; financing and environmental safeguards remain the primary bottlenecks.

c) Downstream (Marketing & Distribution)

- i) **Import Status:** 100% dependency on refined imports (~5.9M metric tonnes annually).
- ii) **Infrastructure:** KPC manages a 1,342 km pipeline network. However, the **Mombasa Port depth (13.75m)** limits large tankers, which require 16m.
- iii) **LPG Targets:** The government aims to increase LPG penetration from 24% (2019) to **70% by 2028.**

On Government Commitments & Thematic Areas

The government has outlined specific commitments to address current sector gaps:

- a) **Legal Reforms:** Amending the Petroleum Act and the Petroleum Development Fund Act.
- b) **Resource Ownership:** Affirming that all petroleum is held by the National Government in trust for the people (Articles 62/69).
- c) **Natural Gas:** Prioritizing gas as a "bridge fuel" for industrial use and fertilizer production.

- d) **Cost Management:** Implementing strict audits on "recoverable costs" to ensure the government receives its fair share of "profit oil."

On Institutional & Governance Framework

Implementation follows a multi-sectoral approach with clearly defined roles:

<u>Institution</u>	<u>Primary Responsibility</u>
a) Ministry of Petroleum	Policy direction and strategic stocks.
b) EPRA	Technical and economic regulation; licensing.
c) KPC	Storage, transportation, and infrastructure.
d) NOCK	Government commercial interests and retail.
e) NEMA	Environmental law enforcement.
f) KRA	Revenue and tax collection.

On Resource Mobilization

Funding will be sourced through:

- a) National Treasury budgetary allocations.
- b) **Public-Private Partnerships (PPPs)** for capital-intensive infrastructure.
- c) Revenue from geoscientific data licensing.
- d) Development partner support (e.g., World Bank)

On Contemporary Challenges & Outlook

The policy acknowledges several "real-world" pressures that may impact success:

- a) **The Monetization Window:** With global oil demand projected to plateau by 2030, Kenya faces a narrow window to export its reserves before a structural decline in prices.
- b) **Regional Competition:** Neighbors like Uganda (EACOP pipeline) and Tanzania (Port expansions) are moving faster, potentially putting Kenya at a competitive disadvantage.
- c) **The Just Transition:** As a signatory to the **Paris Agreement**, Kenya must balance petroleum development with decarbonization and ESG (Environmental, Social, and Governance) standards to remain attractive to modern investors.
- d) The policy is silent on G-G procurement option in petroleum
- e) The policy still views KPC as 100% government owned

On Monitoring & Evaluation: The policy will undergo a comprehensive evaluation every **five years**, with bi-annual progress reports managed by a Multi-Agency M&E Committee.

B. Sessional Paper No. 5 of 2026 on the National Energy Policy 2025

On The Vision

- I. The National Energy Policy 2025 is a landmark framework designed to provide **reliable, affordable, and sustainable energy**. It serves as the primary engine for Kenya's **Bottom-Up Economic Transformation Agenda (BETA)** and **Vision 2030**.

2. The policy seeks to balance aggressive industrial growth with a **just energy transition**, ensuring that no Kenyan is left behind as the nation moves toward a greener economy.

On the Historical Context & Current Status

3. Kenya enters 2026 as a global leader in renewable energy. Key achievements include:
 - a. **Geothermal Leadership:** Ranking 6th globally with 985 MW installed capacity.
 - b. **Renewable Energy Mix:** 82% of total installed capacity is derived from green sources (geothermal, hydro, wind, and solar).
 - c. **Access Milestones:** Electricity access reached 75% by 2025

On the Core Challenge

4. Despite these gains, significant disparities remain:
 - a) **Rural Gap:** 25% of Kenyans still lack electricity.
 - b) **Clean Cooking Crisis:** Over 65% of households rely on traditional biomass (firewood/charcoal), leading to 26,000 annual deaths due to household air pollution.
 - c) **Economic Barriers:** High infrastructure costs and aged networks continue to hamper industrial competitiveness.

On the Strategic Objectives & Situational Analysis

5. The policy's primary mandate is to facilitate a **competitive and sustainable energy sector** that supports national development and climate resilience.
6. The Specific Policy Objectives
 - a) **Universal Access:** 100% electricity and clean cooking access by 2030.
 - b) **Resource Optimization:** Developing indigenous renewable energy (Geothermal potential of 10,000 MW; Hydro potential of 6,000 MW).
 - c) **Modernization:** Optimizing aging transmission and distribution infrastructure.
 - d) **Efficiency:** Doubling the rate of energy efficiency improvements by 2030.
 - e) **Funding:** Mobilizing diverse financing streams, including the **Consolidated Energy Fund**.

On the Current Energy Landscape

7. As of June 2025, the energy landscape in Kenya is as follows;
 - a) **Total Capacity:** 3,081 MW.
 - b) **Peak Demand:** 2,316 MW.
 - c) **Generation Mix:** Geothermal (30%), Hydro (25.6%), Wind (13.3%), Solar (6.5%), and Thermal/Off-grid (remaining %).
 - d) **Infrastructure:** A transmission network spanning 9,719 km and a distribution network of over 322,000 km.

On the Strategic Pillars for Implementation

- a. **Electricity Access & Reliability**

The government commits to a **Least Cost Electrification Strategy**. Key actions include:

- a) Finalizing mini-grid and off-grid regulatory frameworks.
- b) Implementing **Smart Grid** technologies to improve reliability and reduce system losses.
- c) Adopting innovative connection pricing and "lifeline" tariffs for low-income earners.

b. Renewable Energy & Grid Integration

The following areas are of concern;

- a) **Geothermal**: Accelerating steam supply and direct-use applications.
- b) **Variable Renewable Energy (VRE)**: Operationalizing the **Renewable Energy Auction Policy** to integrate more wind and solar while managing grid stability.
- c) **Nuclear Power**: Preparing the legal framework and owner/operator entities for future nuclear integration via **NuPEA**.

c. Transmission & Distribution Reform

A major structural shift is planned:

- a) **Asset Transfer**: Moving KPLC transmission assets to **KETRACO**.
- b) **Open Access**: Introducing regulations to allow multiple players to use the transmission and distribution networks, fostering a competitive retail market.

On Clean Cooking, Bioenergy, and Emerging Tech

The policy targets 100% clean cooking by 2030 through:

- a) **LPG Expansion**: Infrastructure for bulk imports and subsidies for low-income households.
- b) **eCooking**: Developing a dedicated **eCooking tariff** and fiscal incentives for appliances.
- c) **Institutional Transition**: Mandating public institutions to move from firewood to LPG/Electric cooking.

On Emerging Technologies & Decarbonization

Kenya is positioning itself for the "Economy of the Future":

- a) **Green Hydrogen**: Utilizing the **Green Hydrogen Strategy 2023** to explore export and domestic industrial use.
- b) **Energy Storage (ESS)**: Implementing a **200 MWh Battery Energy Storage System (BESS)** pilot to manage intermittent wind and solar energy.
- c) **E-Mobility**: Aiming to create 220 MW of new demand from electric vehicles within five years.
- d) **Carbon Markets**: Leveraging the Climate Change Regulations 2024 to fund green projects.

Critical Minerals

The policy highlights the development of **Critical Energy Minerals** (copper, lithium, nickel, etc.) essential for global battery and renewable technology value chains.

On Governance, Financing, and Institutional Roles

Institutional Framework

Institution	Primary Responsibility
Ministry of Energy	Policy direction and Integrated National Energy Planning (INEP).
EPRA	Economic and technical regulation; tariff setting and licensing.
KenGen / GDC	Generation and geothermal resource de-risking.
KETRACO / KPLC	Transmission, distribution, and retail operations.
REREC	Rural electrification and renewable energy promotion.
County Govts	Devolved energy planning and local permitting.

On the Financial Strategy

To overcome the massive funding gap, the policy focuses on:

- Consolidated Energy Fund:** Streamlining government and donor funding.
- Green Financing:** Issuing green bonds and accessing international climate funds.
- Private-Public Partnerships (PPPs):** Encouraging private investment in generation and transmission.

On Monitoring & Evaluation

A five-year evaluation cycle is established, coordinated by a **Multi-Agency M&E Committee**, to ensure targets are met and risks are mitigated in real-time.

On Critical Analysis & Identified Gaps

While ambitious, the policy faces several "Implementation Risks":

- Financing Architecture:** The clean cooking target lacks a specified funding quantum and a clear cross-subsidy strategy.
- Market Transition Risks:** Shifting away from the "single off-taker" (KPLC) model poses risks to existing Power Purchase Agreements (PPAs) architecture and denominated in foreign currency.
- ESS Framework:** Beyond the 200 MWh pilot, there is no clear commercial framework for private sector participation in energy storage.
- Devolution Deficit:** County governments lack the technical capacity and dedicated funding to perform their mandated energy functions.
- Policy Coherence:** There is a need for tighter alignment between this policy and the **National Petroleum Policy** regarding natural gas and decarbonization timelines.
- High cost of energy-** the policy is not explicit on how electricity is poised to be cheaper amidst multiple levies and taxes

On the Role of Parliament

The success of the 2026 Policy depends heavily on the Legislature:

- Legislation:** Fast-tracking formulation of the regulations.
- Oversight:** Rigorous tracking of 2030 targets and budget appropriations.
- Funding:** Ensuring the **Consolidated Energy Fund** is adequately capitalized.

6.0 Conclusion

8. Sessional Paper No. 5 of 2026 provides a visionary blueprint for Kenya’s energy future. By prioritizing clean energy, universal access, and market competition, it seeks to cement Kenya's status as a green industrial hub. However, moving from policy to "transformative outcomes" requires urgent closure of the identified legislative and financial gaps.

PART TWO: LEGAL BRIEFING

The Senior Legal Officer briefed the Committee as follows:

A. CONSTITUTIONAL CRITIQUE — ENERGY POLICY

1 Article 10 — Public Participation

Article 10(2)(a) mandates public participation as a national value binding all policy-making processes. The Policy claims consultation but provides no documented public participation report.

Insufficient Public Participation Evidence			
POLICY POSITION	LEGAL PROVISION	CRITIQUE	SOLUTION
Executive Summary states development was "consultative in accordance with existing laws and procedures." No public participation schedule, summary of submissions, or account of how marginalised groups were engaged is appended.	Art. 10(2)(a); Art. 118(1)(b). BAT Kenya v CS Ministry of Health [2019] eKLR — the Supreme Court held that meaningful participation requires demonstrable, structured engagement, not a mere assertion.	The bare claim of consultation without supporting documentation is legally insufficient and renders the Policy vulnerable to judicial review. The consultative process is legally opaque.	SOLUTION: The Committee should require MoEP to table a Public Participation Compliance Report, attaching evidence of: (a) notices issued; (b) forums held; (c) written submissions received; and (d) a response matrix if any. This report is a condition precedent to adoption.

2 Article 27 — Gender Equality and Two-Thirds Rule

Article 27(8) requires the State to implement the principle that not more than two-thirds of members of appointive bodies shall be of the same gender.

Two-Thirds Gender Rule Absent from Energy Institutions			
POLICY POSITION	LEGAL PROVISION	CRITIQUE	SOLUTION
Section 3.14.3 commits to 'mainstream GEDSI' but neither specifies compliance timelines	Art. 27(8); Energy Act 2019 s.12 (EPRA Board composition); State Corporations Act — board	The Policy's GEDSI commitments are aspirational and unenforceable. No constitutional	SOLUTION: (a) Cabinet to issue an immediate Gender Compliance Directive to all public energy sector boards; (b) Energy Act (Amendment)

nor requires the two-thirds rule in EPRA, KenGen, KPLC, KETRACO, REREC, GDC, or NuPEA boards.	compositions of public entities. Court of Appeal in NGE v IEBC [2015] affirmed binding nature of gender rule.	benchmark is embedded.	Bill to expressly embed the two-thirds rule in EPRA, REREC, GDC, and NuPEA constitutive provisions; (c) MoEP to publish annual gender compliance scorecards for all energy sector institutions.
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3 Article 35 — Access to Information

Centralised Energy Data Hub Without Access Rights Safeguards			
POLICY POSITION	LEGAL PROVISION	CRITIQUE	SOLUTION
Section 3.15.3 proposes a 'centralised hub for data collection, processing and dissemination' and a cybersecurity framework, with no reference to citizens' right of access to energy data.	Art. 35(1) — right to access information held by State. Access to Information Act 2016, s.4 — proactive publication obligation. Data Protection Act 2019 — personal data held by State organs.	The architecture privileges security interests over the constitutionally guaranteed right of access. No exemption/balancing framework is proposed.	SOLUTION: The energy data hub design should incorporate an Access to Information Register specifying: (i) categories of data proactively published; (ii) data subject to application-based access under the Access to Information Act 2016; and (iii) data exempt from disclosure with reasons. A statutory instrument under the Energy Act should formalise this framework.

4 Articles 40 and 63 — Property and Community Land Rights

Wayleave Compensation: Live Constitutional Breach Unresolved			
POLICY POSITION	LEGAL PROVISION	CRITIQUE	SOLUTION
Section 2.16.1 acknowledges 'insufficient funding to cover wayleave compensation costs.' The Policy offers only a 'standardised framework' as remedy — no fiscal commitment is made.	Art. 40(3) — prompt payment in full of just compensation is mandatory. Land Act 2012, ss.107-130 on compulsory acquisition procedure. NLC Act 2012.	The Policy acknowledges a continuing constitutional violation under Art. 40(3) without providing a funded remedy. A framework without budgetary commitment does not cure the breach.	SOLUTION: (a) MoEP to prepare a Wayleave Compensation Arrears Report quantifying outstanding obligations; (b) National Treasury to gazette a ring-fenced wayleave compensation fund within the energy sector budget;

Community Land Act 2016 Omitted from Land Acquisition Framework			
POLICY POSITION	LEGAL PROVISION	CRITIQUE	SOLUTION
Section 3.14.1 references Land Act 2012 and NLC but makes no mention of the Community Land Act 2016 requirements for community consent.	Community Land Act 2016, ss.18 and 23 — free, prior, and informed consent required for dealings in registered community land. Art. 63 — community land vested in community. Energy infrastructure traverses community land in Turkana, Narok, Marsabit and Rift Valley counties.	This is a material legal omission. Geothermal, wind, and transmission projects in community land areas will face legal challenge if Community Land Act consent processes are not followed.	SOLUTION: EPRA should issue a Circular and subsequently a Gazette Notice requiring all energy project developers to: (a) conduct Community Land Act compliance assessments at feasibility stage; (b) obtain community consent resolutions before block licensing; (c) enter Community Development Agreements prior to construction commencing.

6 Article 42 — Right to a Clean and Healthy Environment

⚠ VARIANCE: Coal Development in Mui Basin: Irreconcilable Conflict			
POLICY POSITION	LEGAL PROVISION	CRITIQUE	SOLUTION
Section 3.10.1 supports exploration and development of coal from Mui Basin, Kitui County (estimated 400 million tons reserve).	Art. 42 — constitutional right to a clean and healthy environment. Climate Change Act 2016, s.4 — all State organs to mainstream climate change. Kenya's NDC commits to 32% GHG reduction by 2030. EMCA 1999 requires EIA for all major projects.	Coal is the most carbon-intensive fossil fuel. Promoting coal development while simultaneously committing to a 32% NDC reduction by 2030 is legally irreconcilable. EMCA EIA for coal would produce an adverse environmental finding.	SOLUTION: The Committee should resolve that despite having this Section 3.10.1 in the policy there is need find out whether the following has been done: (a) a standalone NDC Compatibility Assessment (conducted by MECCF) confirming coal development is compatible with Kenya's 2030 NDC target; (b) an EMCA-compliant full EIA is completed and approved by NEMA;

STATUTORY CRITIQUE — ENERGY POLICY

7 Energy Act, 2019

NEPIC to be backed by Statutory Authority

POLICY POSITION	LEGAL PROVISION	CRITIQUE	SOLUTION
Section 4.1 seeks to establish the National Energy Policy Implementation Committee (NEPIC) to coordinate Policy implementation.	Energy Act 2019 does not provide for NEPIC. Statutory Instruments Act 2013 — regulatory bodies with enforcement functions require statutory authorisation. Ultra vires principle — bodies may not exercise powers beyond their enabling instruments.	NEPIC has no legal personality and cannot issue binding directions to EPRA or other statutory bodies. Any NEPIC directive to a statutory body would be ultra vires and subject to judicial review.	SOLUTION: (a) Immediate: ensure Establishment of NEPIC by Gazette Notice under s.4 of the State Corporations Act as an advisory inter-agency committee without enforcement powers; or (b) Medium-term: Include NEPIC's establishment and mandate in the Energy Act (Amendment) Bill, granting it coordination (not regulatory) authority with a defined secretariat

Feed-in Tariff Transition: Vested Contractual Rights Unprotected			
POLICY POSITION	LEGAL PROVISION	CRITIQUE	SOLUTION
Policy signals transition from FiT to competitive procurement (Sections 3.2.6 and 3.12.2) without protecting existing FiT contract rights.	FiT Policy 2012 and EPRA-approved FiT tariff sheets created contractual entitlements for generators who invested in reliance on guaranteed rates. Law of Contract Act (Cap. 23) — sanctity of contracts. Art. 47 — right to fair administrative action.	Abrupt or unmanaged transition from FiT will constitute a breach of contract and legitimate expectation, exposing the Government to significant litigation from FiT-supported generators.	SOLUTION: EPRA to develop a FiT Transition Legal Framework The committee to ensure that there are plans to have a transition mechanism

Carbon Markets Regulations 2024 Not Incorporated in Policy			
POLICY POSITION	LEGAL PROVISION	CRITIQUE	SOLUTION
Section 2.8.1 acknowledges underdeveloped carbon markets. The Policy proposes developing a domestic carbon market framework but does not	Climate Change Act 2016, s.26 — the Climate Change Directorate is the competent national authority for carbon markets. Carbon Credits (Carbon Markets) Regulations	Omitting the 2024 Regulations from the Policy's legal framework creates policy incoherence and risks duplicative regulation.	SOLUTION: Policy to be revised to expressly incorporate Carbon Credits Regulations 2024 as the foundational carbon market instrument

reference the Carbon Credits (Carbon Markets) Regulations, 2024.	2024 — already enacted as subsidiary legislation under the Act. Paris Agreement, Art. 6.2		
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8 EMCA, 1999 — SF6 Gas Management

SF6 Emissions: Regulatory Gap Admits Environmental Violation			
POLICY POSITION	LEGAL PROVISION	CRITIQUE	SOLUTION
Section 2.14.4 acknowledges absence of SF6 inventory and management framework in national utilities.	EMCA 1999, s.58 — prohibition of discharge of hazardous substances. Climate Change Act 2016, s.13 — GHG tracking. NEMA Air Quality Regulations. SF6 has 23,500x the global warming potential of CO2.	Absence of SF6 inventory renders Kenya's National GHG Inventory incomplete, compromising NDC reporting and creating potential liability under the Paris Agreement's Enhanced Transparency Framework.	SOLUTION: (a) EPRA and NEMA to co-develop a joint SF6 Management Circular within 6 months; (b) Energy Act amendment to require all licensees to submit annual SF6 inventory reports; (c) KETRACO and KPLC to conduct SF6 audits and submit baseline inventory reports within 12 months; (d) MoEP to include SF6 in the NDC annual reporting template.

CONSTITUTIONAL CRITIQUE — PETROLEUM POLICY

1. Article 10 — Public Participation (Petroleum Policy)

Unlike the Energy Policy, the Petroleum Policy's Preface provides a more substantive account of consultation, including a Multi-Agency Technical Working Committee, engagement with County Executive Committee Members, the Council of Governors Committee on Energy, and "a countrywide public participation exercise."

COMPARATIVE STRENGTH	The Petroleum Policy demonstrates better public participation documentation than the Energy Policy. However, the brief notes that: (a) no documentary record of the public participation exercise (venues, dates, attendance, submissions) is appended or referenced; (b) local community engagement in oil-producing areas — specifically Turkana County — is not specifically documented; and (c) there is no account of how communities were engaged in the Lamu Basin, where offshore petroleum operations in Block L22 may affect artisanal fishing communities. The Committee should require confirmation of community-level engagement records before adoption.
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2 Article 42 — Environmental Rights and Petroleum Expansion

Petroleum Expansion Inconsistent with NDC and Climate Change Act Obligations			
POLICY POSITION	LEGAL PROVISION	CRITIQUE	SOLUTION
Section 3.8.12 acknowledges that 'a complete energy transition may not be achievable in the short to medium term' and commits only to 'climate change mitigation and adaptation in petroleum operations.' The Policy simultaneously promotes expansion of petroleum exploration across all 50 blocks.	Art. 42 — right to a clean environment. Climate Change Act 2016, s.4 — all State organs to mainstream climate change. Kenya's NDC — 32% emissions reduction by 2030. Paris Agreement, Art. 4. The IPCC has found that no new oil and gas fields should be developed if the 1.5°C pathway is to be maintained.	The Petroleum Policy has not performed an NDC compatibility assessment. Expanding petroleum extraction capacity without such an assessment is inconsistent with Art. 42, the Climate Change Act, and Kenya's NDC. W	SOLUTION: (a) MoEP (State Department for Petroleum) and MECCF to jointly conduct a Petroleum Sector NDC Compatibility Assessment before approval of any new petroleum block licensing rounds; (b) the Petroleum Policy to be amended to include a binding decarbonisation pathway for petroleum operations, including flaring reduction targets, methane leak detection obligations, and electrification of upstream operations; (c) the Petroleum Act to be amended to require climate impact disclosure in all FDP applications.

3. Articles 61 and 63 — Community Land Rights in Petroleum Areas

LEGISLATIVE NOTE — Community Development Agreements	The Community Land Act 2016 (sections 18 and 23) and Article 63 of the Constitution already require free, prior, and informed consent before any dealings in community land. These obligations fall on petroleum operators and EPRA as licensing authority regardless of what this Policy provides. The Policy's Section 3.8.6 acknowledges local community rights in appropriate general terms. The genuine gap is legislative: the Petroleum Act 2019 does not expressly require Community Development Agreements as conditions of licensing or FDP approval. A Petroleum Act amendment to embed mandatory CDAs — covering employment quotas, community revenue entitlements, environmental monitoring rights, and grievance mechanisms — would give practical force to the protections that already exist in law. This is a legislative action separate from and requiring no revision to this Policy.
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4. Article 201 — Fiscal Transparency in Cost Recovery

PSC Cost Recovery Framework Acknowledged as Inadequate			
POLICY POSITION	LEGAL PROVISION	CRITIQUE	SOLUTION

Section 3.5.2 expressly states: 'The existing legal and regulatory framework is inadequate making it potentially difficult for the Government to challenge unnecessary, inefficient or unchecked expenditures and procedures. This would significantly reduce Government petroleum revenues.'	Art. 201(a) — openness and accountability in public finance. PFM Act 2012 — prudent use of public resources. Income Tax Act Cap. 470, Ninth Schedule — petroleum taxation. Transfer Pricing Rules 2006 under Income Tax Act. Petroleum Act 2019 — cost oil provisions in PSC framework.	The Policy itself admits that the Government cannot adequately audit contractor costs, which directly reduces Kenya's profit oil take. This is a live fiscal transparency failure under Art. 201(a). Transfer pricing abuse in PSCs is a recognised global problem.	SOLUTION: (a) Petroleum (Cost Management and Audit) Regulations to be enacted under the Petroleum Act within 12 months, establishing: independent cost audits by KRA and EPRA; transfer pricing compliance requirements aligned with OECD guidelines; mandatory cost oil ceiling per project; real-time cost reporting obligations; (b) a Petroleum Revenue Monitoring Unit to be established within the National Treasury; (c) annual cost recovery audit reports to be tabled to the National Assembly Budget and Appropriations Committee.
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STATUTORY CRITIQUE — PETROLEUM POLICY

5 Data Protection Act, 2019 — Petroleum Data Governance

LEGISLATIVE NOTE — Data Protection in Petroleum Operations	The Data Protection Act 2019 applies to all data controllers and processors in Kenya, including SDP, EPRA, NOCK, and KPC. It requires appropriate data protection measures for personal data — including employee records, community consultation data, and land-owner records generated in petroleum operations. This obligation exists in law regardless of whether this Policy references the Act. The Policy's Section 3.8.2 addresses geo-scientific and operational data governance, which is appropriate policy content. The broader data protection compliance obligation is a statutory matter that the relevant institutions must observe under the Data Protection Act — it is not a policy variance. When developing the Petroleum Data Management Regulations (an action correctly identified in the implementation matrix), the drafters should incorporate a data classification framework that distinguishes national security data, commercial geo-scientific data, and personal data subject to the Data Protection Act 2019.
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6 Local Content — Absent Legal Framework

No Dedicated Local Content Statute for Petroleum Sector

POLICY POSITION	LEGAL PROVISION	CRITIQUE	SOLUTION
Section 3.8.7 commits to 'develop a legal and regulatory framework on local content for the Oil and Gas sector.' No existing local content law for petroleum exists. The implementation matrix shows this framework to be developed between 2026-2029.	Petroleum Act 2019 — has local content provisions but not exhaustive. The Energy Act 2019, ss.14(h) — EPRA to develop local content guidelines. Comparative jurisdictions: Uganda Petroleum (Exploration, Development and Production) Act 2013 (Part IX — local content); Ghana's Petroleum Commission Act 2011.	Kenya is years behind regional peers in codifying petroleum local content obligations. Without a legal framework, NOCK, IOCs, and EPRA cannot enforce Kenyan employment and procurement preferences in petroleum operations. This denies Kenyan citizens their constitutionally grounded right to economic benefit from national resources.	SOLUTION: (Petroleum (Local Content) Regulations to be developed and gazetted under the Petroleum Act within 18 months, covering: minimum Kenyan employment percentages per skill category; local procurement preferences; technology transfer obligations; local content plans as conditions of PSCs; penalties for non-compliance; and local content verification audits;

7 Decommissioning — Legal and Financial Assurance Framework

Decommissioning Fund and Financial Assurances Have No Statutory Grounding			
POLICY POSITION	LEGAL PROVISION	CRITIQUE	SOLUTION
Section 3.8.1 commits to developing a 'framework on decommissioning.' The implementation matrix shows decommissioning fund establishment between 2029-2031 — four years into the Policy horizon.	EMCA 1999, s.58 and s.42 — environmental restoration obligations. Petroleum Act 2019 — there is a decommissioning fund provision but not exhaustive. OSPAR Convention (North Sea) and UNCLOS (offshore) set international decommissioning standards. Environmental degradation from abandoned oil	Deferring decommissioning financial assurances to 2029-2031, when active production from Blocks T6 and T7 may commence before then, creates a legal gap. If an operator abandons operations before decommissioning, the State bears the clean-up cost	SOLUTION: (a) Petroleum Act (Amendment) Bill to require all petroleum agreement holders to provide a Decommissioning Bond calculated at 10% of estimated decommissioning cost (escalating over life of field) before FDP approval; establish a ring-fenced Decommissioning Trust Fund jointly managed by SDP, EPRA, and NEMA; submit updated Decommissioning Plans every 5 years; (b) NEMA to approve all Decommissioning Plans

	infrastructure has severe implications.		before FDP approval is granted; (c) Decommissioning Bond adequacy to be reviewed by EPRA bi-annually.
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MIN./NO./DC-ENERGY/2026/060: COMMITTEE RESOLUTIONS

The Committee should adopt the following resolutions before adoption in respect of Sessional Paper No. 5 of 2026:

1. Resolution E-1 — Public Participation: The Policy shall not be formally adopted unless and until the Ministry of Energy and Petroleum tables a Public Participation Compliance Report before the Committee, documenting all public engagement activities
2. Resolution E-2 — Coal development: Section 3.10.1 (coal development from Mui Basin) for the project to be realised and the committee to approve the policy, the committee to request : (a) an NDC Compatibility Assessment by MECCF; and (b) an EMCA EIA approved by NEMA

The Committee should adopt the following resolutions before adoption in respect of Sessional Paper No.4 of 2026

1. Resolution P-1 — NDC Assessment: No new petroleum block licensing round to be conducted until MoEP and MECCF complete a joint Petroleum Sector NDC Compatibility Assessment.
2. Resolution P-2 — Community Development Agreements: EPRA to issue a Gazette Notice within 6 months requiring Community Development Agreements as conditions of all future petroleum block licenses, including existing blocks under renegotiation.
3. Resolution P-3 — Cost Recovery Framework: Petroleum (Cost Management and Audit) Regulations to be gazetted within 12 months. KRA and EPRA to conduct joint transfer pricing audits of all existing PSC holders within 18 months.
4. Resolution P-4 — Decommissioning: All petroleum agreement holders to be required to provide decommissioning bonds before FDP approval. Petroleum Act amendment to be tabled within 18 months to provide for this.

MIN./NO./DC-ENERGY/2026/061: ANY OTHER BUSINESS

There was no other business that arose during the meeting.

MIN./NO./DC-ENERGY/2026/062: ADJOURNMENT

There being no other business, the meeting was adjourned at 2.09 p.m. The next meeting will held be held on notice.

SIGNED



DATE



HON. DAVID GIKARIA, CBS, MP
CHAIRPERSON
DEPARTMENTAL COMMITTEE ON ENERGY



**THE NATIONAL ASSEMBLY
THIRTEENTH PARLIAMENT – FIFTH SESSION, 2026
DIRECTORATE OF DEPARTMENTAL COMMITTEES**

**MINUTES OF THE 16TH SITTING OF THE DEPARTMENTAL COMMITTEE ON ENERGY
HELD ON FRIDAY, 5TH JUNE, 2026 IN VICTORIA 3 MEETING ROOM, ARGYLE HOTEL
AT 9.30 A.M.**

PRESENT

- | | |
|--|-----------------|
| 1. The Hon. Samuel Gonzi Rai, MGH, M.P. | |
| 2. The Hon. Elisha Odhiambo, M.P. | - Session Chair |
| 3. The Hon. Charles Gimose, M.P. | |
| 4. The Hon. Tom Mboya Odege, M.P. | |
| 5. The Hon. Simon King'ara, CBS, M.P. | |
| 6. The Hon. Geoffrey Ekesa Mulanya, M.P. | |
| 7. The Hon. Cecilia Asinyen Ngitit, M.P. | |
| 8. The Hon. Barongo Nolfason Obadiah, M.P. | |
| 9. The Hon. Siyad Amina Udgoon, MP | |

ABSENT WITH APOLOGY

- | | |
|---|--------------------|
| 1. The Hon. David Gikaria, CBS, MP | - Chairperson |
| 2. The Hon. Lemanken Aramat, CBS, MP | - Vice-Chairperson |
| 3. The Hon. George Omwera Aladwa, M.P. | |
| 4. The Hon. Julius Musili Mawathe, M.P. | |
| 5. The Hon. Victor Koech Kipngetich, M.P. | |
| 6. The Hon. Walter Owino, M.P. | |

**IN-ATTENDANCE
COMMITTEE SECRETARIAT**

- | | |
|------------------------|------------------------|
| 1. Mr. Fredrick Otieno | - Clerk Assistant I |
| 2. Ms. Grace Wahu | - Clerk Assistant II |
| 3. Mr. Brian Njeru | - Fiscal Analyst II |
| 4. Ms. Brigitta Mati | - Senior Legal Counsel |
| 5. Mr. Collins Mahamba | - Audio Officer |
| 6. Ms. Lena Wawira | - Hansard Reporter |
| 7. Mr. Wesley Abuga | - Research Officer |
| 8. Mr. Anthony Wamae | - Serjeant At-Arm |
| 9. Ms. Mariana Nyagol | - Intern |
| 10. Ms. Joy Purity | - Intern |
| 11. Mr. Richard Siagi | - Intern |

STATE DEPARTMENT FOR PETROLEUM

- | | |
|-------------------------|----------------------------------|
| 1. Mr. Kello Harsama | - Principal Secretary, Petroleum |
| 2. Ms. Lucy Kibiru | - Chief Economist |
| 3. Mr. Joseph C. Otieno | - Commissioner |

4. Mr. Joyce Lutomia

- PC

AGENDA

1. Preliminaries and adoption of the agenda
2. Confirmation of Minutes of previous Sittings
3. **Meeting with the State Department for Petroleum to receive views on the Sessional Paper No. 4 of 2026 on the National Petroleum Policy.**
4. Any other Business
5. Adjournment.

MIN./NO./DC-ENERGY/2026/086: PRELIMINARIES & ADOPTION OF AGENDA

The Session Chairperson, Hon. Elisha Odhiambo, MP called the meeting to order at 9.22 am and said a prayer. The agenda of the meeting was adopted having been proposed by Hon. Tom Odege, MP and seconded by Hon. Simon King'ara, MP.

MIN./NO./DC-ENERGY/2026/087: CONFIRMATION OF MINUTES OF THE PREVIOUS SITTINGS

The following Minutes were confirmed as true record of the Committee proceedings; -

1. Minutes of the 10th sitting were confirmed as a true reflection of the proceedings having being proposed by Hon. Geoffrey Mulanya, MP and seconded by Hon. Tom Odege, MP
2. Minutes of the 11th sitting were confirmed as a true reflection of the proceedings having being proposed by Hon. Gonzi Rai, MP and seconded by Hon. Nolfason Barongo, MP
3. Minutes of the 12th sitting were confirmed as a true reflection of the proceedings having being proposed by Hon. Simon King'ara, MP and seconded by Hon. Tom Odege, MP
4. Minutes of the 13th sitting were confirmed as a true reflection of the proceedings having being proposed by Hon. Nolfason Barongo, MP and seconded by Hon. Cecilia Asinyen Ngiti, MP
5. Minutes of the 14th sitting were confirmed as a true reflection of the proceedings having being proposed by Hon. Tom Odege, MP and seconded by Hon. Geoffrey Mulanya, MP
6. Minutes of the 15th sitting were confirmed as a true reflection of the proceedings having being proposed by Hon. Simon King'ara, CBS, MP and seconded by Hon. Cecilia Asinyen Ngiti, MP

MIN./NO./DC-ENERGY/2026/088: MEETING WITH THE STATE DEPARTMENT FOR PETROLEUM TO RECEIVE VIEWS ON THE SESSIONAL PAPER NO. 4 OF 2026 ON THE NATIONAL PETROLEUM POLICY

a. Submissions by the State Department for Petroleum

1. Mr. Kello Harsama, CBS, Principal Secretary, State Department for Petroleum, appeared before the Committee on Friday, 5th June, 2026 and submitted as follows: -
2. The Policy was developed pursuant to the Petroleum Act, 2019, which requires the Cabinet Secretary responsible for petroleum matters to formulate and publish a National Petroleum Policy to guide development and management of the petroleum sector.

3. The National Petroleum Policy is intended to provide a comprehensive policy framework for the sustainable exploration, development, production, transportation, storage, distribution, utilization, and management of petroleum resources and petroleum products in Kenya.
4. The Policy seeks to address existing policy gaps, provide strategic direction to the petroleum sector, strengthen governance and regulatory frameworks, facilitate investment, and support national economic development.

Policy Development Process

5. The Ministry informed the Committee that development of the National Petroleum Policy commenced in 2021 with support from the World Bank through the Kenya Petroleum Technical Assistance Project (KEPTAP). Following the initial drafting process, a Multi-Agency Technical Working Committee was established in 2023 to spearhead review and finalization of the Policy. The Committee comprised representatives drawn from seventeen institutions involved in the petroleum sector and was tasked with reviewing the draft document, incorporating emerging sector issues, aligning the Policy with the Constitution and the Petroleum Act, 2019, and integrating stakeholder views.
6. The revised Draft Policy underwent validation by internal stakeholders including the Principal Secretary, State Department for Petroleum, heads of departments, chief executive officers of sector agencies, and other senior government officials. Consultations were also undertaken with the Council of Governors Energy Committee and County Executive Committee Members responsible for energy before the document was subjected to nationwide public participation.

Rationale for the Policy

7. Kenya currently lacks a standalone comprehensive petroleum policy. The petroleum sector has historically been guided by Sessional Paper No. 4 of 2004 on Energy, which does not adequately address contemporary developments such as petroleum discoveries, natural gas development, petroleum infrastructure expansion, energy transition, technological innovation, climate change obligations, and evolving global petroleum markets. The Ministry therefore considered development of a National Petroleum Policy necessary to provide strategic guidance for sustainable sector development.

Status of the Petroleum Sector

8. The Ministry informed the Committee that Kenya possesses four sedimentary basins divided into fifty petroleum exploration blocks. Geoscientific data has been acquired in twenty-eight blocks, ninety-five exploration wells have been drilled, and forty-two wells have encountered hydrocarbons. Kenya has recorded ten oil discoveries in the Tertiary Rift Basin and gas discoveries within the Lamu and Anza Basins. The South Lokichar Basin is estimated to contain approximately 2.85 billion barrels of oil in place, although commercial production is yet to commence.
9. The Ministry further noted that the downstream petroleum sector comprises a substantial pipeline network, petroleum storage infrastructure, and thousands of retail fueling stations, while the midstream sector requires significant development to support future commercialization of petroleum resources.

Key Policy Focus Areas

10. The Ministry submitted that the Policy addresses all petroleum value chain segments including upstream, midstream and downstream operations. Key policy focus areas include—Ownership and management of petroleum resources; Promotion of petroleum investments; Licensing of petroleum blocks; Petroleum exploration, development and production operations; Sustainable utilization of natural gas resources; Petroleum infrastructure development; Petroleum supply and pricing; Liquefied Petroleum Gas promotion; Revenue management; Technology and innovation; Local content development; Petroleum data management; Decommissioning of petroleum facilities; Health and safety; Security of petroleum infrastructure; Environmental, social and governance considerations; Climate change mitigation and adaptation measures.

Emerging Issues and Challenges

11. The Policy responds to several emerging issues affecting the sector, including geopolitical developments affecting global petroleum markets, energy transition, technological advancements, biofuels, climate change, inadequate infrastructure, insufficient exploration data, low LPG uptake, petroleum price volatility, and limited local technical and financial capacity. The Policy seeks to provide strategic interventions to address these challenges while enhancing Kenya's competitiveness within the petroleum sector.

Public Participation and Stakeholder Engagement

12. The Committee was informed that extensive stakeholder engagement and public participation were undertaken during development of the Policy in accordance with constitutional requirements and Government policy development guidelines. The Draft Policy was published on the Ministry's website, public notices were issued through print and electronic media, and stakeholders were invited to submit views through physical forums, online platforms, email submissions and direct memoranda.
13. The Ministry grouped the forty-seven counties into regional clusters and conducted public participation forums across the country between 12th and 14th March 2025. Additional consultations were held with County Executive Committee Members responsible for energy through the Council of Governors framework. Members of the public were also invited to submit views through an online feedback platform, official email addresses, postal submissions and physical delivery of memoranda.
14. It was reported that approximately 580 participants contributed to the public participation exercise. Key issues raised included petroleum revenue sharing, environmental protection, climate change, local content, youth employment, security of petroleum infrastructure, LPG uptake, petroleum pricing, technology transfer, community rights, petroleum infrastructure development, petroleum product quality, public participation, safety of petroleum facilities, energy transition, and petroleum sector governance. The Ministry indicated that comments received from stakeholders and members of the public were reviewed, analyzed and incorporated into the final Draft Policy where appropriate.
15. The Ministry further submitted that stakeholder consultations involved Government Ministries, Departments and Agencies, County Governments, Energy Sector State Corporations, Oil Marketing Companies, investors, professional bodies, development partners, civil society organizations, community groups, consumer organizations and members of the public.

Implementation Framework

16. The Policy contains an implementation framework supported by a detailed implementation matrix identifying strategic interventions, responsible institutions, timelines, outputs, performance indicators, monitoring mechanisms and reporting requirements. The implementation framework assigns responsibilities to various national and county government institutions and provides a basis for coordination, accountability and monitoring of progress.

Financing

17. The Ministry submitted that implementation of the National Petroleum Policy will require approximately Kshs. 68.292 billion. Funding will be sourced from National Government budgetary allocations, petroleum sector investors, development partners, revenue generated from petroleum data and related services, and Public-Private Partnerships.

Overall Position

18. The Ministry of Energy and Petroleum submitted that the Draft National Petroleum Policy, 2026 provides a comprehensive framework for governance and sustainable development of Kenya's petroleum sector. The Committee was urged to support adoption of the Policy, noting that it addresses existing policy gaps, provides strategic direction for petroleum resource management, promotes investment and local content, strengthens environmental safeguards, enhances energy security, and establishes a framework for long-term development of the petroleum industry. The Ministry further submitted that views collected through stakeholder engagement and public participation had been considered and incorporated into the final Draft Policy to ensure the document reflects national priorities and stakeholder expectations.

MIN./NO./DC-ENERGY/2026/089: OBSERVATIONS

Having been briefed, the Committee made the following observations:

- i. That, the Policy provides a long-overdue standalone framework for the petroleum sector and fulfils the requirements of Section 5(1) of the Petroleum Act, 2019, but its success will depend on effective implementation, adequate funding and strong institutional coordination. The Committee recommends the development of a time-bound implementation plan with clear performance indicators, prioritized interventions, and periodic reporting to Parliament.
- ii. That, the Policy estimates implementation costs at Kshs. 68.292 billion but lacks a detailed financing strategy, funding commitments, and prioritization framework. The Committee recommends the development of a clear financing and resource mobilization strategy to guide phased implementation of policy interventions.
- iii. That, the Policy does not adequately provide for transparency, accountability and public disclosure mechanisms in petroleum governance, and lacks explicit commitment to the Extractive Industries Transparency Initiative (EITI). The Committee recommends operationalization of the Transparency and Accountability Framework under the Petroleum Act, 2019, and consideration of Kenya's accession to EITI to strengthen disclosure of contracts, revenues and beneficial ownership.

- iv. That, the Policy's provisions on management of revenues from petroleum operations (Section 4.4.1) are not sufficiently developed to support stabilization of resource revenues and intergenerational wealth creation, and do not reference the Sovereign Wealth Fund Bill, 2026, which was published on 9th March 2026, read a First Time on 11th March 2026, and committed to the Departmental Committee on Finance and National Planning. The Sovereign Wealth Fund Bill, 2026, proposes a tripartite Fund comprising a Stabilization Component, an Infrastructure and Development Component, and a Future Generations Component, into which proceeds from petroleum and other non-renewable resources would be channelled. The Committee recommends that the Cabinet Secretary for Energy and Petroleum, in liaison with the Cabinet Secretary for the National Treasury and Economic Planning, align the Policy's revenue management framework with the Sovereign Wealth Fund Bill, 2026, once enacted, and ensure that petroleum revenues directed to the Fund are first paid into the Consolidated Fund and appropriated by Parliament in accordance with Article 206 of the Constitution.
- v. That, there is need to reinforce separation of policy, regulatory and commercial functions in the petroleum sector in line with best practice, and recommends that regulatory functions remain vested in the Energy and Petroleum Regulatory Authority (EPRA) under the Petroleum Act, 2019 (Cap. 308) and the Energy Act, 2019 (Cap. 314), with the Ministry retaining responsibility for policy formulation and the National Oil Corporation of Kenya (NOCK) retaining the State's commercial interests. The Committee confirmed, upon review, that Section 10(d) of the Energy Act, 2019, expressly assigns EPRA the function to collect, maintain and manage upstream petroleum data; the Policy's assignment of this function to the Ministry of Energy and Petroleum is therefore inconsistent with the law. The Committee recommends that the Policy be revised to vest petroleum data custody, management and oversight functions in EPRA, to ensure legal compliance, data integrity, and avoidance of institutional duplication between the Ministry and the Authority.
- vi. That, the local content provisions are broad and lack measurable targets, timelines and enforcement mechanisms, limiting effective participation of Kenyan firms, professionals, women, youth and host communities. The Committee recommends the development of a robust local content framework with clear targets, monitoring mechanisms and capacity-building programmes to ensure inclusive participation.
- vii. That, Kenya remains highly dependent on imported petroleum products, exposing the country to global price volatility and supply chain disruptions. The Committee recommends strengthening energy security measures, including strategic petroleum reserves, diversification of supply sources, and investment in critical petroleum infrastructure.

MIN./NO./DC-ENERGY/2026/090: ANY OTHER BUSINESS

There was no other business that arose during the meeting.

MIN./NO./DC-ENERGY/2026/091: ADJOURNMENT

There being no other business, the meeting was adjourned at 1.40 p.m. The next meeting will be held today, 5th June, 2026 at 2.30 pm to receive submissions from other stakeholders.

SIGNED _____

DATE _____


HON. DAVID GIKARIA, CBS, MP
CHAIRPERSON
DEPARTMENTAL COMMITTEE ON ENERGY



**THE NATIONAL ASSEMBLY
THIRTEENTH PARLIAMENT – FIFTH SESSION, 2026
DIRECTORATE OF DEPARTMENTAL COMMITTEES**

**MINUTES OF THE 17TH SITTING OF THE DEPARTMENTAL COMMITTEE ON
ENERGY HELD ON FRIDAY, 5TH JUNE, 2026 IN VICTORIA 3, ARGYLE HOTEL AT
2.30 P.M.**

PRESENT

1. The Hon. Samuel Gonzi Rai, MGH, M.P.
2. The Hon. Elisha Odhiambo, M.P. - Session Chair
3. The Hon. Charles Gimose, M.P.
4. The Hon. Tom Mboya Odege, M.P.
5. The Hon. Simon King'ara, CBS, M.P.
6. The Hon. Geoffrey Ekesa Mulanya, M.P.
7. The Hon. Cecilia Asinyen Ngikit, M.P.
8. The Hon. Barongo Nolfason Obadiah, M.P.
9. The Hon. Siyad Amina Udgoon, MP

ABSENT WITH APOLOGY

1. The Hon. David Gikaria, CBS, MP - Chairperson
2. The Hon. Lemanken Aramat, CBS, MP - Vice-Chairperson
3. The Hon. George Omwera Aladwa, M.P.
4. The Hon. Julius Musili Mawathe, M.P.
5. The Hon. Victor Koech Kipngetich, M.P.
6. The Hon. Walter Owino, M.P.

IN-ATTENDANCE

COMMITTEE SECRETARIAT

1. Mr. Fredrick Otieno - Clerk Assistant I
2. Ms. Grace Wahu - Clerk Assistant II
3. Mr. Brian Njeru - Fiscal Analyst II
4. Ms. Brigitta Mati - Senior Legal Counsel
5. Mr. Collins Mahamba - Audio Officer
6. Ms. Lena Wawira - Hansard Reporter
7. Mr. Wesley Abuga - Research Officer
8. Mr. Anthony Wamae - Serjeant At-Arm
9. Ms. Mariana Nyagol - Intern
10. Ms. Joy Purity - Intern
11. Mr. Richard Siagi - Intern

STAKEHOLDERS FROM VARIOUS ORGANIZATIONS

1. Dr. Kibera Muriuki - Ag. CM, Kenya Bureau of Standards
2. Ms. Catherine Nduva - ASM, Chemical SDT, Kenya Bureau of Standards
3. Eng. Otieno Abich - Deputy Director Capacity Building, Engineers Board of Kenya
4. Dr. Adano Wario - Director Policy, Competition Authority of Kenya
5. Mr. David Ong'are - DCC, National Environment Management Authority
6. Mr. Stephen W. Kitunga - PEO, National Environment Management Authority
7. Mr. Letting Andrew - Representative, Transparency International-Kenya

AGENDA

1. Preliminaries and adoption of the agenda
2. Confirmation of Minutes of previous Sittings
3. **Meeting with various stakeholders to receive views on the Sessional Paper No. 4 of 2026 on the National Petroleum Policy.**
4. Any other Business
5. Adjournment.

MIN./NO./DC-ENERGY/2026/092: PRELIMINARIES & ADOPTION OF AGENDA

The Sessional Chair, Hon. Elisha Odhiambo, MP called the meeting to order at 2.42 am and said a prayer. The agenda of the meeting was adopted having been proposed by Hon. Tom Odege, MP and seconded by Hon. Gonzi Rai, MP.

MIN./NO./DC-ENERGY/2026/093: CONFIRMATION OF MINUTES OF THE PREVIOUS SITTINGS

The confirmation of Minutes was deferred to a later date.

MIN./NO./DC-ENERGY/2026/094: MEETING WITH VARIOUS STAKEHOLDERS TO RECEIVE VIEWS ON THE SESSIONAL PAPER NO. 4 OF 2026 ON THE NATIONAL PETROLEUM POLICY

A. Kenya Oil and Gas Working Group (KOGWG) - Presented by Transparency International Kenya

1. The Kenya Oil and Gas Working Group (KOGWG) is a public interest network that advocates for sustainable development and good governance of the energy and petroleum sectors in Kenya.
2. While appearing before the Committee, KOGWG commended the Ministry of Energy and Petroleum for developing a policy document that embodies the aspirations of Kenyans regarding resource management, intra-generational equity, and inter-generational equity, and submitted as follows:
 - i. **Security of petroleum infrastructure and communities:** Many petroleum blocks are situated in areas prone to high insecurity, posing risks to both infrastructure and adjacent communities.
 - ii. **Balancing investment with sustainability:** While the Policy seeks to attract petroleum investment, it must ensure this does not come at the expense of other sectors or sustainable development.
 - iii. **Transparency and accountability in revenue management:** Improved transparency would enable citizens to scrutinise government management of petroleum resources and support data-driven decision-making by policymakers, civil society, and the public.
 - iv. **Unimplemented Transparency and Accountability Framework:** Six years after developing the Transparency and Accountability Framework under Section 119 of the Petroleum Act 2019, Kenya has yet to implement it, leaving the petroleum sector vulnerable to secrecy, mismanagement, and public mistrust. Joining the Extractive

Industries Transparency Initiative (EITI) would enforce public disclosure of contracts, revenues, and ownership.

- v. **Hazardous waste management:** Kenya urgently needs a comprehensive policy statement on hazardous waste management in the petroleum sector. In Turkana, communities have been exposed to contaminated hazardous waste liners, while in Lamu, poor disposal and improper decommissioning processes have raised concerns over long-term health impacts to exposed communities.
- vi. **Oil spill preparedness:** Kenya's past experiences with oil exploration have highlighted gaps in emergency preparedness, weak enforcement of environmental safeguards, and limited public awareness on spill response. The National Oil Spill Contingency Plan remains largely unimplemented.
- vii. **Land governance under the Community Land Act, 2016:** The Policy must recognize the shifting land governance landscape, particularly in areas where community land has been registered under the Community Land Act, 2016. Communities now have legal authority over their land, with established bylaws, governance structures, and financial management systems. Adherence to the principles of Free, Prior, and Informed Consent (FPIC) is now non-negotiable.
- viii. **Absence of Gender Equality and Social Inclusion (GESI/GEDSI) provisions:** The Policy has no explicit provisions addressing Gender Equality and Disability and Social Inclusion. It does not specifically mandate gender-responsive or inclusive measures.
- ix. **Local content gaps:** The Early Oil Pilot Scheme (EOPS) in Turkana highlighted key gaps, including limited local employment, lack of capacity building, and minimal participation of local businesses in the supply chain. Without strong local content policies, the sector risks becoming an enclave industry.

a. Chapter 1: Introduction

- i. **Policy Objectives (Section 1.4.2):** The section does not exhaustively cover social safeguards for communities affected by upstream petroleum operations.
- ii. **Transparency and Accountability:** While the fundamental aspect of Transparency and Accountability has been highlighted, the Policy is silent on the measures to be taken, including accession to EITI.
- iii. **Public Access to Information:** Public access to information on petroleum operations has not been catered for, despite being a fundamental constitutional right underpinning transparency and accountability.

b. Chapter 2: Situation Analysis

- i. **Exploration (Section 2.1.1.2):** The section does not fully exhaust the exploration history of the Early Oil Pilot Scheme (EOPS) in terms of accurate number of barrels produced or final market destination of the oil. There is inconsistent data in the Policy and what was presented to the Senate on 23rd May 2023: the figure presented to the Senate was 414,777 bbl, while the Policy indicates 415,032 bbl. The Policy also lacks transparency on revenues from oil exports.
- ii. **Midstream Sub-sector (Section 2.1.2):** The opening statement under this section contradicts Section 1.1.2 on the components of the midstream sub-sector. The Policy does not fully capture all components of the midstream sub-sector, including transportation (pipeline, road, rail, tankers), processing, and storage, nor does it cover all four sedimentary basins.
- iii. **Importation of Petroleum Fuels (Section 2.1.3.1):** Data on the potential of LPG in the country, including in the automotive sector and other small industries, has not been fully captured.

- iv. **Existing Legislative Framework (Section 2.2.2):** Several legislations that govern petroleum operations have been omitted, including the Water Act 2024, Forestry Act 2015, Wildlife Act 2016, Fisheries Act CAP 378, EMCA 1999, Community Land Act 2016, County Governments Act 2012, and the Model Production Sharing Agreement.
- v. **Existing Institutional Framework:** Several institutions with a mandate to run the petroleum sector have been omitted from the institutional framework.

c. Chapter 3: Emerging Issues and Challenges

- i. **Geopolitical Factors (Section 3.1.1):** The focus on geopolitical factors has only been limited to the Russia-Ukraine conflict, whereas broader geopolitical and geo-economic factors (conflict, regime change in super-powers, global pandemics, etc.) have implications on global oil prices, which have a ripple effect felt in Kenya.
- ii. **Environment and Regulatory Concerns (Section 3.1.2):** The Policy references unpredictable global policies on environment and climate concerns, which leads the oil and gas sector not to make long-term investment decisions.
- iii. **Technological Advancements (Section 3.1.3) :** The Policy does not incorporate technological advancements in the oil and gas sector, including enhanced oil recovery (EOR), digital monitoring of emissions, advanced waste treatment techniques, spill detection, carbon capture, and the incorporation of research and development on renewable energy in fossil fuel extraction, development, and production processes (e.g., heating pipelines using geothermal energy).
- iv. **Emerging Issues (Section 3.1): Energy Transition:** The effects of the energy transition on the petroleum sector have not been captured. As Kenya seeks to balance energy security, economic growth, and climate commitments, a coherent approach is needed to harmonize investments, regulatory frameworks, and long-term energy planning.
- v. **Emerging Issues (Section 3.1): Community Conflicts:** There are frequent conflicts between communities and petroleum project proponents. During the EOPS, disruptions were experienced where disenfranchised communities blocked transportation of crude oil from Lokichar to Mombasa.

d. Chapter 4: Policy Statements

- i. **Exploration, Development and Production (Section 4.1.4):** The statement on best industry practice covers only production and not the entire upstream cycle. The Policy also does not acknowledge existing national, regional, and international Treaties, Legislation, and Regulations.
- ii. **Exploration, Development and Production (Section 4.1.4), Policy Statement (d):** Facilitation of land access is framed as a direct mandate for the Ministry of Energy and Petroleum, whereas land access for public projects falls under the mandate of the National Land Commission (NLC). The term 'third party' is also not defined.
- iii. **Decommissioning (Section 4.1.6) Policy Statement:** The policy statement omits the post-decommissioning implications of project activities on the environment, including reference to Environmental Deposit Bonds which already exist under EMCA 1999.
- iv. **Midstream Sub-Sector (Section 4.2), Policy Statement (h):** The statement is not aligned, and the Government's responsibility should be clearly set out towards enhancing energy security.
- v. **Management of Revenues from Petroleum Operations (Section 4.4.1):** The Policy is silent on creating intergenerational wealth from revenues accrued. The COVID-19 pandemic exposed Kenya's economic vulnerabilities, particularly its dependence on external borrowing and fluctuating revenues. The Sovereign Wealth Fund Policy and Bill (2019) provide a framework for managing oil revenues through three key funds: the

Stabilization Fund, the Infrastructure and Development Fund, and the Future Generations Fund.

e. Chapter 5: Cross-Cutting Issues

- i. **Land (Section 5.4), Policy Statement (a):** The statement is silent on compensation. Government has the responsibility to fairly compensate persons affected by land acquisition.
- ii. **Host Community Rights (Section 5.5) Policy Statement:** The statement is silent in respect to upholding the cultures and practices of host communities.
- iii. **Institutional Framework (Section 6.1.2, Table 6: Role of Institutions in Implementation of the Policy):** Other players have not been specified. CSOs and CBOs should be included as examples under 'Other Players' to monitor compliance and implementation as watchdog organizations.

f. Implementation Framework

- i. **Petroleum Pricing of Petroleum Products (page 53):** The Policy lacks a clear strategy to address and manage global oil price volatility and geopolitical risks, including stabilization mechanisms or buffer funds to protect consumers.
- ii. **Environmental Social Governance (page 56):** The Policy mentions environmental protection and sustainable practices, but without robust enforcement or clear targets, including climate change mitigation and adaptation targets within petroleum operations.
- iii. **Local Content (page 56):** The implementation framework for local content is incomplete the last activity in the section reads 'Develop a framework to facilitate collaboration with...' and is incomplete. The Policy outlines the intent to promote local participation but remains vague on concrete measures, targets, quotas, and capacity-building programs with defined timelines and measurable performance indicators.

g. Annex I: Implementation Matrix for Oil and Gas Sector Operations

- i. **Oil and Gas Sector Policy, Legal, Institutional and Regulatory Framework:** The activities listed are non-exhaustive and duplicated, omitting activities addressing review of the transparency framework and action plan, guidelines for hazardous waste management for the oil and gas sector, a communication strategy for the petroleum sector, the National Petroleum Master Plan, and incorporation of Community Development Agreements in the Petroleum Act 2019.
- ii. **Strengthening Cooperation with Government Agencies and other Governments:** Key government agencies necessary in the implementation process are missing, including NEMA, DOSH, and Tribunals.
- iii. **Establish a Mechanism for Conflict Management and Dispute Resolution:** Key government agencies necessary in conflict management and dispute resolution have been omitted, including the relevant Tribunals as implementing agencies in addition to the State Department for Petroleum (SDP).
- iv. **Decommissioning:** NEMA, a key agency in decommissioning, is missing from the implementation process.
- v. **Public Participation:** The Policy makes public participation optional and subject to determination by the SDP, rather than a continuous process.
- vi. **Climate Change Mitigation and Adaptation:** The State Department for Climate Change and Forestry has not been included in the implementation process.
- vii. **Land and Host Community Rights:** Civil Society and Community Based Organizations are lacking from the process, and the National Land Commission has not been included as one of the key institutions important in facilitating land acquisition.

- viii. **Local Content:** There is a lack of a governing framework on the local content legal and regulatory framework.

B. Transparency International Kenya (TI-Kenya)

3. Transparency International Kenya is the Kenyan chapter of the global anti-corruption movement. TI-Kenya's submission focused specifically on transparency, anti-corruption, and accountability mechanisms in petroleum sector governance, with particular emphasis on EITI membership, contract transparency, and beneficial ownership disclosure. TI-Kenya submitted as follows:
- a. **Unimplemented Transparency Framework:** Six years after the development of the Transparency and Accountability Framework under the Petroleum Act 2019, Kenya has yet to implement it, leaving the petroleum sector vulnerable to secrecy, mismanagement, and public mistrust.
 - b. **Lack of Revenue Transparency:** The Policy does not address transparency on petroleum revenues. There is no provision for public disclosure of contracts, impact assessments, or benefit-sharing agreements, preventing communities from challenging exploitative deals or claiming their share of revenues.
 - c. **Weak Revenue Management Accountability:** The revenue management provisions lack adequate accountability mechanisms, creating conditions for mismanagement and corruption in the collection, reporting, and disbursement of petroleum revenues.
 - d. **Optional Public Participation:** The implementation matrix makes public participation optional and subject to determination by the State Department of Petroleum, rather than a mandatory continuous requirement throughout the petroleum development lifecycle.

C. Community Action for Nature Conservation (CANCO)

4. Community Action for Nature Conservation (CANCO) is a public interest Environmental Civil Society Organization registered under the NGO Coordination Act (1990) of the laws of Kenya in 2008, consisting of multi-disciplinary professionals and practitioners committed to good environmental governance, conservation, and sustainable use of natural resources. CANCO's submission focused on environmental safeguards, hazardous waste, and oil spill preparedness, and submitted as follows:
- a. **Technological Advancements (Section 3.1.3):** The Policy does not incorporate technological advancements in the oil and gas sector, including cleaner drilling technologies, enhanced oil recovery, digital emissions monitoring, or advanced waste treatment.
 - b. **Hazardous Waste Management:** There is no comprehensive policy statement on hazardous waste management in the petroleum sector. In Turkana, communities have been exposed to contaminated hazardous waste liners. In Lamu, poor disposal and improper decommissioning have raised long-term public health concerns.
 - c. **Decommissioning (Section 4.1.6):** The decommissioning policy statement omits post-decommissioning environmental implications and does not reference Environmental Deposit Bonds, despite the Environmental Deposit Bonds regulations under EMCA 1999 already existing and requiring activation.

- d. **Oil Spill Preparedness (Section 3.1.2):** Kenya's National Oil Spill Contingency Plan remains largely unimplemented. Past experiences reveal gaps in emergency preparedness, weak enforcement of environmental safeguards, and limited public awareness on spill response. Inter-governmental coordination for response is fragmented.
- e. **Existing Institutional Framework:** NEMA the primary environmental regulatory agency is absent from the decommissioning implementation process and other key environmental activities in the implementation matrix.
- f. **Annex I: Climate Change Mitigation:** The State Department for Climate Change and Forestry is not included in the implementation process for climate change mitigation activities.

D. Kenya National Association of Water Resources Users' Association (KENAWRUA)

- 5. KENAWRUA is a national forum bringing together all Water Resources Users in Kenya, advocating for good water governance and sustainable management of water resources. KENAWRUA's submission focused on the intersection between petroleum operations and water resources, and on the completeness of the legislative and institutional framework, and submitted as follows:

- a. **Existing Legislative Framework (Section 2.2.2):** Several pieces of legislation governing sectors directly impacted by petroleum operations are missing, including the Water Act 2024, Forestry Act 2015, Wildlife Act 2016, Fisheries Act CAP 378, EMCA 1999, Community Land Act 2016, County Governments Act 2012, and the Model Production Sharing Agreement.
- b. **Existing Institutional Framework:** Several institutions with mandates intersecting petroleum operations are omitted from the institutional framework, undermining cross-sectoral governance.
- c. **Environmental and Regulatory Concerns (Section 3.1.2):** The Policy references specific global environmental policies that are prone to political and institutional change, creating long-term investment planning uncertainty.
- d. **Annex I: Strengthening Cooperation with Government Agencies:** Key government agencies necessary for implementation, including NEMA, DOSH, and relevant Tribunals, are missing from the cooperation and implementation activities.

E. Association of Women in Energy and Extractives in Kenya (AWEIK)

- 6. AWEIK is a nationwide organization that connects women in Kenya with professional and business opportunities in the extractives value chain. AWEIK's submission focused on the absence of gender-responsive provisions in the Policy, and submitted as follows:
- a. **Absence of GEDSI Provisions:** The Policy has no explicit provisions addressing Gender Equality and Disability and Social Inclusion (GEDSI). It does not mandate gender-responsive or inclusive measures, and women and persons with disabilities are treated as an afterthought rather than as integral to sector development.
- b. **Exploration, Development and Production (Section 4.1.4):** Policy statements on workforce and community benefits do not include any gender-disaggregated participation targets or requirements for inclusive hiring and procurement practices.

- c. **Host Community Rights (Section 5.5):** Host community rights provisions do not specifically address the differentiated impacts of petroleum operations on women, who often bear disproportionate social and environmental costs of petroleum development.
- d. **Annex I: Local Content Implementation:** Local content implementation activities contain no gender-specific targets or mechanisms to ensure women and women-owned enterprises benefit from local content requirements.

F. Oxfam

7. Oxfam is a worldwide development organization that mobilizes the strength and voice of people against poverty, inequality, and injustice. Oxfam's submission focused on equitable revenue distribution, community rights, and ensuring that petroleum development delivers broad-based socio-economic benefits, and submitted as follows:
 - a. **Management of Revenues from Petroleum Operations (Section 4.4.1):** The Policy provides no framework for equitable distribution of petroleum revenues to host communities or for ensuring that resource extraction translates into tangible poverty reduction for communities in petroleum-producing areas.
 - b. **Exploration History/EOPS (Section 2.1.1.2):** The EOPS experience in Turkana demonstrated limited local employment, lack of capacity building, and minimal participation of local businesses in the supply chain, creating community grievances that resulted in operational disruptions.
 - c. **Host Community Rights (Section 5.5):** The Policy's host community rights provisions are weak and do not provide enforceable mechanisms for communities to claim their rights or seek redress for violations.
 - d. **Security (Section 3.1) / Emerging Issues:** Communities in petroleum areas particularly Turkana continue to face insecurity risks that affect both their safety and the stability of petroleum operations, yet the Policy has no specific community safety framework.

G. Solidaridad

8. Solidaridad is an international civil society organization promoting sustainable supply chains, responsible production, and inclusive economic development. Solidaridad's submission focused on local content, technology transfer, and ensuring that petroleum development contributes to sustainable economic transformation, and submitted as follows:
 - a. **Local Content (Cross-cutting and page 56):** Without strong local content policies, the petroleum sector risks becoming an enclave industry with minimal impact on Kenya's broader economy. The Policy lacks enforceable local content targets, defined timelines for skills development, and mechanisms for technology transfer.
 - b. **Technological Advancements (Section 3.1.3):** There is no policy provision for incorporating renewable energy in fossil fuel extraction, development, and production processes for example, using geothermal energy to heat pipelines which would reduce costs and environmental footprints.
 - c. **Annex I: Local Content Legal Framework:** There is no governing framework for the local content legal and regulatory architecture referenced in the implementation matrix.

- d. **Midstream Sub-sector (Section 2.1.2):** The midstream sub-sector section has an opening statement that contradicts Section 1.1.2 on the components of the midstream sub-sector, and fails to capture all midstream components including transportation (pipeline, road, rail, tankers), processing, and storage.

H. Nature Kenya (East Africa Natural History Society)

9. Nature Kenya the East Africa Natural History Society (EANHS) is Africa's oldest environmental society, established in 1909, and serves as the Birdlife International partner in Kenya. While its memorandum was formally submitted on Sessional Paper No. 5 of 2026 (National Energy Policy 2025-2034), specifically addressing Sub-section 3.14.2 (Environmental Issues in Energy), its inputs are relevant to the Petroleum Policy given that petroleum infrastructure pipelines, processing facilities, and transmission lines presents biodiversity risks equivalent to those raised for the energy sector generally. Nature Kenya submitted as follows:

- a. **Absence of Biodiversity Compliance Standards:** Petroleum and energy infrastructure, including pipelines, processing facilities, and transmission lines, is not subject to any requirement to comply with recognized international biodiversity standards. There is currently no legal obligation for such infrastructure development to achieve a 'no net loss' of biodiversity outcome.
- b. **Transmission and Distribution Infrastructure:** Transmission and distribution lines and poles associated with petroleum and energy operations do not conform to international best practices designed to prevent bird collisions and electrocution. Existing pole designs, including cement poles, have not been assessed or modified against these risks.
- c. **Absence of Mandated Biodiversity Assessment Tools in EIAs:** Environmental Impact Assessments for petroleum and energy infrastructure projects do not currently require the use of recognized biodiversity-specific mitigation and assessment tools, such as the Avian Sensitivity Tool for Energy Planning (AVISTEP), the Integrated Biodiversity Assessment Tool (IBAT), and Strategic Environmental Assessment (SEA) frameworks for biodiversity.
- d. **Inadequate Protection of Protected Areas and Key Biodiversity Areas:** Protected Areas (PAs) and Key Biodiversity Areas (KBAs) are not explicitly safeguarded from petroleum and energy infrastructure siting decisions, creating exposure to irreversible biodiversity loss in ecologically sensitive areas.
- e. **Weak Governance, Stakeholder Engagement, and Transparency Mechanisms:** Governance frameworks applicable to petroleum and energy infrastructure projects do not adequately incorporate the input of scientific experts during planning and assessment processes, ensure consistent compliance with biodiversity regulations, or foster substantive partnerships with conservation organizations. There is also no requirement for regular, publicly accessible biodiversity monitoring reporting, including disclosure of wildlife mortality incidents.

I. National Environment Management Authority (NEMA)

10. NEMA is established under the Environmental Management and Co-ordination Act, Cap. 387 (EMCA) as the principal Government instrument responsible for implementing environmental policy and exercising general supervision and coordination over all environmental matters, guided by Articles 42, 69, and 70 of the Constitution of Kenya. NEMA appeared before the Committee and submitted as follows:

- a. **Conditional Support:** NEMA supports the policy objective of ensuring reliable, affordable, secure, and sustainable energy and petroleum supply for national development. However, NEMA's support is conditional: approval of the Sessional Papers should not be construed as approval, exemption, waiver, or pre-clearance of any energy or petroleum project, plan, programme, petroleum block, transmission corridor, generation facility, LPG facility, pipeline, depot, refinery, petrochemical facility, critical minerals value chain, nuclear programme, or related infrastructure. All such undertakings remain subject to EMCA and the applicable environmental and social safeguards framework.
- b. **Environmental Assessment as a Substantive Requirement:** Environmental assessment is not a procedural formality but a substantive decision-making tool required to identify, predict, evaluate, avoid, minimize, mitigate, and monitor environmental and social risks before policy, programme, and project decisions become irreversible. Implementation of the Sessional Papers must be anchored in Strategic Environmental Assessment (Section 57A of EMCA), Environmental and Social Impact Assessment (Section 58 of EMCA), Environmental Audit (Section 68 of EMCA), and broader compliance monitoring and enforcement under EMCA.
- c. **Extensive Legal and Regulatory Framework :** The relevant legal framework includes, but is not limited to, the Constitution of Kenya; EMCA Cap. 387; the Climate Change Act, Cap. 387A; the Environmental (Impact Assessment and Audit) Regulations, 2003 (as amended); the Environmental Management and Co-ordination (Strategic and Integrated Environmental Assessments and Environmental Audits) (No. 2) Regulations, 2025; the Environmental Management and Co-ordination (Deposit Bonds) (No. 2) Regulations, 2025; the Environmental Management and Co-ordination (Water Quality) Regulations, 2024; the Environmental Management and Co-ordination (Waste Management) Regulations, 2024; the Environmental Management and Co-ordination (Air Quality) Regulations, 2024; the Environmental Management and Co-ordination (Management of Toxic and Hazardous Chemicals and Materials) Regulations, 2024; the Sustainable Waste Management (Extended Producer Responsibility) Regulations, 2024; and the Climate Change (Carbon Markets) Regulations, 2024, together with all other applicable laws governing biodiversity, wetlands, forests, wildlife, water resources, occupational health and safety, land, community land, physical planning, public health, and disaster risk management.
- d. **Inherently High Environmental and Social Risks in Petroleum Operations:** Petroleum operations present inherently high environmental and social risks, including seismic disturbance, drilling waste, produced water, oil spills, soil and groundwater contamination, gas flaring, methane emissions, hazardous chemicals, pipeline leaks, fire and explosion hazards, marine and coastal impacts, land acquisition, community conflict, and decommissioning liabilities. These risks require binding instruments, clear institutional responsibility, measurable indicators, and adequate budgetary provisions, not merely broad policy commitments.
- e. **Comprehensive Petroleum Environmental Risk Management Framework :** The Petroleum Policy should further require a comprehensive petroleum environmental risk management framework covering produced water management, drilling muds and cuttings, hazardous chemicals, contaminated land, oil spill contingency planning, pipeline integrity, vapor recovery, tank integrity testing, groundwater monitoring, methane leak detection and repair, flaring and venting controls, oil spill drills, incident reporting, community notification, and multi-agency emergency response.
- f. **Decommissioning:** While commending the Policy for recognizing decommissioning as a cross-cutting issue, decommissioning plans and costed restoration plans should be required at the ESIA stage and updated throughout the petroleum project cycle. Operators should maintain adequate financial assurance, including environmental deposit

bonds, to secure restoration, contaminated land remediation, post-closure monitoring, and management of residual liabilities. Decommissioning should not be deferred to the end of production when risks and costs have already crystallized.

- g. **Land, Water and Community Right:** The Petroleum Policy should clearly require alternatives analysis, avoidance of displacement where feasible, lawful land acquisition, community land safeguards, livelihood restoration, water availability assessment, Water Resources Authority permits, produced-water management, protection of ecosystems and community water needs, local language disclosure, grievance redress, and participatory monitoring. Corporate social responsibility should not be treated as a substitute for legally enforceable mitigation, compensation, or restoration obligations.
- h. **Cross-cutting Environmental Safeguards :** The Committee should adopt cross-cutting environmental safeguards as express conditions and implementation directions in the Sessional Papers, spanning: environmental law as a condition precedent; Strategic Environmental Assessment and cumulative impacts; pollution prevention and environmental quality standards; climate change, GHG accounting, and carbon markets; waste and circular economy; biodiversity, water resources, and sensitive ecosystems; decommissioning and financial assurance; public participation and grievance redress; inter-agency coordination; and monitoring, enforcement, and public disclosure.
- i. **NEMA's Institutional Role:** The implementation matrices of the Sessional Papers should identify NEMA as the principal environmental regulator and mandatory coordinating agency for environmental assessment, audit, permitting, compliance monitoring, incident response, decommissioning, and environmental data disclosure. NEMA's role should not be reduced to a post-approval commentator; the Authority must be engaged at the planning, licensing, implementation, audit, and decommissioning stages.
- j. **Budgetary and Institutional Support:** Adequate budgetary and institutional support should be provided for environmental regulation of the energy and petroleum sectors. The policy ambitions will generate increased demand for SEA review, ESIA review, compliance inspections, audits, incident response, climate reporting verification, carbon market oversight, data integration, and enforcement, requiring technical capacity, laboratories, digital systems, and field logistics.
- k. **Overall Position:** NEMA's bottom-line position is that the Sessional Papers are progressive and may be supported in principle, but should be approved with clear Committee recommendations requiring the responsible State Departments to incorporate binding environmental safeguards, measurable implementation indicators, and compliance linkages with EMCA, the Climate Change Act, and the relevant subsidiary legislation.

J. Engineers Board of Kenya (EBK)

11. The Engineers Board of Kenya (EBK) is the statutory body established under the Engineers Act, 2011, mandated to register, regulate, and promote the engineering profession in Kenya. EBK's submission focused on the technical, safety, quality assurance, and professional capacity dimensions of the Policy, and submitted as follows:

- a. **Absence of Mandated Engineering Oversight:** The Policy extensively references infrastructure development (pipelines, storage facilities, refineries, LPG reticulation, decommissioning) but does not explicitly require that such infrastructure be designed, constructed, inspected, and certified by registered engineers. The Policy lacks provisions on mandatory engagement of registered professional engineers for feasibility studies, detailed design, construction supervision, and commissioning of petroleum facilities; certification of pressure vessels, pipelines, storage tanks, and LPG reticulation systems;

and continuing professional development (CPD) for engineers working in the petroleum sector.

- b. **Upstream Petroleum Sub-Sector (Section 3.2):** The Policy provides for exploration, development, and production operations but does not require engineering design verification for drilling platforms, wellheads, flow lines, and processing facilities. Decommissioning (Section 3.8.1) is mentioned, but there is no requirement for decommissioning plans to be prepared or approved by qualified engineers.
- c. **Midstream Petroleum Sub-Sector (Section 3.3):** The Policy promotes development of midstream infrastructure (pipelines, storage, refining) but lacks engineering quality assurance requirements. Third-party access to infrastructure is allowed, but there is no provision for technical audits to ensure infrastructure integrity before access is granted.
- d. **Downstream Petroleum Sub-Sector (Section 3.4):** Infrastructure development for storage, transportation, and distribution is discussed, but no engineering standards for tank farms, dispensing stations, or reticulation systems are referenced. LPG promotion includes reticulation into housing units and commercial entities, but there is no mention of safety standards or engineer certification for gas piping networks.
- e. **Liquefied Petroleum Gas (Section 3.4.4):** The Policy aims to increase LPG uptake and develop bulk storage and filling infrastructure, but does not address the shortage of qualified engineers for LPG facility design, operation, and maintenance. The role of EBK in enforcing engineering standards is absent.
- f. **Decommissioning (Section 3.8.1):** The Policy requires financial assurances and environmentally sustainable decommissioning but does not require engineering sign-off on decommissioning methods.
- g. **Petroleum Data Management (Section 3.8.2):** Data management is addressed, but engineering data such as well logs, pipeline integrity reports, and material certifications is not specifically protected or standardized.
- h. **Health and Safety (Section 3.8.10):** The Policy states that compliance with health and safety laws will be ensured, but does not reference the Engineers Act or EBK's role in engineering safety.
- i. **Environment, Social and Governance (Section 3.8.11):** ESG principles are promoted, but engineering aspects of environmental protection such as leak detection, spill containment, and emissions control are not linked to professional certification.
- j. **Local Content (Section 3.8.7):** The Policy prioritizes local content but does not specify that local engineering firms must be registered with EBK or that local engineers must hold valid practicing licenses.
- k. **Institutional Capacity Development (Section 3.6):** The Policy provides for institutional capacity development but does not mandate CPD for engineers in the petroleum sector.
- l. **Technology and Innovation (Section 3.7):** The Policy encourages adoption of AI, IoT, robotics, and blockchain, but does not address the need for engineering validation of these technologies in safety-critical applications.
- m. **Implementation Matrix (Annex I):** The implementation matrix lists many activities but does not assign EBK any role in quality assurance, engineering certification, or capacity building.

Proposed Textual Amendments

12. EBK proposed specific amendment language for insertion into Chapters 3 and 4 of the Policy, covering:

- a. Section 3.2.4 (Exploration, Development, Production): requiring EBK certification and sign-off before commissioning of upstream facilities;
- b. Section 3.3.1 (Value Addition) : requiring triennial engineering integrity audits of midstream infrastructure;
- c. Section 3.4.3 (Infrastructure Development) : requiring annual engineering certification of storage and distribution facilities;
- d. Section 3.4.4 (LPG) : requiring EBK-registered gas engineer supervision of LPG systems with annual safety certification to EPRA and EBK;
- e. Section 3.8.1 (Decommissioning) : requiring engineering certification of structural safety and environmental restoration;
- f. Section 3.8.7 (Local Content) : defining local engineering content as services from EBK-registered firms and individuals, with a minimum 30% sub-contracting requirement for foreign contractors to local EBK-registered firms; and
- g. Section 4.1 (Institutional Framework, Table 5) : inserting EBK as a supporting institution responsible for regulation of the engineering profession in petroleum operations, certification of engineers, technical audits, and capacity building.

K. Competition Authority of Kenya (CAK)

13. The Competition Authority of Kenya (CAK) is established under the Competition Act, Cap 504, with a mandate to promote and safeguard competition in markets, protect consumers from unfair or misleading market conduct, and prohibit restrictive trade practices and regulate mergers. The object of the Act (Section 3) is to enhance the welfare of Kenyans by promoting effective competition and preventing unfair market conduct. CAK appeared before the Committee and submitted as follows:

Overview of the National Petroleum Policy

14. CAK described the National Petroleum Policy as a comprehensive government document designed to regulate and transform Kenya's oil and gas sector into a driver of sustainable economic growth, establishing a modernised framework for upstream (exploration), midstream (infrastructure development), and downstream (product distribution) operations, in alignment with the country's Bottom-Up Economic Transformation Agenda. CAK noted that the Policy achieves competition and consumer protection through a combination of regulatory oversight, price controls, quality assurance, and competitive procurement frameworks.

Mechanisms for Achieving Fair Competition Identified in the Policy

- a. **Guiding Principles:** The Policy is premised on national values requiring stakeholders to promote fair competition and ethical business practices.
- b. **Open Tender System (OTS) for Downstream:** The Policy utilises the OTS, a competitive process where monthly imports of petroleum fuels are determined through consultations between the government and oil marketers to meet national demand.
- c. **Competitive Sourcing for LPG:** To lower retail prices and increase uptake, the government uses competitive sourcing of Liquefied Petroleum Gas (LPG).
- d. **Third-Party Infrastructure Access:** The Policy facilitates third-party access to petroleum infrastructure (pipelines, storage) in exchange for fair compensation, preventing monopolies from restricting market entry.

Mechanisms for Ensuring Consumer Protection Identified in the Policy

- a. **Price Regulation:** The government maintains a regulated price regime through the energy and petroleum sector regulator for essential products including Automotive Gas Oil (Diesel), Premium Motor Spirit (Super Petrol), and Illuminating Kerosene, to ensure fair pricing and market stability.
- b. **Quality Control and Standards:** To protect consumers from substandard products, the Policy mandates regular spot checks at randomly selected dispensing sites, quality checks at the point of vessel discharge, and strict adherence to statutory quality and standards enforced by EPRA and KEBS.
- c. **Security of Supply:** The Policy aims to protect consumers from supply disruptions by establishing and maintaining strategic petroleum stocks.

Identified Competition Concerns

- a. **High Barriers to Entry:** The petroleum sector is extremely capital intensive, requiring massive upfront capital investments for exploration and infrastructure. These high costs, combined with exploration risks and volatile global prices, can discourage new investors, serving as a barrier to entry and limiting the number of market participants.
- b. **Inadequate Legal Frameworks:** The Policy admits that existing laws and regulations need review to enhance the efficiency of petroleum operations and enable the country to compete effectively with other jurisdictions.

Identified Consumer Protection Concerns

- a. **Cost Management Risks:** There is a concern that the government has difficulty challenging unnecessary, inefficient, or unchecked expenditures by oil contractors due to an inadequate regulatory framework.
- b. **Global Price Shocks:** Because Kenya relies heavily on imports, fluctuations in global crude oil prices contribute directly to an increased cost of living for citizens. As a petroleum importing country, Kenya is vulnerable to global price volatility.

L. Electricity Consumer Societies of Kenya

15. The Electricity Consumer Societies of Kenya, represented by Amb. Dr. Joshua Gwara, presented a Strategic Report on Kenya's Transition to Open Access Electricity together with a Draft ELCOS (Electricity Consumer Societies) Framework. While developed primarily in the context of the electricity sub-sector, the submission specifically identified issues and proposals for direct application to the National Petroleum Policy 2025, as follows:

- a. **Absence of Transparent Pricing Mechanisms:** The National Petroleum Policy lacks provisions ensuring transparent pricing of petroleum products to consumers.
- b. **No Consumer Representation in Petroleum Tariff Reviews:** There is no mechanism for consumer representation in EPRA's petroleum tariff review processes, leaving consumers without a formal voice in how petroleum product prices are set or adjusted.
- c. **No Ring-Fenced Fund for LPG and Kerosene Affordability Advocacy:** There is no dedicated, ring-fenced fund to support consumer advocacy specifically on the affordability of LPG and kerosene, fuels that are disproportionately relied upon by lower-income households for cooking and lighting.
- d. **Absence of Statutory Protections Against Market Manipulation by Oil Marketing Companies:** There is a gap in statutory protections that would guard against market manipulation practices by oil marketing companies, including the absence

of enforcement mechanisms equivalent to anti-collusion and anti-trust powers that could address such conduct in the petroleum retail market.

M. Kenya Bureau of Standards (KEBS)

16. The Kenya Bureau of Standards (KEBS) is the national standards body established under the Standards Act, Cap. 496, mandated to formulate, publish, promote and enforce standards, provide testing, calibration and certification services, and coordinate conformity assessment for goods and services. KEBS submitted its memorandum in its capacity as the national standards and conformity assessment authority with direct responsibility for petroleum product quality standards, measurement accuracy standards, and standards governance for emerging petroleum technologies.
17. KEBS commended the Government for developing a comprehensive National Petroleum Policy covering the upstream, midstream and downstream petroleum sectors. However, KEBS identified several critical gaps requiring policy strengthening and submitted as follows:

Key Cross-Cutting Observations

- a. Absence of robust provisions on artificial intelligence, digital technology, cybersecurity, data governance and digital transformation in the petroleum sector;
- b. Lack of data sovereignty protections, cybersecurity standards and a national petroleum data repository;
- c. Absence of quantified climate commitments, gas flaring reduction targets, carbon capture provisions and just transition measures;
- d. Weak local content provisions lacking mandatory thresholds for employment, procurement, equity participation and technology transfer;
- e. Lack of regional integration provisions under AfCFTA, the Africa Energy Transition Framework and related regional petroleum trade frameworks;
- f. Insufficient safeguards on regulatory independence and governance;
- g. Absence of Extractive Industries Transparency Initiative (EITI) commitments, beneficial ownership disclosure requirements and sovereign wealth fund provisions; and
- h. Limited recognition of KEBS' statutory role in petroleum product quality assurance, measurement standards and conformity assessment.

Specific Policy Recommendations

a. Technology, Innovation and Data Governance

- i. Introduce mandatory adoption of digital technologies, artificial intelligence, digital twins, predictive maintenance systems and Industrial 4.0 standards in petroleum operations;
- ii. Establish a National Petroleum Data Repository and provide legal protections for petroleum sector data sovereignty;
- iii. Introduce cybersecurity obligations for critical petroleum infrastructure aligned with international standards; and
- iv. Promote petroleum sector digital skills development and establish a national petroleum digital technology centre of excellence.

b. Energy Transition and Climate Alignment

- i. Adopt a Zero Routine Flaring policy and establish measurable flaring reduction targets;
- ii. Develop a Carbon Capture, Utilisation and Storage (CCUS) framework;

- iii. Align petroleum sector emissions management with Kenya's Nationally Determined Contributions (NDCs); and
- iv. Establish a petroleum sector Just Transition Framework to support affected workers and communities.

c. Local Content and Industrialisation

- i. Introduce mandatory local content thresholds for employment, procurement and equity participation;
- ii. Require technology transfer agreements for petroleum operators; and
- iii. Strengthen linkages between the petroleum sector and the Bottom-Up Economic Transformation Agenda (BETA), including support for SMEs and local enterprises.

d. Regulatory and Institutional Framework

- i. Strengthen the operational and financial independence of EPRA;
- ii. Introduce mandatory beneficial ownership disclosure requirements; and
- iii. Formally recognise KEBS as the standards development authority for petroleum product quality, custody transfer measurement standards and conformity assessment systems.

e. Fiscal Regime and Revenue Management

- i. Commit Kenya to accession to the Extractive Industries Transparency Initiative (EITI);
- ii. Establish a Petroleum Revenue Sovereign Wealth Fund; and
- iii. Review Production Sharing Contracts and introduce provisions on windfall profits and revenue accountability.

MIN./NO./DC-ENERGY/2026/095: OBSERVATIONS

Having been briefed, the Committee made the following observations:

- i. That, lessons from the Early Oil Pilot Scheme (EOPS) in Turkana highlight persistent gaps in local employment, enterprise development and benefit sharing. The Committee recommends strengthening local content implementation frameworks to ensure meaningful community participation and equitable benefit sharing in petroleum projects and strengthening provisions on host community engagement and protection of community rights throughout the petroleum project lifecycle.
- ii. That, environmental safeguards in the Policy are insufficient in addressing hazardous waste management, oil spill preparedness, decommissioning, biodiversity protection and climate change mitigation. The Committee recommends alignment of the Policy with existing environmental laws and strengthening of environmental risk management frameworks across the petroleum value chain.
- iii. That, the Policy does not sufficiently integrate environmental governance frameworks, including environmental impact assessments, audits, deposit bonds and climate obligations, nor fully anchor the role of NEMA in implementation. The Committee recommends enhanced integration of NEMA and other environmental regulators in monitoring, compliance, and enforcement mechanisms.
- iv. That, the Policy does not adequately address emerging technologies, digital transformation, and petroleum data governance, including cybersecurity and innovation systems. The Committee recommends the incorporation of provisions on

digital infrastructure, data governance, cybersecurity standards, and adoption of modern petroleum technologies.

- v. That, the institutional framework does not comprehensively integrate all relevant agencies with statutory mandates in the petroleum sector, including environmental, water, engineering and standards regulators. The Committee recommends strengthening inter-agency coordination and explicitly incorporating all relevant institutions within the implementation framework.
- vi. That, the Policy lacks a comprehensive petroleum data governance framework, including data sovereignty, cybersecurity protocols, and the establishment of a national petroleum data repository. The Committee recommends the development of a structured petroleum data governance system to enhance security, accessibility, and decision-making.
- vii. That, engineering standards, professional oversight and technical compliance are not sufficiently emphasized in petroleum infrastructure development and decommissioning. The Committee recommends strengthening regulatory oversight of engineering standards and professional certification in petroleum operations.
- viii. That, the Policy does not provide explicit Gender Equality, Disability and Social Inclusion (GEDSI) provisions across the petroleum value chain. The Committee recommends mainstreaming GEDSI considerations to ensure equitable participation and benefit sharing for women, youth, persons with disabilities, and marginalized groups.
- ix. That, Kenya remains highly dependent on imported petroleum products, exposing the country to global price volatility and supply chain disruptions. The Committee recommends strengthening energy security measures, including strategic petroleum reserves, diversification of supply sources, and investment in critical petroleum infrastructure.
- x. That, consumer protection provisions, including pricing transparency, market competition and safeguards against anti-competitive practices, are not sufficiently developed. The Committee recommends strengthening consumer protection mechanisms and enhancing regulatory oversight of petroleum pricing and market conduct.

MIN./NO./DC-ENERGY/2026/096: ANY OTHER BUSINESS

There was no other business that arose during the meeting.

MIN./NO./DC-ENERGY/2026/097: ADJOURNMENT

There being no other business, the meeting was adjourned at 6.40 p.m. The next meeting will be held on Saturday, 6th June, 2026 at 9.30 am to receive views on Sessional Paper No. 5 of 2026 on the National Energy Policy 2025.

SIGNED _____

DATE _____

**HON. DAVID GIKARIA, CBS, MP
CHAIRPERSON
DEPARTMENTAL COMMITTEE ON ENERGY**



**THE NATIONAL ASSEMBLY
THIRTEENTH PARLIAMENT – FIFTH SESSION, 2026
DIRECTORATE OF DEPARTMENTAL COMMITTEES**

**MINUTES OF THE 18TH SITTING OF THE DEPARTMENTAL COMMITTEE ON
ENERGY HELD ON SATURDAY, 6TH JUNE, 2026 IN VICTORIA 3, ARGYLE HOTEL
AT 9:30 A.M.**

PRESENT

1. The Hon. Samuel Gonzi Rai, MGH, M.P.
2. The Hon. Elisha Odhiambo, M.P.
3. The Hon. Charles Gimose, M.P.
4. The Hon. Tom Mboya Odege, M.P. - Session Chair
5. The Hon. Simon King'ara, CBS, M.P.
6. The Hon. Geoffrey Ekesa Mulanya, M.P.
7. The Hon. Cecilia Asinyen Ngiti, M.P.
8. The Hon. Barongo Nolfason Obadiah, M.P.
9. The Hon. Siyad Amina Udgoon, MP

ABSENT WITH APOLOGY

1. The Hon. David Gikaria, CBS, MP - Chairperson
2. The Hon. Lemanken Aramat, CBS, MP - Vice-Chairperson
3. The Hon. George Omwera Aladwa, M.P.
4. The Hon. Julius Musili Mawathe, M.P.
5. The Hon. Victor Koech Kipngetich, M.P.
6. The Hon. Walter Owino, M.P.

IN-ATTENDANCE

COMMITTEE SECRETARIAT

- | | |
|------------------------|------------------------|
| 1. Mr. Fredrick Otieno | - Clerk Assistant I |
| 2. Ms. Grace Wahu | - Clerk Assistant II |
| 3. Mr. Brian Njeru | - Fiscal Analyst II |
| 4. Ms. Brigitta Mati | - Senior Legal Counsel |
| 5. Mr. Collins Mahamba | - Audio Officer |
| 6. Ms. Lena Wawira | - Hansard Reporter |
| 7. Mr. Wesley Abuga | - Research Officer |
| 8. Mr. Anthony Wamae | - Serjeant At-Arm |
| 9. Ms. Mariana Nyagol | - Intern |
| 10. Ms. Joy Purity | - Intern |
| 11. Mr. Richard Siagi | - Intern |

STATE DEPARTMENT FOR ENERGY

- | | |
|------------------------|--------------------------|
| 1. Mr. Alex Wachira | - Principal Secretary |
| 2. Eng. Isaac Kiva | - Deputy Director Energy |
| 3. Mr. Justus Wabuyabo | - CEO, NUPEA |
| 4. Mr. Eric Kiruja | - Engineer, SDE |
| 5. Ms. Edna Mutevu | - Engineer, SDE |
| 6. Mr. Paul Wambugu | - IM, KENGEN |

- | | |
|--------------------------|--------------------------------|
| 7. Mr. Ahmed Isaac | - Ag.MD, KENGEN |
| 8. Ms. Sarah Okumu | - NUPEA, DLRS |
| 9. Dr. Njogu Kimando | - EM Strategy, KETRACO |
| 10. Ms. Beatrice Musyoka | - Ast Manager Planning, KENGEN |
| 11. Ms. Judy Kiricho | - P.S.C, SDE |
| 12. Ms. Jacklyn Ronoh | - MUA, GDC |
| 13. Dennis Nyagah | - Budget, National Treasury |

AGENDA

1. Preliminaries and adoption of the agenda
2. Confirmation of Minutes of previous Sittings
3. **Meeting with the State Department for Energy to receive views on the Sessional Paper No. 5 of 2026 on the National Energy Policy, 2025.**
4. Any other Business
5. Adjournment.

MIN./NO./DC-ENERGY/2026/098: PRELIMINARIES & ADOPTION OF AGENDA

The Session Chairperson, Hon. Tom Odege, MP called the meeting to order at 9.48 am and said a prayer. The agenda of the meeting was adopted having been proposed by Hon. Nolfason Barongo, MP and seconded by Hon. Gonzi Rai, MP.

MIN./NO./DC-ENERGY/2026/099: CONFIRMATION OF MINUTES OF THE PREVIOUS SITTINGS

The confirmation of Minutes was deferred to a later date.

MIN./NO./DC-ENERGY/2026/100: MEETING WITH THE STATE DEPARTMENT FOR ENERGY TO RECEIVE VIEWS ON THE SESSIONAL PAPER NO. 5 OF 2026 ON THE NATIONAL ENERGY POLICY, 2025

a. Submission by the State Department for Energy

1. Mr. Alex Wachira, CBS, Principal Secretary, State Department for Energy, appeared before the Committee on Friday, 5th June, 2026 and submitted as follows;
2. The Policy had been developed pursuant to the Energy Act, 2019 to provide strategic direction for development of the energy sector and to align the sector with emerging national, regional and global developments. The State Department noted that the Policy seeks to support achievement of universal access to affordable, reliable, sustainable and modern energy services while promoting economic growth, industrialization and environmental sustainability.

Rationale for Review of the National Energy Policy

3. The existing National Energy Policy required review to respond to changing energy sector dynamics, including increasing energy demand, technological advancements, climate change obligations, evolving regional energy markets and the need to strengthen energy security. The review was also intended to align the Policy with the Constitution of Kenya, Vision 2030, the Bottom-Up Economic Transformation Agenda, the Fourth Medium Term Plan and Kenya's international commitments on sustainable development and climate action.

Current Status of the Energy Sector

4. Kenya has made significant progress in energy sector development, particularly in electricity access, renewable energy deployment and regional energy integration. The country has achieved substantial growth in installed electricity generation capacity, with renewable energy accounting for the largest share of the energy mix. Investments in generation, transmission and distribution infrastructure have enhanced reliability of supply and strengthened Kenya's position as a regional energy hub.
5. A summary of the Policy was given as follows: -

a. On Electricity Access and Universal Connectivity

The policy seeks to accelerate universal access to electricity through continued expansion of grid infrastructure, implementation of last-mile connectivity programmes and deployment of mini-grid and off-grid solutions in remote and underserved areas. The State Department emphasized that achieving universal access remains a key Government priority and is critical for improving livelihoods, promoting industrialization and enhancing service delivery.

b. On Renewable Energy Development

6. The policy recognizes renewable energy as a cornerstone of Kenya's energy transition and seeks to maximize utilization of geothermal, solar, wind, hydro and biomass resources. The State Department noted that continued investment in renewable energy will enhance energy security, reduce greenhouse gas emissions, attract investment and support sustainable economic development.

c. On Energy Security and Reliability

7. The Policy proposes measures aimed at strengthening energy security through diversification of energy sources, enhancement of transmission infrastructure, increased regional power interconnections and promotion of strategic energy reserves. The State Department observed that a resilient and diversified energy system is necessary to safeguard the country against supply disruptions and external shocks.

d. On Clean Cooking and Modern Energy Services

8. The Policy prioritizes universal access to clean cooking solutions by 2030, under Section 3.3 on Clean Cooking and Bioenergy. The State Department noted that a significant proportion of households continue to rely on traditional biomass fuels, contributing to environmental degradation and adverse health impacts. The Policy therefore promotes adoption of clean cooking technologies, development of sustainable fuel supply chains and increased public awareness on clean energy alternatives.

e. On Energy Efficiency and Conservation

9. The Policy recognizes energy efficiency as a cost-effective approach to meeting growing energy demand. Proposed interventions include development of energy efficiency standards, promotion of energy-saving technologies, implementation of demand-side management programmes and strengthening of regulatory frameworks to support efficient energy use across all sectors.

f. On Emerging Technologies and Innovation

10. The State Department highlighted the growing importance of emerging technologies within the energy sector in Section 3.6 of the Policy, including battery energy storage systems, smart grids, artificial intelligence, digital energy platforms and advanced energy management systems. The Policy seeks to establish an enabling environment for innovation, research and adoption of new technologies to improve efficiency and reliability within the sector.

g. On Electric Mobility

11. The Policy recognizes electric mobility as an emerging opportunity for reducing dependence on fossil fuels and lowering greenhouse gas emissions. The State Department indicated that the Policy supports development of charging infrastructure, establishment of supportive regulatory frameworks and promotion of investment in electric mobility technologies.

h. On Green Hydrogen Development

12. The Policy identifies green hydrogen as a strategic opportunity for supporting industrial development, export growth and decarbonization. The State Department noted that Kenya's abundant renewable energy resources position the country favourably for production and utilization of green hydrogen and related technologies.

i. On Nuclear Energy Development

13. The Policy acknowledges the potential role of nuclear energy in diversifying the country's energy mix and enhancing long-term energy security. The State Department indicated that development of nuclear energy will be guided by international safety standards, robust regulatory frameworks and public engagement processes.

j. On Regional Energy Integration

14. The Policy supports increased regional cooperation through cross-border interconnections, regional power trade and participation in regional energy markets. The State Department observed that regional integration can enhance reliability of supply, improve market efficiency and strengthen energy security.

k. On Private Sector Participation and Investment

15. The Policy seeks to enhance private sector participation in energy development through creation of an enabling investment environment, promotion of public-private partnerships and implementation of transparent regulatory frameworks. The State Department emphasized that private investment will be critical in mobilizing resources required to achieve the Policy's objectives.

l. On the Institutional and Regulatory Framework

16. The Policy proposes strengthening institutional coordination among national government entities, county governments, regulators and other stakeholders. The State Department noted that clear institutional mandates and effective coordination mechanisms will be necessary for successful implementation of the Policy.

m. On Implementation, Monitoring and Evaluation

17. The State Department informed the Committee that implementation of the Policy will be supported through the Integrated National Energy Plan, sector-specific strategies, monitoring frameworks and periodic policy reviews. Progress will be measured using key performance indicators and regular reporting mechanisms to ensure accountability and effective delivery of policy objectives.

National Energy Policy Validation Workshop Report

18. The Committee received and considered the Report of the National Energy Policy Validation Workshop held on 14th April 2025 at the Radisson Blu Hotel, Nairobi. The workshop brought together representatives from National Government Ministries, Departments and Agencies, County Governments, development partners, private sector organizations, academia, civil society organizations, professional bodies and energy sector institutions.
19. The workshop formed part of the final consultative process aimed at validating the Draft National Energy Policy before its submission for approval and adoption. Participants generally acknowledged the importance of the Policy in providing strategic direction for the development of the energy sector and supporting Kenya's long-term economic transformation agenda.
20. The **Validation Workshop** submitted as follows:

a. Validation of the Draft National Energy Policy

21. Participants generally agreed that the Draft National Energy Policy provides a comprehensive framework for guiding development of the energy sector and responds to emerging national, regional and global developments. The workshop noted that the Policy adequately addresses key energy sub-sectors including electricity, renewable energy, petroleum, nuclear energy, energy efficiency and clean cooking while providing a framework for addressing emerging technologies and climate change concerns.

b. Alignment with National Development Priorities

22. The workshop observed that the Policy is aligned with the Constitution of Kenya, Vision 2030, the Bottom-Up Economic Transformation Agenda, the Fourth Medium-Term Plan and Kenya's international obligations relating to sustainable development and climate change. Participants emphasized the importance of ensuring that implementation of the Policy contributes to economic growth, industrialization, job creation and poverty reduction.

c. Universal Access to Modern Energy Services

23. Participants supported the Policy's commitment to achieving universal access to affordable, reliable and modern energy services. The workshop noted that although significant progress has been made in expanding electricity access, disparities remain in rural and marginalized areas. Participants therefore emphasized the need for continued investment in electricity infrastructure, mini-grids and off-grid solutions to ensure equitable access across the country.

d. Clean Cooking Transition

24. The workshop acknowledged the importance of the Policy's target of achieving universal access to clean cooking by 2030. Participants observed that reliance on traditional biomass fuels continues to contribute to adverse health outcomes, environmental degradation and

deforestation. The workshop therefore supported interventions aimed at promoting clean cooking technologies, sustainable fuel supply chains and public awareness programmes.

e. Renewable Energy Development

25. Participants commended the Policy's emphasis on renewable energy development and recognized Kenya's comparative advantage in geothermal, wind, solar, hydro and biomass resources. The workshop noted that increased investment in renewable energy will strengthen energy security, reduce greenhouse gas emissions and support sustainable economic development.

f. Energy Efficiency and Conservation

26. The workshop observed that energy efficiency remains one of the most cost-effective approaches to meeting growing energy demand. Participants therefore supported measures aimed at strengthening energy efficiency standards, promoting efficient technologies and encouraging responsible energy consumption across all sectors of the economy.

g. Emerging Technologies and Innovation

27. Participants welcomed the inclusion of emerging technologies such as battery energy storage systems, smart grids, electric mobility, artificial intelligence and green hydrogen within the Policy framework. The workshop observed that these technologies present opportunities for economic growth, industrial development and decarbonization of the energy sector and recommended establishment of enabling regulatory and investment frameworks to support their deployment.

h. Electric Mobility and Green Hydrogen

28. The workshop noted the growing importance of electric mobility and green hydrogen as part of the global energy transition. Participants encouraged the Government to develop supporting infrastructure, research programmes and investment incentives to position Kenya as a regional leader in these emerging sectors.

i. Climate Change and Energy Transition

29. Participants emphasized the need for the Policy to support Kenya's climate change commitments while ensuring energy security and economic development. The workshop noted that implementation of the Policy should promote climate resilience, low-carbon development pathways and sustainable utilization of natural resources.

j. Institutional Coordination and Governance

30. The workshop observed that successful implementation of the Policy will require strong institutional coordination among National Government entities, County Governments, regulators, development partners and private sector actors. Participants therefore emphasized the need for clear institutional mandates, effective coordination mechanisms and regular stakeholder engagement throughout implementation.

k. Financing of the Energy Sector

31. Participants acknowledged that achievement of the Policy's objectives will require significant investment in energy infrastructure and technology. The workshop therefore encouraged the

Government to strengthen public-private partnerships, attract private sector investment and explore innovative financing mechanisms to support implementation of priority projects.

I. Monitoring, Evaluation and Reporting

32. The workshop emphasized the importance of establishing clear monitoring and evaluation frameworks to track implementation progress and assess achievement of policy objectives. Participants recommended development of measurable indicators, regular reporting mechanisms and periodic policy reviews to facilitate accountability and continuous improvement.

m. Stakeholder Participation in Implementation

33. The workshop observed that stakeholder engagement should continue beyond the policy development phase. Participants emphasized the need for continuous involvement of communities, civil society organizations, professional bodies, academia and the private sector in implementation, monitoring and review of the Policy to ensure inclusivity and responsiveness to emerging challenges.

Overall Position of the Workshop

34. *The Validation Workshop generally supported the Draft National Energy Policy and observed that it provides a strong foundation for addressing current and future energy sector challenges. Participants encouraged incorporation of comments received during the validation process and emphasized the importance of timely implementation to support achievement of national development objectives.*

Report on Public Participation and Stakeholder Engagement

35. The Committee received and considered the Report on Public Participation and Stakeholder Engagement undertaken during the review of the Draft National Energy Policy 2025. The State Department informed the Committee that stakeholder consultations were undertaken through regional forums, sector consultations, technical meetings and validation workshops involving representatives from National and County Governments, development partners, private sector organizations, civil society organizations, academia, professional bodies and members of the public.
36. The consultations were intended to collect views on the Draft Policy and ensure that stakeholder concerns and recommendations were considered before finalization of the Policy.
37. The views from the Public Participation and Stakeholder Engagement Report were submitted as follows:

a. General Support for the Draft Policy

38. Stakeholders generally welcomed the review of the National Energy Policy and acknowledged the importance of a modern, affordable, reliable and sustainable energy sector in supporting socio-economic development. Participants observed that the Policy presents an opportunity to address existing sector challenges while preparing the country for emerging opportunities associated with technological advancement and energy transition.

b. Affordability of Energy Services

39. Stakeholders expressed concern regarding the affordability of electricity and other energy services. Participants observed that while electricity connectivity has increased significantly, many households and businesses continue to face challenges associated with high energy costs. Stakeholders therefore called for interventions aimed at improving efficiency, reducing system losses and enhancing affordability of energy services.

c. Electricity Access and Last-Mile Connectivity

40. Participants emphasized the need to accelerate expansion of electricity infrastructure in rural and marginalized areas. Stakeholders noted that despite significant progress in electrification, some communities continue to experience limited access to reliable electricity. The consultations therefore supported continued implementation of last-mile connectivity programmes and deployment of decentralized energy solutions.

d. Reliability and Quality of Supply

41. Stakeholders highlighted concerns relating to power interruptions, voltage fluctuations and service reliability in certain parts of the country. Participants emphasized the need for increased investment in transmission and distribution infrastructure, maintenance of existing systems and modernization of the electricity network.

e. Clean Cooking and Household Energy Access

42. Stakeholders strongly supported initiatives aimed at increasing access to clean cooking technologies. Participants observed that continued reliance on firewood, charcoal and other traditional fuels contributes to health challenges, environmental degradation and loss of forest cover. Stakeholders therefore called for increased investment in clean cooking programmes, awareness campaigns and support for clean energy enterprises.

f. Renewable Energy Development

43. Stakeholders generally supported increased investment in renewable energy resources including geothermal, solar, wind, hydro and biomass. Participants observed that Kenya possesses significant renewable energy potential and should continue leveraging these resources to enhance energy security, reduce dependence on imported fuels and support climate change mitigation efforts. Stakeholders further encouraged increased investment in research, innovation and local manufacturing within the renewable energy sector.

g. Energy Transition and Emerging Technologies

44. Participants welcomed the Policy's recognition of emerging technologies such as electric mobility, battery energy storage systems, smart grids and green hydrogen. Stakeholders observed that these technologies present opportunities for economic growth, job creation and industrial development. However, participants emphasized the need for supportive policy, regulatory and financing frameworks to facilitate adoption and commercialization of these technologies.

h. Private Sector Participation and Investment

45. Stakeholders emphasized the importance of private sector participation in achieving the objectives of the Policy. Participants noted that the scale of investment required for energy infrastructure development exceeds available public resources and therefore necessitates

increased private sector involvement. Stakeholders encouraged the Government to create an enabling environment for investment through regulatory certainty, transparent licensing processes and investment incentives.

i. Climate Change and Environmental Sustainability

46. Stakeholders emphasized the need to balance energy development with environmental protection and climate resilience. Participants observed that climate change continues to affect energy systems through droughts, floods and changing weather patterns. Stakeholders therefore supported measures aimed at promoting low-carbon development, enhancing climate resilience and integrating environmental safeguards into energy planning and implementation.

j. Community Participation and Benefit Sharing

47. Participants emphasized the importance of meaningful community engagement in energy sector development. Stakeholders noted that communities affected by energy projects should be consulted throughout project planning, implementation and monitoring processes. Participants further called for equitable sharing of benefits arising from energy investments and effective grievance resolution mechanisms to address community concerns.

k. Land Acquisition, Compensation and Resettlement

48. Stakeholders raised concerns regarding land acquisition processes associated with energy infrastructure development. Participants emphasized the need for fair compensation, transparent valuation processes and timely settlement of claims. Stakeholders further noted the importance of protecting community land rights and ensuring that affected persons are adequately supported throughout resettlement processes.

l. Role of County Governments

49. Stakeholders observed that County Governments play an important role in implementation of energy programmes, environmental management and local development initiatives. Participants therefore emphasized the need for stronger collaboration between National and County Governments in planning, implementation and monitoring of energy projects.

m. Local Content and Employment Opportunities

50. Stakeholders emphasized the importance of maximizing local participation in energy sector development. Participants encouraged adoption of policies aimed at promoting local employment, technology transfer, skills development and participation of local enterprises in energy value chains. Stakeholders observed that strengthening local content frameworks would contribute to economic empowerment and long-term sector sustainability.

n. Capacity Building, Research and Innovation

51. Stakeholders highlighted the need for increased investment in research, innovation and human resource development within the energy sector. Participants observed that emerging technologies will require specialized technical skills and therefore encouraged collaboration between Government, academia, research institutions and industry to strengthen national capacity.

o. Institutional Coordination and Governance

52. Stakeholders observed that successful implementation of the Policy will require effective coordination among Government institutions, regulators, County Governments, development partners and other stakeholders. Participants emphasized the importance of clear institutional mandates, accountability mechanisms and regular stakeholder engagement to support implementation of policy objectives.

p. Financing and Resource Mobilization

53. Stakeholders noted that implementation of the Policy will require substantial financial resources. Participants encouraged the Government to explore innovative financing mechanisms, strengthen public-private partnerships and leverage climate finance opportunities to support energy sector investments.

q. Monitoring, Evaluation and Accountability

54. Stakeholders emphasized the need for robust monitoring and evaluation frameworks to track implementation progress and ensure accountability. Participants recommended establishment of measurable performance indicators, regular reporting mechanisms and periodic policy reviews to facilitate continuous improvement and achievement of desired outcomes.

Overall Stakeholder Engagement Position

55. *The stakeholder engagement process revealed broad support for the Draft National Energy Policy and its strategic objectives. Stakeholders generally agreed that the Policy provides an appropriate framework for guiding development of the energy sector and addressing emerging challenges. However, participants emphasized the need to strengthen implementation mechanisms, enhance stakeholder participation and ensure that the benefits of energy development are shared equitably across the country.*

MIN./NO./DC-ENERGY/2026/101: COMMITTEE OBSERVATIONS

Having been briefed, the Committee made the following observations:

- i. That, while the Policy provides a comprehensive framework for the energy sector, it does not contain a clear implementation roadmap, financing plan, cost estimates, funding commitments, or prioritization framework to guide implementation of its ambitious objectives. The Committee further observed that the Policy does not provide for the utilization of financing mechanisms established under the National Infrastructure Fund Act, 2026 (Act No. 4 of 2026), which was enacted to mobilize and channel long-term financing for strategic national infrastructure projects. The Committee recommends the development of a costed implementation plan with clear timelines, financing sources, measurable performance indicators, and periodic reporting to the National Assembly, and further recommends leveraging the National Infrastructure Fund alongside public-private partnerships, climate finance, development financing, and private-sector investment to support the implementation of priority energy infrastructure projects.
- ii. That, despite progress in electrification, approximately 25 percent of Kenyans remain without electricity access, while a majority of households continue to rely on traditional biomass for cooking. The Committee further observed persistent concerns regarding the affordability of electricity and modern energy services, particularly among low-income households and marginalized communities. The Committee

recommends targeted investments in last-mile connectivity, mini-grids, clean cooking solutions and social protection measures to ensure universal, affordable and equitable access to energy services by 2030.

- iii. That, concerns still exist regarding power outages, voltage fluctuations, system losses, transmission bottlenecks, aging infrastructure, and inadequate maintenance of energy assets. The Committee recommends accelerated investment in transmission, distribution and grid modernization infrastructure, alongside strengthened asset management and maintenance programmes to improve reliability and quality of service.
- iv. That, while the Policy recognizes emerging technologies such as electric mobility, battery energy storage systems, smart grids, artificial intelligence and green hydrogen, it lacks clear implementation frameworks, regulatory pathways, standards and investment incentives to support their deployment. The Committee recommends the development of sector-specific strategies, standards, and financing mechanisms to facilitate adoption of emerging technologies and position Kenya as a regional leader in energy innovation.

MIN./NO./DC-ENERGY/2026/102: ANY OTHER BUSINESS

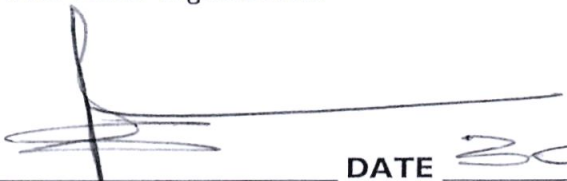
There was no other business that arose during the meeting.

MIN./NO./DC-ENERGY/2026/103: ADJOURNMENT

There being no other business, the meeting was adjourned at 1.30 p.m. The next meeting will be held on today, 6th June, 2026 at 2.30 pm for stakeholder engagement on Sessional Paper No. 5 with other government and the private sector organizations.

SIGNED _____

DATE _____


HON. DAVID GIKARIA, CBS, MP
CHAIRPERSON
DEPARTMENTAL COMMITTEE ON ENERGY



**THE NATIONAL ASSEMBLY
THIRTEENTH PARLIAMENT – FIFTH SESSION, 2026
DIRECTORATE OF DEPARTMENTAL COMMITTEES**

**MINUTES OF THE 19TH SITTING OF THE DEPARTMENTAL COMMITTEE ON
ENERGY HELD ON SATURDAY, 6TH JUNE, 2026 IN VICTORIA 3, ARGYLE HOTEL
AT 2:30 P.M.**

PRESENT

- | | |
|--|----------------------|
| 1. The Hon. Samuel Gonzi Rai, MGH, M.P. | Session Chair |
| 2. The Hon. Elisha Odhiambo, M.P. | |
| 3. The Hon. Charles Gimose, M.P. | |
| 4. The Hon. Tom Mboya Odege, M.P. | |
| 5. The Hon. Simon King'ara, CBS, M.P. | |
| 6. The Hon. Geoffrey Ekesa Mulanya, M.P. | |
| 7. The Hon. Cecilia Asinyen Ngiti, M.P. | |
| 8. The Hon. Barongo Nolfason Obadiah, M.P. | |
| 9. The Hon. Siyad Amina Udgoon, MP | |

ABSENT WITH APOLOGY

- | | |
|---|---------------------------|
| 1. The Hon. David Gikaria, CBS, MP | - Chairperson |
| 2. The Hon. Lemanken Aramat, CBS, MP | - Vice-Chairperson |
| 3. The Hon. George Omwera Aladwa, M.P. | |
| 4. The Hon. Julius Musili Mawathe, M.P. | |
| 5. The Hon. Victor Koech Kipngetich, M.P. | |
| 6. The Hon. Walter Owino, M.P. | |

IN-ATTENDANCE

COMMITTEE SECRETARIAT

- | | |
|------------------------|------------------------|
| 1. Mr. Fredrick Otieno | - Clerk Assistant I |
| 2. Ms. Grace Wahu | - Clerk Assistant II |
| 3. Mr. Brian Njeru | - Fiscal Analyst II |
| 4. Ms. Brigitta Mati | - Senior Legal Counsel |
| 5. Mr. Collins Mahamba | - Audio Officer |
| 6. Ms. Lena Wawira | - Hansard Reporter |
| 7. Mr. Wesley Abuga | - Research Officer |
| 8. Mr. Anthony Wamae | - Serjeant At-Arm |
| 9. Ms. Mariana Nyagol | - Intern |
| 10. Ms. Joy Purity | - Intern |
| 11. Mr. Richard Siagi | - Intern |

STAKEHOLDERS

- | | |
|---------------------------|------------------------------|
| 1. Dr. Kibera Muriuki | - Ag.CM, KEBS |
| 2. Ms. Catherine Nduva | - ASM, Chemical SDT, KEBS |
| 3. Otieno Abich | - D.D Capacity Building, EBK |
| 4. Dr. Adano Wario | - Director Policy, CAK |
| 5. Mr. David Ong'are | - DCC, NEMA |
| 6. Mr. Stephen W. Kitunga | - PEO, NEMA |
| 7. Mr. Letting Andrew | - TI-Kenya, P.O |

AGENDA

1. Preliminaries and adoption of the agenda
2. Confirmation of Minutes of previous Sittings
3. **Meeting with various stakeholders to receive views on the Sessional Paper No. 5 of 2026 on the National Energy Policy.**
4. Any other Business
5. Adjournment.

MIN./NO./DC-ENERGY/2026/I04: PRELIMINARIES & ADOPTION OF AGENDA

The Session Chair, Hon. Gonzi Rai, MP called the meeting to order at 2.55 pm and said a prayer. The agenda of the meeting was adopted having been proposed by Hon. Cecilia Asinyen Ngiti, MP and seconded by Hon. Charles Gimose, MP.

MIN./NO./DC-ENERGY/2026/I05: CONFIRMATION OF MINUTES OF THE PREVIOUS SITTINGS

The confirmation of Minutes was deferred to a later date.

MIN./NO./DC-ENERGY/2026/I06: MEETING WITH VARIOUS STAKEHOLDERS TO RECEIVE VIEWS ON THE SESSIONAL PAPER NO. 5 OF 2026 ON THE NATIONAL ENERGY POLICY**A. Submissions by Nature Kenya**

1. Nature Kenya (East Africa Natural History Society) is Africa's oldest environmental society and serves as the Bird Life International partner in Kenya. Nature Kenya submitted a memorandum to the Committee focusing on biodiversity conservation, environmental sustainability and integration of ecological safeguards within energy sector development.
2. While generally supporting the objectives of the Draft National Energy Policy, the organization expressed concern that the Policy does not adequately address biodiversity risks associated with energy infrastructure development and submitted as follows:

a. Absence of Biodiversity Compliance Standards

3. The Policy does not require energy infrastructure projects to comply with internationally recognized biodiversity standards and best practices. Nature Kenya observed that the absence of explicit biodiversity compliance requirements may expose sensitive ecosystems to avoidable environmental impacts and undermine conservation efforts.

b. Protection of Protected Areas and Key Biodiversity Areas

4. The Policy does not expressly provide safeguards against siting energy infrastructure within Protected Areas (PAs) and Key Biodiversity Areas (KBAs). Nature Kenya noted that such areas provide critical ecosystem services and support biodiversity conservation and therefore require enhanced protection during energy sector planning and development.

c. Transmission and Distribution Infrastructure

5. Nature Kenya observed that transmission and distribution infrastructure may contribute to bird collisions, electrocution and habitat fragmentation if appropriate mitigation measures are not adopted. The organization noted that current infrastructure designs have not been adequately assessed against internationally recognized standards aimed at reducing impacts on bird species and other wildlife.

d. Environmental Impact Assessment Tools

6. The memorandum noted that Environmental Impact Assessments for energy projects do not require application of biodiversity-specific assessment and mitigation tools such as the Integrated Biodiversity Assessment Tool (IBAT), the Avian Sensitivity Tool for Energy Planning (AVISTEP) and Strategic Environmental Assessments. Nature Kenya emphasized that use of such tools would improve identification and management of biodiversity risks.

e. Monitoring and Reporting of Biodiversity Impacts

7. Nature Kenya observed that the Policy does not provide clear requirements for biodiversity monitoring, reporting and disclosure. The organization recommended establishment of monitoring frameworks requiring regular reporting on biodiversity impacts, wildlife mortality incidents and effectiveness of mitigation measures implemented by project developers.

f. Stakeholder Engagement and Conservation Partnerships

8. The memorandum emphasized the importance of involving conservation organizations, scientific experts and local communities in planning and implementation of energy projects. Nature Kenya observed that collaborative approaches would strengthen environmental governance and improve outcomes for both energy development and biodiversity conservation.

g. Integration of Biodiversity into Energy Planning

9. Nature Kenya recommended that biodiversity considerations be integrated throughout the energy planning cycle, including policy development, project design, implementation and monitoring. The organization emphasized that sustainable energy development should be pursued in a manner that protects ecosystems and contributes to long-term environmental sustainability.

Overall Position

Nature Kenya generally supported the Draft National Energy Policy but urged the Government to strengthen biodiversity safeguards, environmental assessment requirements and conservation measures to ensure that energy development does not result in irreversible ecological damage

B. Submissions by the Council of Governors (CoG)

10. The Council of Governors (CoG) submitted a memorandum to the Committee supporting the overall objectives of the Draft National Energy Policy while emphasizing the need to strengthen the role of County Governments in energy planning, implementation and oversight.
11. The Council observed that County Governments are increasingly involved in matters relating to energy access, environmental management, investment promotion and local economic development and therefore require a more prominent role within the Policy framework.
12. The Council submitted as follows:

a. Recognition of County Governments in Energy Governance

13. The Council observed that while the Policy acknowledges the role of County Governments, it does not adequately define their responsibilities in implementation of various policy

interventions. The Council emphasized that County Governments should be recognized as key implementation partners given their proximity to communities and their role in local development planning.

b. Intergovernmental Coordination and Consultation

14. The memorandum highlighted the need for stronger coordination mechanisms between the National Government and County Governments. The Council observed that effective implementation of energy programmes requires regular consultation, information sharing and joint planning to avoid duplication of efforts and ensure alignment between national and county priorities.

c. County Energy Planning

15. The Council emphasized the importance of County Energy Plans as instruments for identifying local energy needs and priorities. The memorandum noted that County Energy Plans should be integrated into national planning processes and adequately supported through technical and financial resources to ensure effective implementation.

d. Equitable Access to Energy Services

16. The Council observed that disparities in access to energy services continue to exist across counties, particularly in arid, semi-arid and marginalized regions. The memorandum therefore called for targeted interventions aimed at accelerating electricity access and deployment of decentralized energy solutions in underserved areas.

e. Promotion of Renewable Energy Resources

17. The Council noted that many counties possess significant renewable energy resources, including solar, wind, geothermal, biomass and small hydropower potential. The memorandum emphasized the need for policies that support development of these resources and encourage county participation in renewable energy investments.

f. Clean Cooking and Household Energy Access

18. The Council supported the Policy's commitment to universal access to clean cooking solutions and observed that County Governments have an important role to play in promoting awareness, supporting adoption of clean cooking technologies and facilitating local clean energy initiatives.

g. Climate Change and Resilience

19. The memorandum highlighted the increasing impacts of climate change on energy infrastructure and natural resources. The Council emphasized the importance of integrating climate resilience measures into energy planning and strengthening protection of water catchments, forests and other critical ecosystems that support energy production.

h. Local Economic Development and Job Creation

20. The Council observed that energy investments should contribute to local economic growth through employment creation, enterprise development and increased participation of local communities in energy value chains. The memorandum encouraged measures aimed at maximizing local benefits arising from energy projects.

i. Financing of County Energy Initiatives

21. The Council noted that many counties face resource constraints that limit their ability to implement energy-related programmes. The memorandum therefore called for increased financial support, innovative financing mechanisms and stronger public-private partnerships to facilitate county-level energy investments.

j. Capacity Building and Technical Support

22. The memorandum observed that implementation of emerging technologies and modern energy systems will require enhanced technical capacity at the county level. The Council therefore emphasized the need for training, knowledge sharing and institutional strengthening to support effective implementation of the Policy.

k. Monitoring and Evaluation Frameworks

23. The Council recommended establishment of clear monitoring and evaluation mechanisms involving both levels of Government. According to the Council, collaborative monitoring frameworks would improve accountability, strengthen implementation and facilitate tracking of progress towards achievement of policy objectives.

Overall Position

The Council of Governors generally supported the Draft National Energy Policy and emphasized that effective implementation would require stronger recognition of County Governments, enhanced intergovernmental collaboration, increased investment in local energy initiatives and equitable distribution of energy infrastructure and services across all counties.

C. Joint Submissions by Law for Energy Transitions Africa (LETA), Katiba Institute, Natural Justice and Stand Up Shout Out Nairobi

24. The Committee received a joint memorandum from Law for Energy Transitions Africa (LETA), Katiba Institute, Natural Justice and Stand Up Shout Out Nairobi. The organizations generally welcomed the Draft National Energy Policy and acknowledged its role in supporting Kenya's transition towards a sustainable energy future.
25. However, the organizations raised concerns regarding policy coherence, social justice, community rights, benefit-sharing arrangements and implementation of a just energy transition framework.
26. The submission was made as follows:

a. Alignment with Existing Energy Transition Frameworks

27. The organizations observed that Kenya has developed several energy transition and climate-related frameworks, including the Kenya Energy Transition and Investment Plan and the Green Hydrogen Strategy and Roadmap. The memorandum noted that the Draft National Energy Policy does not sufficiently clarify how these frameworks will be integrated and coordinated during implementation.

b. Just Energy Transition Principles

28. The organizations emphasized that the energy transition should be guided by principles of fairness, equity and inclusivity. The memorandum observed that energy transition policies should not focus solely on technological advancement and emissions reduction but should also address social and economic impacts on affected communities.

c. Community Participation and Decision-Making

29. The submission highlighted the importance of meaningful participation by communities in planning and implementation of energy projects. The organizations emphasized that local communities should be involved throughout project lifecycles and should have access to information necessary to facilitate informed participation.

d. Benefit Sharing in Energy Resource Areas

30. The organizations expressed concern regarding implementation of benefit-sharing mechanisms, particularly in areas hosting geothermal and other energy projects. The memorandum observed that communities affected by resource development should receive tangible social and economic benefits arising from such projects.

e. Implementation of Geothermal Royalty Sharing Mechanisms

31. The organizations noted that existing legal provisions relating to benefit sharing have not been fully implemented. The memorandum therefore called for operationalization of mechanisms aimed at ensuring that host communities benefit directly from exploitation of geothermal and other energy resources.

f. Land Rights and Community Land Governance

32. The memorandum emphasized the need to recognize and protect community land rights within energy sector development. The organizations observed that energy infrastructure projects frequently affect community land and therefore require transparent consultation processes and respect for legal protections provided under the Community Land Act.

g. Free, Prior and Informed Consent (FPIC)

33. The organizations emphasized the importance of applying the principle of Free, Prior and Informed Consent in projects affecting indigenous peoples and local communities. The memorandum noted that FPIC promotes accountability, reduces conflicts and strengthens social acceptance of development projects.

h. Displacement, Resettlement and Livelihood Restoration

34. The submission observed that energy projects may result in displacement of communities and disruption of livelihoods. The organizations therefore advocated for stronger safeguards relating to compensation, resettlement planning, livelihood restoration and long-term support for affected populations.

i. Gender Equality, Disability and Social Inclusion

35. The memorandum emphasized the need for the Policy to incorporate Gender Equality, Disability and Social Inclusion (GEDSI) considerations. The organizations observed that women, youth, persons with disabilities and marginalized groups should benefit equitably from energy investments and transition programmes.

j. Environmental Sustainability and Climate Justice

36. The organizations emphasized that energy development should be undertaken in a manner that protects ecosystems, promotes climate resilience and advances environmental justice. The memorandum called for stronger integration of sustainability considerations into energy planning and implementation processes.

k. Institutional Coordination and Accountability

37. The submission observed that successful implementation of the Policy will require effective coordination among Government institutions, regulators, communities and civil society organizations. The organizations emphasized the importance of transparency, accountability and stakeholder engagement throughout implementation of the Policy.

Overall Position

The organizations generally supported the Draft National Energy Policy but called for stronger integration of just transition principles, enhanced protection of community rights, improved benefit-sharing mechanisms and greater emphasis on social inclusion and environmental sustainability.

D. Memorandum by the Engineers Board of Kenya (EBK)

38. The Engineers Board of Kenya (EBK) submitted a memorandum supporting the overall objectives of the Draft National Energy Policy while emphasizing the importance of engineering standards, technical capacity, infrastructure quality and professional oversight in implementation of the Policy.
39. The Board observed that achievement of the Policy's objectives will depend significantly on the quality, safety, reliability and sustainability of energy infrastructure developed across the country. The Board submitted as follows:

a. Engineering Standards and Quality Assurance

40. The Board observed that implementation of energy projects should be guided by established engineering standards and best practices to ensure safety, reliability and long-term sustainability. The memorandum emphasized the need for compliance with professional standards throughout the planning, design, construction, operation and maintenance phases of energy infrastructure projects.

b. Professional Oversight of Energy Projects

41. The Board noted that increasing investment in energy infrastructure requires stronger professional oversight to safeguard public interests and ensure technical integrity. The memorandum emphasized the importance of involving registered engineers in all stages of project development and implementation.

c. Energy Infrastructure Development

42. The Board observed that the Policy proposes significant expansion of electricity generation, transmission and distribution infrastructure as well as deployment of emerging technologies. The memorandum emphasized that these investments should be accompanied by robust engineering frameworks to ensure resilience, efficiency and reliability of energy systems.

d. Technical Capacity Development

43. The Board noted that successful implementation of the Policy will require a highly skilled workforce capable of supporting emerging technologies and modern energy systems. The memorandum therefore called for increased investment in engineering education, technical training and professional development programmes.

e. Emerging Technologies and Innovation

44. The Board welcomed the Policy's focus on technologies such as battery energy storage systems, smart grids, electric mobility and green hydrogen. However, the memorandum observed that adoption of these technologies will require specialized technical expertise, research and innovation to ensure successful deployment and long-term sustainability.

f. Research, Development and Knowledge Transfer

45. The Board emphasized the importance of strengthening collaboration between Government institutions, universities, research institutions and industry players. According to the memorandum, investment in research and development will facilitate innovation, support local solutions and strengthen Kenya's competitiveness in the evolving energy sector.

g. Local Content and Technology Transfer

46. The Board observed that implementation of major energy projects should contribute to development of local technical expertise and domestic industries. The memorandum encouraged increased participation of Kenyan engineers, contractors and technical professionals in energy sector investments.

h. Infrastructure Safety and Risk Management

47. The memorandum highlighted the importance of incorporating safety considerations into energy planning and development. The Board noted that robust engineering and risk management frameworks are necessary to minimize technical failures, accidents and disruptions to energy services.

i. Climate Resilient Infrastructure

48. The Board observed that climate change presents increasing risks to energy infrastructure and emphasized the need to incorporate resilience measures into design and construction of energy facilities. The memorandum encouraged adoption of engineering approaches capable of withstanding extreme weather events and changing environmental conditions.

j. Institutional Collaboration

49. The Board emphasized the importance of collaboration among regulators, professional bodies, Government agencies and industry stakeholders in implementation of the Policy. The memorandum noted that coordinated approaches would strengthen technical governance and improve project outcomes.

Overall Position

The Engineers Board of Kenya generally supported the Draft National Energy Policy and emphasized that engineering excellence, professional oversight, technical capacity development and adherence to standards will be critical in achieving the Policy's objectives and ensuring sustainable development of the energy sector.

E. Kenya Bureau of Standards (KEBS)

50. The Kenya Bureau of Standards (KEBS) submitted a memorandum supporting the Draft National Energy Policy while emphasizing the critical role of standards, quality assurance, conformity assessment and consumer protection in development of the energy sector.
51. The Bureau observed that the rapid evolution of energy technologies and increasing deployment of renewable energy systems require robust standards frameworks capable of ensuring safety, quality, interoperability and market confidence.
52. KEBS submitted as follows:

a. Standards as Enablers of Energy Sector Development

53. The Bureau observed that standards provide the foundation for safe, reliable and efficient energy systems. The memorandum noted that implementation of the Policy should be supported by comprehensive standards frameworks covering generation, transmission, distribution, storage and utilization of energy resources.

b. Quality Assurance and Consumer Protection

54. KEBS emphasized that increased deployment of energy technologies has resulted in growth of products entering the Kenyan market, some of which may fail to meet required quality standards. The Bureau therefore highlighted the importance of conformity assessment, market surveillance and enforcement mechanisms to protect consumers from substandard products and services.

c. Renewable Energy Standards

55. The Bureau noted that accelerated deployment of solar, wind, biomass, geothermal and other renewable energy technologies requires development and enforcement of appropriate standards. According to the memorandum, harmonized standards will improve product quality, support investment and facilitate wider adoption of renewable energy solutions.

d. Electric Mobility Standards

56. KEBS observed that the growth of electric mobility presents new opportunities and challenges within the energy sector. The memorandum emphasized the need for standards relating to electric vehicles, charging infrastructure, battery systems and safety requirements to ensure orderly development of the sector.

e. Battery Energy Storage Systems

57. The Bureau highlighted the growing importance of battery energy storage systems in supporting grid stability and integration of renewable energy resources. The memorandum called for development of standards governing performance, safety, installation and disposal of battery technologies.

f. Green Hydrogen and Emerging Technologies

58. KEBS welcomed the Policy's recognition of green hydrogen and other emerging technologies. The Bureau observed that successful deployment of such technologies will require development of technical standards and regulatory frameworks to guide implementation and promote investor confidence.

g. Digitalization and Smart Energy Systems

59. The memorandum noted that increasing digitalization of the energy sector introduces opportunities for efficiency improvements but also presents new risks. KEBS emphasized the importance of standards governing smart grids, digital infrastructure, cybersecurity and data management within the energy sector.

h. Cybersecurity of Energy Infrastructure

60. The Bureau observed that growing reliance on digital systems increases exposure to cybersecurity threats. The memorandum therefore highlighted the need for standards and protocols aimed at protecting critical energy infrastructure and ensuring resilience against cyber-attacks.

i. Support for Local Manufacturing and Innovation

61. KEBS emphasized that standards can facilitate local manufacturing, innovation and technology transfer. The Bureau encouraged development of standards frameworks that support domestic industries while maintaining quality and safety requirements.

j. Regional and International Harmonization

62. The memorandum observed that harmonization of standards with regional and international frameworks can facilitate trade, investment and technology transfer. KEBS therefore encouraged alignment of national standards with recognized international best practices.

Overall Position

The Kenya Bureau of Standards generally supported the Draft National Energy Policy and emphasized that strong standards frameworks, quality assurance systems, conformity assessment mechanisms and consumer protection measures will be essential in ensuring safe, reliable and sustainable development of the energy sector.

F. Competition Authority of Kenya (CAK)

63. The Competition Authority of Kenya (CAK) submitted a memorandum supporting the Draft National Energy Policy and highlighting the importance of competition, consumer welfare and market efficiency in the energy sector. The Authority observed that reforms proposed within the Policy provide opportunities to increase investment, improve service delivery and promote innovation while safeguarding consumer interests.
64. The Authority submitted as follows:

a. Promotion of Competitive Energy Markets

65. The Authority observed that increased competition can enhance efficiency, improve service quality and encourage innovation within the energy sector. The memorandum therefore

supported policy interventions aimed at promoting competitive market structures and reducing barriers to entry.

b. Private Sector Participation

66. CAK welcomed proposals intended to increase private sector participation in energy development. The Authority noted that competitive markets can attract investment, stimulate innovation and contribute to achievement of national energy objectives.

c. Electricity Market Reforms

67. The memorandum observed that ongoing reforms within the electricity sector present opportunities to improve efficiency and reduce costs. The Authority supported measures aimed at facilitating open access, competitive procurement and increased participation of independent power producers.

d. Consumer Welfare and Protection

68. CAK emphasized that energy sector reforms should be implemented in a manner that protects consumers and promotes affordability. The Authority noted that regulatory safeguards are necessary to ensure that benefits arising from competition are passed on to consumers.

e. Prevention of Anti-Competitive Practices

69. The memorandum highlighted the need to guard against abuse of market dominance, collusion, restrictive trade practices and other anti-competitive conduct. The Authority emphasized the importance of maintaining effective oversight and enforcement mechanisms within liberalized energy markets.

f. Transparency and Fair Access

70. CAK observed that transparent regulatory processes and fair access to infrastructure are essential for promoting competition and attracting investment. The memorandum encouraged implementation of measures that facilitate equal treatment of market participants and reduce barriers to market entry.

g. Innovation and Market Development

71. The Authority noted that competition encourages innovation and development of new products and services. The memorandum therefore supported policy measures that foster innovation while maintaining appropriate regulatory oversight.

h. Coordination Between Regulators

72. CAK emphasized the importance of collaboration among sector regulators, competition authorities and other Government institutions. According to the memorandum, coordinated regulatory approaches can improve market outcomes and strengthen consumer protection.

i. Monitoring of Emerging Energy Markets

73. The Authority observed that emerging sectors such as electric mobility, energy storage and green hydrogen may create new market structures requiring regulatory attention. The memorandum therefore encouraged proactive monitoring to promote fair competition and prevent market distortions.

Overall Position

The Competition Authority of Kenya generally supported the Draft National Energy Policy and emphasized that promotion of competition, protection of consumers and enhancement of market efficiency will be critical in achieving a sustainable and inclusive energy sector.

G. Submissions by the National Environment Management Authority (NEMA)

74. The National Environment Management Authority (NEMA) submitted a memorandum supporting the Draft National Energy Policy while emphasizing the need to strengthen environmental governance, sustainability safeguards and climate resilience measures within the energy sector.
75. The Authority observed that while the Policy appropriately recognizes the role of energy in supporting economic growth and development, implementation of energy projects must be undertaken in a manner that safeguards the environment, protects natural resources and promotes sustainable development.
76. NEMA submitted as follows:

a. Environmental Assessment as a Fundamental Planning Tool

77. NEMA observed that environmental considerations should be integrated into all stages of policy formulation, planning and implementation. The Authority emphasized that Strategic Environmental Assessments (SEAs), Environmental and Social Impact Assessments (ESIAs) and environmental audits should not be treated merely as compliance requirements but as important decision-making tools capable of identifying, preventing and mitigating environmental risks associated with energy projects.

b. Integration of Environmental Sustainability within Energy Planning

78. The Authority noted that sustainable energy development requires balancing economic growth objectives with environmental protection. The memorandum observed that environmental sustainability considerations should be mainstreamed throughout the Policy to ensure that energy development does not compromise ecosystem integrity, biodiversity conservation or sustainable utilization of natural resources.

c. Climate Change Adaptation and Resilience

79. NEMA emphasized that climate change continues to pose significant risks to energy infrastructure and resource availability. The Authority observed that increasing frequency of droughts, floods and extreme weather events has the potential to disrupt energy production, transmission and distribution systems. The memorandum therefore called for stronger integration of climate adaptation measures and resilience planning within implementation of the Policy.

d. Environmental Risk Management Framework

80. The Authority observed that the Policy should provide clearer guidance on identification, assessment and management of environmental risks associated with energy development. NEMA noted that energy projects often involve significant environmental impacts which require comprehensive risk management frameworks supported by continuous monitoring, reporting and enforcement mechanisms.

e. Protection of Biodiversity and Ecosystems

81. The memorandum highlighted the need to protect forests, wetlands, water catchments, wildlife habitats and other environmentally sensitive ecosystems from adverse impacts arising from energy projects. NEMA observed that infrastructure development, resource extraction and energy generation activities can contribute to habitat degradation, ecosystem fragmentation and biodiversity loss if appropriate safeguards are not implemented.

f. Management of Water Resources

82. NEMA emphasized the importance of sustainable management of water resources in the energy sector. The Authority noted that many energy technologies depend on water availability and therefore require integrated planning approaches that consider competing water demands, climate change impacts and long-term resource sustainability.

g. Pollution Prevention and Environmental Protection

83. The memorandum observed that energy sector activities may generate air pollution, water pollution, hazardous waste and other environmental impacts. NEMA therefore emphasized the need for robust environmental management systems capable of preventing pollution and ensuring compliance with environmental standards and regulations.

h. Hazardous and Electronic Waste Management

84. The Authority highlighted the growing challenge associated with management of hazardous waste, electronic waste, battery waste and other emerging waste streams resulting from deployment of modern energy technologies. The memorandum called for development of comprehensive waste management frameworks and stronger regulatory oversight to ensure environmentally sound disposal and recycling practices.

i. Decommissioning and Rehabilitation of Energy Facilities

85. NEMA observed that the Policy should provide clearer provisions regarding decommissioning of energy infrastructure and restoration of project sites upon completion of operations. The Authority noted that inadequate decommissioning planning may result in long-term environmental liabilities and degradation of affected areas.

j. Land Use Planning and Environmental Safeguards

86. The memorandum emphasized the importance of integrating environmental considerations into land use planning processes. NEMA observed that energy projects frequently compete with other land uses and therefore require careful planning to minimize conflicts, protect sensitive ecosystems and support sustainable development objectives.

k. Community Rights and Environmental Justice

87. The Authority emphasized the need to ensure that communities affected by energy projects are adequately protected from environmental risks and are able to participate meaningfully in environmental decision-making processes. NEMA noted that environmental justice principles should guide implementation of energy projects to ensure equitable distribution of benefits and burdens associated with development.

l. Public Participation and Access to Information

88. NEMA observed that effective environmental governance depends on transparency, access to information and meaningful public participation. The memorandum emphasized the need for continuous stakeholder engagement throughout planning, implementation, monitoring and decommissioning phases of energy projects.

m. Institutional Coordination and Regulatory Oversight

89. The Authority highlighted the importance of collaboration among regulatory agencies, Government institutions, County Governments and project developers. NEMA observed that effective coordination is necessary to strengthen compliance monitoring, improve environmental governance and avoid duplication of regulatory functions.

n. Capacity Building and Resource Allocation

90. NEMA noted that implementation of environmental safeguards requires adequate financial resources, technical expertise and institutional capacity. The memorandum therefore called for increased investment in environmental monitoring systems, technical training and institutional strengthening to support implementation of the Policy.

o. Carbon Markets and Emerging Environmental Opportunities

91. The Authority observed that emerging mechanisms such as carbon markets, climate finance and nature-based solutions present opportunities for supporting sustainable energy development. The memorandum encouraged the Government to establish appropriate governance frameworks to facilitate participation in such initiatives while safeguarding environmental integrity.

p. Cross-Cutting Environmental Governance Measures

92. NEMA emphasized that environmental considerations should not be confined to specific sections of the Policy but should be reflected across all energy sub-sectors, including electricity, petroleum, renewable energy, nuclear energy, energy efficiency and emerging technologies. The Authority observed that mainstreaming environmental governance across the entire Policy framework would strengthen sustainability outcomes and enhance long-term sector resilience.

Overall Position

NEMA generally supported the Draft National Energy Policy but emphasized that successful implementation will require stronger environmental safeguards, enhanced climate resilience measures, improved environmental governance frameworks and adequate institutional support to ensure that energy development contributes to sustainable development and environmental protection.

H. Joint Memorandum by Transparency International Kenya (TI Kenya) and the Kenya Oil and Gas Working Group (KOGWG)

93. The Committee received a joint memorandum from Transparency International Kenya (TI Kenya) and the Kenya Oil and Gas Working Group (KOGWG), a coalition comprising civil society organizations, community-based organizations, governance institutions, environmental organizations and extractives sector advocates.

94. The stakeholders generally welcomed the Draft National Energy Policy 2025 but proposed several amendments aimed at strengthening transparency, accountability, public participation, environmental sustainability, community rights and implementation of a just energy transition.
95. Their comments focused on various provisions of the Policy, particularly those relating to Energy Transition and Climate Change, Carbon Markets and Carbon Financing, Transparency and Data Sharing, Devolution, Land Acquisition and Environmental Governance as follows: -

a. Energy Transition and Climate Change

96. The stakeholders welcomed the inclusion of energy transition provisions under Section 3.8 of the Policy and acknowledged the Government's commitment to achieving sustainable development and climate resilience. However, they observed that the Policy places greater emphasis on technological transformation and decarbonization targets without adequately addressing the social, economic and governance implications of the transition process.
97. They proposed that implementation of the energy transition framework should explicitly incorporate principles of equity, inclusivity and social justice to ensure that vulnerable communities are not disproportionately affected by transition measures. The stakeholders further emphasized that the transition should support economic opportunities, livelihoods and social protection mechanisms for affected populations.

b. Just Energy Transition

98. With regard to Section 3.8.2 on Just Energy Transition, the stakeholders welcomed recognition of the concept within the Policy but argued that the provisions require further strengthening. They observed that the Policy does not sufficiently define how communities dependent on existing energy systems will be protected during the transition to low-carbon development pathways.
99. The memorandum proposed development of clear implementation mechanisms addressing social protection, local employment opportunities, capacity building, skills development and equitable distribution of benefits arising from energy transition investments.
100. The stakeholders further recommended establishment of participatory mechanisms to ensure that communities actively contribute to transition planning and implementation processes.

c. Carbon Markets and Carbon Financing

101. The stakeholders acknowledged the Policy's recognition of carbon markets and carbon financing as important instruments for supporting climate action and sustainable energy development. However, they observed that the proposed framework does not adequately address governance, transparency and accountability considerations associated with carbon finance initiatives.
102. They recommended inclusion of stronger safeguards to ensure that carbon projects respect community rights, provide equitable benefit sharing arrangements and operate in accordance with principles of environmental integrity. The stakeholders further emphasized the need for transparent monitoring and reporting frameworks capable of tracking financial flows, project outcomes and community benefits associated with carbon market activities.

d. Transparency and Data Sharing

103. Regarding Section 3.8.4 on Transparency and Data Sharing, the stakeholders emphasized that transparency remains a critical component of good governance within the energy sector. They

observed that while the Policy recognizes the importance of data sharing, it does not adequately provide for public disclosure of contracts, project information, beneficial ownership records, environmental performance reports and revenue management information.

- I04. The stakeholders proposed establishment of stronger disclosure requirements to enhance public oversight and strengthen accountability across the energy value chain. They further argued that access to information is essential for meaningful public participation and informed decision-making by communities affected by energy projects.

e. Devolution of Energy Functions

- I05. The stakeholders welcomed recognition of devolution within the Policy but observed that the roles and responsibilities of County Governments require further clarification. They noted that counties play an increasingly important role in energy planning, environmental management, investment facilitation and community engagement. The memorandum therefore proposed stronger provisions on intergovernmental coordination, capacity building and resource allocation to support effective implementation of devolved energy functions. The stakeholders emphasized that County Governments should be fully integrated into energy planning and decision-making processes.

f. Land Acquisition

- I06. On Section 3.14.1 relating to Land Acquisition, the stakeholders raised concerns regarding the potential impacts of energy infrastructure projects on community land, indigenous territories and local livelihoods. They observed that land acquisition processes often generate disputes where consultation, compensation and resettlement measures are inadequate.
- I07. The memorandum proposed stronger safeguards to ensure compliance with constitutional provisions relating to land rights and community participation. The stakeholders further emphasized the need for transparent compensation mechanisms and meaningful engagement with affected communities throughout project lifecycles.

g. Environmental Issues in Energy

- I08. The stakeholders generally supported the environmental provisions contained in Section 3.14.2 but argued that additional safeguards are necessary to address environmental risks associated with energy development. They observed that energy projects may result in biodiversity loss, ecosystem degradation, pollution and adverse impacts on water resources if not properly managed.
- I09. The memorandum therefore proposed stronger environmental monitoring frameworks, enhanced compliance mechanisms and increased emphasis on ecosystem conservation within implementation of the Policy. The stakeholders further recommended adoption of precautionary approaches in areas with significant environmental sensitivity.

h. Gender Equality, Diversity and Social Inclusion

- I10. The stakeholders welcomed the inclusion of Gender Equality, Diversity and Social Inclusion (GEDSI) provisions under Section 3.14.3. However, they observed that implementation measures remain insufficiently developed. The memorandum proposed establishment of specific targets and monitoring indicators to ensure meaningful participation of women, youth, persons with disabilities and marginalized groups within energy programmes and investments.

The stakeholders emphasized that equitable access to energy services and economic opportunities should remain a central objective of the Policy.

i. Research, Development and Innovation

111. The stakeholders supported the Policy's emphasis on research, development and innovation and encouraged increased investment in locally driven solutions capable of addressing Kenya's energy challenges. They emphasized the importance of collaboration between Government, academia, communities and civil society organizations in generating knowledge and promoting innovation. The memorandum further proposed strengthening research relating to community energy systems, climate adaptation technologies and locally appropriate renewable energy solutions.

j. Implementation Framework and Accountability Mechanisms

112. The stakeholders observed that successful implementation of the Policy will require stronger accountability and oversight mechanisms. While acknowledging the proposed coordination and administrative framework, they recommended clearer institutional responsibilities, measurable performance indicators and enhanced stakeholder participation within implementation and monitoring processes.
113. The memorandum further called for periodic public reporting on implementation progress and establishment of accessible grievance redress mechanisms to address concerns arising during implementation of energy projects.

Overall Position

The Joint memorandum by Transparency International Kenya and the Kenya Oil and Gas Working Group generally supported the objectives of the Draft National Energy Policy 2025. However, the stakeholders proposed strengthening provisions relating to transparency and accountability, public participation, community rights, environmental governance, devolution, carbon markets and implementation of a just energy transition. They emphasized that effective implementation of the Policy should be guided by principles of equity, inclusivity, sustainability and responsible governance to ensure that the benefits of energy sector development are shared fairly across all segments of society.

1. Submissions by the Electricity Consumers Society of Kenya (ELCOS)

114. The Committee received a memorandum from the Electricity Consumers Society of Kenya (ELCOS), which focused on consumer welfare, affordability of energy services, reliability of electricity supply and the potential implications of market reforms proposed under the Draft National Energy Policy 2025.
115. While supporting the overall objectives of expanding access to energy, promoting renewable energy development and enhancing efficiency within the energy sector, the Society raised concerns regarding the potential impact of the proposed reforms on consumers, particularly low-income households and vulnerable groups.
116. The Society therefore proposed measures aimed at strengthening consumer protection, ensuring affordability and safeguarding public interests during implementation of the Policy as follows: -

a. Electricity Market Reforms and Open Access Trading

117. The Society commented extensively on the ongoing transition towards open-access electricity markets and wholesale electricity trading. It observed that while increased competition may create opportunities for efficiency and lower costs among large industrial consumers, there is a risk that domestic consumers could be adversely affected if adequate safeguards are not established.
118. The memorandum noted that direct procurement of electricity by large consumers could reduce revenues traditionally used to support lower tariffs for residential consumers, thereby exposing households to higher electricity costs. The Society therefore recommended establishment of consumer protection mechanisms to ensure that market liberalization does not result in unintended burdens on ordinary consumers.

b. Affordability of Electricity

119. The Society identified affordability as one of the most significant concerns affecting consumers. It observed that although the Policy acknowledges challenges associated with high energy costs, infrastructure investments and system expansion requirements, it does not sufficiently address the issue of electricity affordability from the consumer perspective.
120. The memorandum expressed concern that households may continue facing high electricity bills while simultaneously financing major investments in transmission infrastructure, renewable energy integration, storage technologies and modernization programmes.
121. The Society proposed stronger policy commitments aimed at reducing the cost burden on consumers and protecting vulnerable households from excessive electricity charges.

c. Energy Transition and Emerging Technologies

122. With regard to emerging technologies and energy transition initiatives, the Society acknowledged the importance of investments in green hydrogen, battery energy storage systems, electric mobility, smart grids and renewable energy development. However, it observed that many of these technologies require substantial capital investment and may increase overall system costs during implementation.
123. The memorandum therefore recommended that the Government establish clear safeguards to ensure that the costs associated with energy transition initiatives are managed efficiently and do not result in significant tariff increases for consumers.

d. Universal Access to Energy

124. The Society supported the Policy's objective of achieving universal access to electricity and clean cooking solutions by 2030. However, it observed that access does not necessarily guarantee affordability. The memorandum highlighted challenges relating to connection costs, affordability constraints among low-income households and barriers faced by rural communities in accessing modern energy services.
125. The Society therefore proposed targeted interventions aimed at ensuring that vulnerable populations benefit from universal access programmes and are not excluded due to financial constraints.

e. Reliability and Quality of Energy Services

126. The Society further observed that the Policy identifies several challenges affecting service delivery, including aging infrastructure, system losses, transmission constraints, vandalism and supply interruptions. While welcoming proposals aimed at addressing these challenges, the memorandum emphasized that improving reliability and quality of service should remain a priority alongside efforts to expand access and modernize the energy sector.
127. The Society proposed stronger accountability mechanisms and performance standards to ensure consumers receive reliable and quality energy services.

f. Consumer Protection Measures

128. The Society proposed establishment of stronger consumer protection frameworks capable of shielding vulnerable consumers from market volatility and adverse impacts arising from electricity market reforms. The memorandum recommended retention and strengthening of lifeline tariff mechanisms, enhanced market oversight and effective monitoring arrangements to prevent anti-competitive practices that could negatively affect consumers.
129. The Society further emphasized the importance of transparency and public accountability in implementation of electricity sector reforms.

Overall Position

The Electricity Consumers Society of Kenya generally supported the objectives of the Draft National Energy Policy 2025 but called for greater emphasis on affordability, consumer protection, reliability of service and social safeguards. The Society emphasized that implementation of the Policy should ensure that energy sector reforms and transition initiatives deliver tangible benefits to consumers while protecting vulnerable households from adverse economic impacts.

MIN./NO./DC-ENERGY/2026/107: COMMITTEE OBSERVATIONS

Having been briefed, the Committee made the following observations:

- i. That, environmental and biodiversity safeguards within the Policy require strengthening, particularly regarding protection of protected areas, key biodiversity areas, water catchments, forests and wildlife habitats, as well as management of hazardous waste, electronic waste, decommissioning obligations and climate-related risks. The Committee recommends mainstreaming environmental governance across all energy sub-sectors and strengthening the role of NEMA and other environmental agencies in implementation, monitoring and compliance.
- ii. That, concerns regarding land acquisition, compensation, resettlement, community participation and benefit sharing associated with energy infrastructure projects. The Committee further observed that the benefit-sharing mechanism for geothermal resources under the Energy Act, 2019, which allocates 20 percent of the national government's share of geothermal revenue to host county governments and 5 percent to local communities, has not been fully operationalized in certain geothermal resource areas, depriving host communities of intended benefits. The Committee recommends strengthening safeguards on community rights, transparent compensation processes, grievance redress mechanisms, full operationalization of the geothermal benefit-sharing framework, adherence to the principle of Free, Prior and Informed Consent in respect of community land registered under the Community

Land Act, 2016, and meaningful stakeholder engagement throughout the project lifecycle.

- iii. That, County Governments play a critical role in energy planning, clean cooking, environmental management and local economic development, yet their functions and responsibilities within the Policy remain inadequately defined. The Committee recommends strengthening intergovernmental coordination mechanisms, integrating County Energy Plans into national planning processes and providing adequate technical and financial support for county-level energy initiatives.
- iv. That, the Policy does not sufficiently address transparency, public disclosure, accountability, carbon market governance, data sharing and implementation of a just energy transition. The Committee further observed the need to ensure that energy transition measures are guided by principles of equity, inclusivity and social justice. The Committee recommends the establishment of stronger transparency and disclosure requirements, participatory implementation frameworks and safeguards to ensure vulnerable communities benefit from energy transition investments.
- v. That, the Policy does not provide measurable targets for local content, technology transfer, local manufacturing, employment creation, skills development, and participation of Kenyan professionals and enterprises in energy investments. The Committee recommends the establishment of a robust local content framework supported by research, innovation, technical training and capacity-building programmes to maximize national benefits from energy sector development.
- vi. That, concerns that ongoing electricity market reforms and open-access trading arrangements may disproportionately benefit large consumers while exposing residential and small consumers to higher tariffs and cross-subsidy losses. The Committee recommends that implementation of electricity market reforms be undertaken gradually and subject to comprehensive consumer impact assessments, with adequate safeguards to protect vulnerable consumers and preserve the affordability of electricity services.
- vii. That, the Policy does not provide for standards, quality assurance and cybersecurity frameworks to govern deployment of renewable energy systems, electric mobility, battery energy storage and smart grid technologies, leaving the energy sector exposed to substandard products and growing cybersecurity risks associated with digitalization of energy infrastructure. The Committee recommends formal recognition of the Kenya Bureau of Standards (KEBS) as the standards development authority for energy product quality and conformity assessment, and the development of cybersecurity standards and protocols for smart grids and other digitalized energy infrastructure.
- viii. That, the Policy does not provide for standards, quality assurance and cybersecurity frameworks to govern deployment of renewable energy systems, electric mobility, battery energy storage and smart grid technologies, leaving the energy sector exposed to substandard products and growing cybersecurity risks associated with digitalization of energy infrastructure. The Committee recommends formal recognition of the Kenya Bureau of Standards (KEBS) as the standards development authority for energy product quality and conformity assessment, and the development of cybersecurity standards and protocols for smart grids and other digitalized energy infrastructure.

MIN./NO./DC-ENERGY/2026/108: ANY OTHER BUSINESS

The Committee resolved to invite the State Department for Energy for a meeting to be apprised on progress on matters pertaining on the National Infrastructure Fund.

MIN./NO./DC-ENERGY/2026/109: ADJOURNMENT

There being no other business, the meeting was adjourned at 5.49 p.m. The next meeting will be held on notice.

SIGNED _____

DATE _____

20-6-26

**HON. DAVID GIKARIA, CBS, MP
CHAIRPERSON
DEPARTMENTAL COMMITTEE ON ENERGY**



**THE NATIONAL ASSEMBLY
THIRTEENTH PARLIAMENT – FIFTH SESSION, 2026
DIRECTORATE OF DEPARTMENTAL COMMITTEES**

**MINUTES OF THE 20TH SITTING OF THE DEPARTMENTAL COMMITTEE ON
ENERGY HELD ON TUESDAY, 30TH JUNE, 2026 IN THE SENATE COMMITTEE ROOM
4, 1ST FLOOR, BUNGE TOWER, AT 10.00 AM**

PRESENT

1. **The Hon. David Gikaria, CBS, MP** - Chairperson
2. The Hon. Samuel Gonzi Rai, MGH, M.P.
3. The Hon. Elisha Odhiambo, M.P.
4. The Hon. Charles Gimose, M.P.
5. The Hon. Walter Owino, M.P.
6. The Hon. Simon King'ara, CBS, M.P.
7. The Hon. Geoffrey Ekesa Mulanya, M.P.
8. The Hon. Barongo Nolfason Obadiah, M.P.

ABSENT WITH APOLOGY

1. **The Hon. Lemanken Aramat, CBS, MP** - Vice-Chairperson
2. The Hon. Julius Musili Mawathe, M.P.
3. The Hon. Tom Mboya Odege, M.P.
4. The Hon. George Omwera Aladwa, M.P.
5. The Hon. Victor Koech Kipnetich, M.P.
6. The Hon. Cecilia Asinyen Ngitit, M.P.
7. The Hon. Siyad Amina Udgoon, MP

IN-ATTENDANCE

COMMITTEE SECRETARIAT

- | | |
|------------------------|------------------------------|
| 1. Mr. Fredrick Otieno | - Clerk Assistant I |
| 2. Ms. Grace Wahu | - Clerk Assistant II |
| 3. Mr. Sidney Lugaga | - Principal Legal Counsel II |
| 4. Mr. Brian Njeru | - Fiscal Analyst II |
| 5. Mr. Collins Mahamba | - Audio Officer |
| 6. Ms. Joy Purity | - Intern |
| 7. Mr. Richard Siagi | - Intern |

AGENDA

1. Preliminaries and adoption of the agenda
2. Confirmation of Minutes of previous Sittings
3. **Consideration and adoption of the Report on Sessional Paper No. 4 of 2026 on the National Petroleum Policy and the Report on Sessional Paper No. 5 of 2026 on the National Energy Policy 2025**
4. Any other Business
5. Adjournment.

MIN./NO./DC-ENERGY/2026/II 10: PRELIMINARIES & ADOPTION OF AGENDA

The Chairperson, Hon. David Gikaria, MP called the meeting to order at 10.16 a.m. and said a prayer. Thereafter, introductions were made. The agenda of the meeting was adopted having been proposed by Hon. Elisha Odhiambo, MP and seconded by Hon. Simon King'ara, MP.

MIN./NO./DC-ENERGY/2026/III: CONFIRMATION OF MINUTES OF THE PREVIOUS SITTINGS

The following Minutes were confirmed as a true record of the Committee proceedings; -

1. Minutes of the 16th sitting were confirmed as a true reflection of the proceedings having being proposed by Hon. Geoffrey Mulanya, MP and seconded by Hon. Elisha Odhiambo, MP;
2. Minutes of the 17th sitting were confirmed as a true reflection of the proceedings having being proposed by Hon. Elisha Odhiambo, MP and seconded by Hon. Gonzi Rai, MP;
3. Minutes of the 18th sitting were confirmed as a true reflection of the proceedings having being proposed by Hon. Elisha Odhiambo, MP and seconded by Hon. Gonzi Rai, MP; and
4. Minutes of the 19th sitting were confirmed as a true reflection of the proceedings having being proposed by Hon. Gonzi Rai, MP and seconded by Hon. Simon King'ara, MP

MIN./NO./DC-ENERGY/2026/II 12: CONSIDERATION AND ADOPTION OF THE REPORT ON SESSIONAL PAPER NO. 4 OF 2026 ON THE NATIONAL PETROLEUM POLICY

The Committee considered and adopted the Report on Sessional Paper No. 4 of 2026 on the National Petroleum Policy having been **proposed** by the Hon. **Geoffrey Mulanya, MP** and **seconded** by the **Hon. Elisha Odhiambo, MP** with the following recommendations:

COMMITTEE RECOMMENDATIONS

The Committee recommends **THAT**:

1. The House **adopts** this Report on the Sessional Paper No. 4 of 2026 on the National Petroleum Policy.
2. Following the adoption of this Policy, all proposed legislation on oil and gas matters should be guided by the provisions of the Policy.
3. **FURTHER**, the House **RESOLVES** that the Cabinet Secretary for Energy and Petroleum, the Energy and Petroleum Regulatory Authority (EPRA), the National Environment Management Authority (NEMA), and other relevant State agencies implement the following directives, and that the Cabinet Secretary for Energy and Petroleum reports to the Committee on progress made within twelve (12) months of the adoption of this Report—
 - a) **Implementation framework:** The Cabinet Secretary for Energy and Petroleum shall, within six (6) months of the adoption of this Report, develop and submit to the Committee a comprehensive implementation plan for the National Petroleum Policy comprising clear timelines, measurable performance indicators, prioritized interventions, institutional responsibilities, resource requirements, and a monitoring and evaluation framework.
 - b) **Financing strategy:** The Cabinet Secretary for Energy and Petroleum, in consultation with the National Treasury and Economic Planning, shall develop a financing and resource

mobilization strategy to support phased implementation of the National Petroleum Policy, including identification of funding sources, financing priorities, and annual budgetary requirements within six (6) months of the adoption of this Report.

- c) **Transparency and accountability:** The Cabinet Secretary for Energy and Petroleum shall, within twelve (12) months of the adoption of this Report, operationalize the Transparency and Accountability Framework established under Section 119 of the Petroleum Act, 2019, and submit to the Committee a position paper on Kenya's accession to the Extractive Industries Transparency Initiative (EITI), including disclosure of petroleum contracts, revenues and beneficial ownership within six (6) months of the adoption of this Report.
- d) **Petroleum revenue management and the Sovereign Wealth Fund:** The Cabinet Secretary for Energy and Petroleum, in liaison with the Cabinet Secretary for the National Treasury and Economic Planning, shall align the Policy's revenue management framework with the Sovereign Wealth Fund Bill, 2026, once enacted, and ensure that petroleum revenues directed to the Stabilization, Infrastructure and Development, and Future Generations components are first paid into the Consolidated Fund and appropriated by Parliament in accordance with Article 206 of the Constitution. The framework shall further promote macroeconomic stability, intergenerational equity, and sound resource governance to safeguard the country against the adverse economic and governance challenges commonly associated with oil-rich economies within twelve (12) months of the adoption of this Report.
- e) **Institutional separation and petroleum data management:** The Cabinet Secretary for Energy and Petroleum shall, within six (6) months of the adoption of this Report, revise the Policy to vest upstream petroleum data custody, management, and oversight in EPRA in conformity with Section 10(d) of the Energy Act, 2019. In addition, the Energy and Petroleum Regulatory Authority shall be responsible for exercising regulatory functions assigned under the Petroleum Act, (Cap. 308) of 2019 and the Energy Act, (Cap. 314) of 2019, the State Department of Petroleum shall be responsible for exercising the role of policy formulation and the National Oil Corporation of Kenya shall be responsible for exercising the role of managing the commercial interests of the petroleum sector, within twelve (12) months of the adoption of this Report.
- f) **Strengthening local content implementation frameworks.** The Cabinet Secretary for Energy and Petroleum, in collaboration with EPRA, shall strengthen local content implementation frameworks to ensure meaningful community participation and equitable benefit sharing in petroleum projects and strengthen provisions on host community engagement and protection of community rights throughout the petroleum project lifecycle, within twelve (12) months of the adoption of this Report.
- g) **Host community participation:** The Cabinet Secretary for Energy and Petroleum shall strengthen the implementation framework on host community participation and benefit-sharing by incorporating lessons learnt from the Early Oil Pilot Scheme (EOPS), including enhanced local employment, enterprise development, community engagement, and protection of community rights throughout the petroleum project lifecycle within twelve (12) months of the adoption of this Report.
- h) **Environmental safeguards:** The Cabinet Secretary for Energy and Petroleum, in collaboration with NEMA, shall revise the Policy to incorporate binding environmental safeguards on hazardous waste management, oil spill preparedness and contingency planning, decommissioning and post-decommissioning restoration, environmental deposit bonds under the Environmental Management and Co-ordination Act, 1999, biodiversity protection, and

climate change mitigation and adaptation measures within twelve (12) months of the adoption of this Report.

- i) **Role of NEMA:** The implementation matrix of the Policy shall be revised to explicitly designate NEMA as the principal environmental regulator and mandatory coordinating agency at the planning, licensing, implementation, audit, compliance monitoring, incident response, and decommissioning stages of petroleum operations within six (6) months of the adoption of this Report.
- j) **Digital infrastructure and petroleum data governance:** The Cabinet Secretary for Energy and Petroleum, in liaison with EPRA, shall, within twelve (12) months of the adoption of this Report, develop a petroleum data governance framework, including a national petroleum data repository, data sovereignty protections and cybersecurity standards for critical petroleum infrastructure, in conformity with EPRA's mandate under Section 10(d) of the Energy Act, 2019 within six (6) months of the adoption of this Report.
- k) **Inter-agency coordination:** The Policy's institutional and implementation framework shall be revised to explicitly incorporate all relevant State agencies with statutory mandates touching on the petroleum sector, including NEMA, the Directorate of Occupational Safety and Health Services, the Energy and Petroleum Tribunal, the National Land Commission, the State Department for Climate Change and Forestry, and relevant civil society and community-based organizations within six (6) months of the adoption of this Report.
- l) **Engineering standards and professional oversight:** The Cabinet Secretary for Energy and Petroleum, in collaboration with relevant professional regulatory bodies, shall strengthen engineering standards, technical compliance, professional certification, and oversight mechanisms applicable to petroleum infrastructure development, operation, maintenance, and decommissioning within six (6) months of the adoption of this Report.
- m) **Gender Equality, Disability and Social Inclusion (GEDSI):** The Cabinet Secretary for Energy and Petroleum shall mainstream Gender Equality, Disability and Social Inclusion (GEDSI) considerations throughout the petroleum value chain, including participation, employment, procurement, skills development, and equitable benefit-sharing for women, youth, persons with disabilities, and marginalized communities within twelve (12) months of the adoption of this Report.
- n) **Energy security, petroleum infrastructure, and value addition:** The Cabinet Secretary for Energy and Petroleum shall, within twelve (12) months of the adoption of this Report, revise the Policy to incorporate a comprehensive framework for Kenya's transition into an oil-producing and exporting country. The revised Policy shall provide for the development of petroleum refining and value-addition infrastructure and strategic petroleum reserves. The Cabinet Secretary shall further submit to the Committee a time-bound implementation framework outlining the policy, regulatory, and investment measures required to operationalize these strategic interventions within six (6) months of the adoption of this Report.
- o) **Consumer protection and market regulation:** The Cabinet Secretary for Energy and Petroleum, in collaboration with EPRA and the Competition Authority of Kenya, shall strengthen consumer protection measures by enhancing pricing transparency, promoting fair market competition, preventing anti-competitive practices, and strengthening regulatory oversight of petroleum markets within twelve (12) months of the adoption of this Report.

**MIN./NO./DC-ENERGY/2026/113: CONSIDERATION AND ADOPTION OF THE
REPORT ON SESSIONAL PAPER NO. 5 OF 2026 ON
THE NATIONAL ENERGY POLICY 2025**

The Committee considered and adopted the Report on Sessional Paper No. 5 of 2026 on the National Energy Policy 2025, having been **proposed** by the Hon. **Charles Gimose, MP** and **seconded** by the Hon. **Nolfason Barongo, MP** with the following recommendations:

COMMITTEE RECOMMENDATIONS

The Committee recommends **THAT**:

1. The House **adopts** this Report on the Sessional Paper No. 5 of 2026 on the National Energy Policy, 2025.
2. Following the **adoption** of this Policy, all proposed legislation on energy matters should be guided by the provisions of the Policy.
3. FURTHER, the House **RESOLVES** that the Cabinet Secretary for Energy and Petroleum, the Energy and Petroleum Regulatory Authority (EPRA), the National Environment Management Authority (NEMA), and other relevant State agencies implement the following directives, and that the Cabinet Secretary for Energy and Petroleum reports to the Committee on progress made within twelve (12) months of the adoption of this Report—
 - a) **Implementation Framework and Financing:** The Cabinet Secretary for Energy and Petroleum, within twelve (12) months of the adoption of this Report, develop and publish a costed implementation framework for the National Energy Policy comprising clear implementation timelines, prioritized interventions, financing sources, measurable performance indicators, a monitoring and evaluation framework and periodic reporting to the National Assembly and report progress to the National Assembly within twelve months of the adoption of this Report. The implementation framework should also leverage financing mechanisms under the National Infrastructure Fund Act, 2026 (Act No. 4 of 2026), public-private partnerships, climate finance, development partner support, and private sector investment to finance priority energy infrastructure projects and report progress to the National Assembly within twelve (12) months of the adoption of this Report. Further, the CS E&P, in collaboration with CS, NT, shall ensure that the transition of eligible energy infrastructure projects from direct Exchequer financing to financing under the National Infrastructure Fund is undertaken in a coordinated and seamless manner to avoid implementation delays and disruption of ongoing projects.
 - b) **Universal Access to Affordable Energy:** The Cabinet Secretary for Energy and Petroleum, in collaboration with the Energy and Petroleum Regulatory Authority (EPRA), the Rural Electrification and Renewable Energy Corporation (REREC), County Governments and other relevant agencies, accelerate implementation of universal access programmes through expansion of last-mile connectivity, mini-grids, clean cooking initiatives and targeted affordability interventions to achieve universal, affordable and equitable access to modern energy services by 2030 and report progress to the National Assembly within twelve (12) months of the adoption of this Report.
 - c) **Grid Reliability and Infrastructure Modernization:** The Cabinet Secretary for Energy and Petroleum, in collaboration with Kenya Power and Lighting Company (KPLC) and the Kenya

Electricity Transmission Company (KETRACO), prioritize investment in transmission, distribution, and grid modernization infrastructure, strengthen maintenance programmes, and reduce technical and commercial losses to improve the reliability, resilience and quality of electricity supply and report progress to the National Assembly within twelve (12) months of the adoption of this Report.

- d) **Emerging Energy Technologies:** The Cabinet Secretary for Energy and Petroleum shall, within twelve (12) months of the adoption of this Report, develop comprehensive policy, regulatory, and investment frameworks for emerging energy technologies, including electric mobility, battery energy storage systems, smart grids, artificial intelligence, and green hydrogen, supported by appropriate standards, incentives and implementation roadmaps and report progress to the National Assembly within twelve (12) months of the adoption of this Report.
- e) **Environmental Protection and Climate Resilience:** The Cabinet Secretary for Energy and Petroleum, in collaboration with the National Environment Management Authority (NEMA) and other relevant agencies, strengthen environmental safeguards within the Policy by providing comprehensive measures on biodiversity conservation, protection of water catchments, forests and protected areas, hazardous and electronic waste management, decommissioning obligations and climate change mitigation and adaptation. In addition, the Cabinet Secretary for Energy and Petroleum, in collaboration with NEMA, revises the Policy to mainstream environmental governance across all energy sub-sectors and requires mandatory use of Strategic Environmental Assessments and biodiversity-specific assessment tools, including the Integrated Biodiversity Assessment Tool and the Avian Sensitivity Tool for Energy Planning, for projects sited near Protected Areas or Key Biodiversity Areas and report progress to the National Assembly within twelve (12) months of the adoption of this Report.
- f) **Community Rights and Benefit Sharing:** The Cabinet Secretary for Energy and Petroleum strengthen the Policy framework on land acquisition, compensation, resettlement, stakeholder engagement and benefit sharing by ensuring transparent compensation processes, effective grievance redress mechanisms, meaningful stakeholder participation throughout the project lifecycle, operationalization of the geothermal benefit-sharing framework under the Energy Act, 2019, and adherence to the principle of Free, Prior and Informed Consent for projects affecting community land in accordance with the Community Land Act, 2016 and meaningful stakeholder engagement throughout the project lifecycle and reports progress to the National Assembly within twelve (12) months of the adoption of this Report.
- g) **Intergovernmental coordination and county energy planning:** The Cabinet Secretary for Energy and Petroleum strengthens intergovernmental coordination mechanisms, integrates County Energy Plans into national planning processes, and provides adequate technical and financial support for county-level energy initiatives and reports progress to the National Assembly within twelve (12) months of the adoption of this Report.
- h) **Transparency, participatory frameworks and protection of vulnerable communities:** The Cabinet Secretary for Energy and Petroleum shall strengthen the Policy by establishing robust frameworks for transparency, public disclosure, accountability, carbon market governance, data sharing and public participation, while ensuring that implementation of the energy transition is guided by the principles of equity, inclusivity and social justice, with adequate safeguards for affected and vulnerable communities and reports progress to the National Assembly within twelve (12) months of the adoption of this Report.
- i) **Local content, research, training and capacity-building:** The Cabinet Secretary for Energy and Petroleum develop a comprehensive local content framework incorporating

measurable targets, implementation timelines and monitoring mechanisms to promote technology transfer, local manufacturing, employment creation, skills development and meaningful participation of Kenyan professionals, enterprises and research institutions in energy sector investments and reports progress to the National Assembly within twelve (12) months of the adoption of this Report.

- j) **Electricity market reforms, consumer impact assessments and affordability safeguards:** The Cabinet Secretary for Energy and Petroleum, in collaboration with the Energy and Petroleum Regulatory Authority (EPRA), shall ensure that implementation of electricity market reforms and open-access trading arrangements is undertaken in a phased manner, supported by comprehensive consumer impact assessments and appropriate regulatory safeguards to protect residential, small and vulnerable consumers while preserving affordability and fair competition and reports progress to the National Assembly within twelve (12) months of the adoption of this Report.
- k) **Standards development, quality assurance and cybersecurity protocols:** The Cabinet Secretary for Energy and Petroleum, in collaboration with the Kenya Bureau of Standards (KEBS), EPRA and other relevant agencies, develop and implement comprehensive standards, quality assurance and cybersecurity frameworks governing renewable energy systems, electric mobility, battery energy storage systems, smart grids and other digital energy technologies, including formal recognition of KEBS as the lead standards development institution for energy products and technologies and reports progress to the National Assembly within twelve (12) months of the adoption of this Report.
- l) **Power Purchase Agreements and Cost of Electricity:** The Cabinet Secretary for Energy and Petroleum shall, within twelve (12) months of the adoption of this Report, revise the Policy to provide a clear framework for least-cost power procurement, periodic review of Power Purchase Agreements, and competitive procurement of electricity generation. The framework shall promote transparency, affordability, and value for money, while supporting the Government's ongoing efforts to reduce the cost of electricity through the renegotiation of legacy PPAs, without compromising security of supply, contractual obligations, or investor confidence, and report progress to the National Assembly within twelve (12) months of the adoption of this Report.

MIN./NO./DC-ENERGY/2026/114: ANY OTHER BUSINESS

There was no other business

MIN./NO./DC-ENERGY/2026/115: ADJOURNMENT

There being no other business, the meeting was adjourned at 1.46 p.m. The next meeting will be held on notice.

SIGNED



DATE

30/06/2026

HON. DAVID GIKARIA, CBS, MP
CHAIRPERSON
DEPARTMENTAL COMMITTEE ON ENERGY



KTDA MANAGEMENT SERVICES LIMITED

TENDER FOR TRANSPORTATION OF BAGGED FERTILIZER

REFERENCE	TENDER DESCRIPTION
KTDA/043/2026	Road Transportation of 99,000 MT Bagged Fertilizer from Mombasa/Nairobi to Various KTDA Managed Tea Factories
KTDA/044/2026	Railway Transportation, Warehousing and Handling of 99,000 MT Bagged Fertilizer from Mombasa Port To Nairobi
KTDA/045/2026	Road Transportation of 99,000 MT Bagged Fertilizer from Port to Designated Warehouses within Mombasa
TENDER FEE (Non-Refundable)	KShs 3,000 per Tender
MODE OF PAYMENT	EFT or cash payments in Kenya Shillings into KTDA Management Services Ltd Bank Account at any Family Bank branch- Account Number: 065000006090 Branch: Corporate-KTDA Plaza, Nairobi

KTDA Management Services Ltd is in the process of procuring approximately 99,000 Tonnes of bagged fertilizer to be transported from designated storage in Mombasa/Nairobi to its various managed tea factories. The fertilizer is expected to arrive in June 2026.

KTDA invites tenders from eligible transporters and logistic firms to transport fertilizer from Mombasa and Nairobi to its various managed tea factories as specified in the tender documents. The factories are located in the counties of; Meru, Tharaka Nithi, Embu, Kirinyaga, Nyeri, Muranga, Kiambu, Nakuru, Kericho, Bomet, Nandi, Nyamira, Kisii, Vihiga and Trans Nzoia. The physical factory locations are available online on KTDA website: <https://www.ktdateas.com>

Interested transport firms/individual transporters can obtain detailed tender documents from the procurement office located on third floor Majani Plaza, Koinange Street, Nairobi during office hours upon payment of the respective non-refundable tender fee.

Tenders may also be requested upon payment of tender fee by emailing: procurement@ktdateas.com

Tender documents marked with the tender reference number and description should be submitted in sealed envelopes addressed to:

The Managing Director,
KTDA Management Services Ltd,
Majani Plaza, Koinange Street,
P.O. Box 30213-00100,
Nairobi, Kenya.

Completed tender documents should be deposited in the tender box at Reception on Ground floor, Majani Plaza, Koinange Street, Nairobi to be received not later than Tuesday, 5th May 2026 at 9.30 AM Local time.

Canvassing will lead to automatic disqualification from the tendering process.

For: MANAGING DIRECTOR

KTDA Holdings Limited
KTDA Holdings Limited

Tel: +254 020 3227000 - 2 / 221441/2/3/4
0722 982402/7, 0722 203451/2, 0733 913580, 0733 363647
E-mail: info@ktdateas.com / Site: www.ktdateas.com



REPUBLIC OF KENYA

THE NATIONAL ASSEMBLY

THIRTEENTH PARLIAMENT - FIFTH SESSION (2026)

IN THE MATTER OF ARTICLE 118(1)(b) OF THE CONSTITUTION

AND
IN THE MATTER OF CONSIDERATION BY THE NATIONAL ASSEMBLY OF SESSIONAL PAPER NO. 4 OF 2026 ON THE NATIONAL PETROLEUM POLICY

INVITATION TO SUBMIT MEMORANDA

WHEREAS, Article 118(1) (b) of the Constitution requires Parliament to facilitate public participation and involvement in the legislative and other business of Parliament;

AND WHEREAS, Sessional Paper No. 4 of 2026 on the National Petroleum Policy was submitted to the National Assembly and referred to the Departmental Committee on Energy for consideration and reporting to the House;

IT IS NOTIFIED that Sessional Paper No. 4 of 2026 on the National Petroleum Policy sets out Kenya's overarching national policy guidance on all matters related to petroleum and the Oil and Gas Sector. Specifically, the Policy seeks to—

- (a) strengthen Policy, Legal, Institutional and Regulatory Framework for the Oil and Gas Sector;
- (b) promote sustainable petroleum resource exploration, development and production;
- (c) promote value addition of petroleum resources for local and regional petroleum products demand;
- (d) ensure security of supply of petroleum products;
- (e) enhance storage and transportation capacity of petroleum products;
- (f) enhance Liquefied Petroleum Gas (LPG) uptake in the country;
- (g) enhance management of revenues from the Oil and Gas Sector;
- (h) facilitate capacity development and technology transfer; and
- (i) facilitate an enabling environment for sustainable petroleum operations.

NOW THEREFORE, in compliance with Article 118(1)(b) of the Constitution, the Clerk of the National Assembly hereby invites the public to submit memoranda on the Sessional Paper to the Departmental Committee on Energy.

A copy of the Sessional Paper is available at the National Assembly Table Office, Main Parliament Buildings and on the Parliamentary website www.parliament.go.ke.

The memoranda may be forwarded to the Clerk of the National Assembly, P.O. Box 41842-00100, Nairobi; hand-delivered to the Office of the Clerk, Main Parliament Buildings, Nairobi; or emailed to cpa@parliament.go.ke to be received on or before Monday, 4th May 2026 at 5.00 p.m.

S. NJOROGE, CBS
CLERK OF THE NATIONAL ASSEMBLY
17th April, 2026

"For the Welfare of Society and the just Government of the People"



REPUBLIC OF KENYA COUNTY GOVERNMENT OF UASIN GISHU NOTICE OF WAIVER



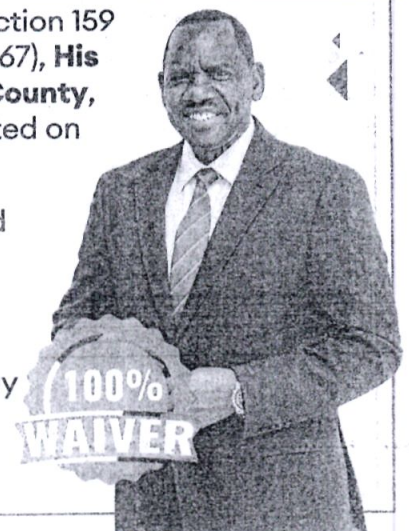
WAIVER OF PENALTIES AND INTEREST ON OUTSTANDING LAND RATES

In accordance with the Constitution of Kenya, 2010, and pursuant to Section 159 of the Public Finance Management Act, 2012 and the Rating Act (Cap. 267), His Excellency Dr. Jonathan Bii Chelilim, E.G.H., Governor of Uasin Gishu County, wishes to inform all property owners that a 100% waiver has been granted on all outstanding interest and penalties on land rates.

The waiver is applicable on condition that all outstanding principal land rates are fully paid, and it will remain valid until 30th April 2026.

Property owners and business owners are therefore advised to take advantage of the waiver period and the extended Single Business Permit (SBP) payments date, to settle all outstanding land rates and pay for business permits to avoid any inconvenience

#TulipeLeseniTujengeUasinGishu





MINISTRY OF ENERGY AND PETROLEUM

STATE DEPARTMENT FOR
PETROLEUM

PRESENTATION: **SESSIONAL PAPER NO. 4 OF 2026 ON NATIONAL
PETROLEUM POLICY, 2025**

PRESENTED TO: **DEPARTMENTAL COMMITTEE ON ENERGY**

PRESENTED BY: **LUCY KIBIRU**

VENUE: **ARGYLE HOTEL, MACHAKOS COUNTY**

DATE: **5TH – 6TH JUNE, 2026**

PRESENTATION OUTLINE

1. Introduction
2. Policy Goal
3. Objectives of the Policy
4. Purpose of the Policy
5. Gaps addresses by the Policy
6. Agencies involved in policy implementation
7. Stakeholder involvement
8. Public participation
9. Financing

INTRODUCTION

- One of the Mandate of the State Department for Petroleum is Petroleum Policy.
- The Petroleum Act, Cap. 308 of 2019 tasks the Cabinet Secretary responsible for petroleum to develop a National Petroleum Policy.
- The Policy covers the Oil and Gas Sector, which comprises of 3 sub-sectors namely; Upstream, Midstream and Downstream.

POLICY GOAL

To sustainably explore, exploit, utilize and manage petroleum resources and products to contribute towards Kenya's economic development.

OBJECTIVES OF THE POLICY

The National Petroleum Policy aims to:

- Strengthen the policy, legal and institutional framework for the Oil and Gas Sector;
- Promote sustainable petroleum resource exploration, development and production;
- Promote value addition of petroleum resources for local and regional petroleum product demand;
- Ensure security of supply of petroleum products;
- Ensure enhancement of storage and transportation capacity of petroleum products;

OBJECTIVES OF THE POLICY *CONT'D...*

- Enhance uptake of Liquefied Petroleum Gas (LPG) in the country;
- Enhance management of revenues from the Oil and Gas Sector;
- Facilitate capacity development and technology transfer;
- Facilitate creation of an enabling environment for sustainable petroleum operations; and
- Promote environmental protection and conservation of biodiversity.

WHY THE POLICY?

The Policy provides a framework to:

- Guide in efficient and sustainable exploitation of petroleum resources.
- Ensure effective management and regulation of petroleum operations in the country.
- Guide petroleum infrastructure development locally and regionally.
- Guide in addressing prevailing and emerging issues in the Oil and Gas Sector.

GAPS ADDRESSED BY THE POLICY

Lack of clear policy direction on petroleum operations.

- The country lacks a comprehensive national policy on petroleum.
- Policy direction in the Oil and Gas Sector is provided by Sessional Paper No. 4 of 2004 on Energy, which does not cover the emerging issue in the Sector such discovery of oil and gas.
- Development of a national petroleum policy is a legal requirement - Section 5(1) of the Petroleum Act Cap. 308.

AGENCIES INVOLVED IN POLICY IMPLEMENTATION

- The Agencies that will be involved in implementation of this Policy and their roles are provided in the Policy on Page 37-39.
- These Agencies were involved in the development of this Policy.
- The Policy has not established any new institution.

STAKEHOLDER INVOLVEMENT

- Development of the National Petroleum Policy was done through a consultative process.
- Involved 20 relevant stakeholders from both the public and private sectors in the policy development process.
- The State Department for Parliamentary Affairs in particular was involved in the development process to ensure that the Policy is aligned to the Guidelines for Development of National Government Policies, issued in December 2024.

PUBLIC PARTICIPATION

Public participation forums were carried out to collect public views on the draft Policy in the following forms:

- Face-to-face forums with members of the public across Counties from 12th – 14th March, 2025;
- Face-to-face meeting with members of the Energy County Executive Committee on 18th March, 2025;
- Online platforms where members of the public filled and submitted feedback forms on the Draft Petroleum Policy.
- Collected public views were reviewed and validated by stakeholders and incorporated in the final Draft Policy.

POLICY FINANCING

The budgetary requirement, from Government, for implementation of this Policy is KSh. 68.292 Billion

This Policy will be funded from the following sources:

- Budgetary allocation by the National Treasury;
- Resources from Oil and Gas investors;
- Resources from the development partners ;
- Revenue generation from scientific data; and
- Public Private Partnerships (PPP).

END



COMMENTS ON THE DRAFT PETROLEUM POLICY 2025

KENYA OIL AND GAS WORKING GROUP (KOGWG)

INTRODUCTION

- I. Environmental Civil Society Organizations (listed below) met under the Kenya Oil and Gas Working Group (KOGWG) on 11th-13th March 2025 to review and provide input into the Draft Petroleum Policy 2025. This submission is premised on civil society and public participation requirement and duty in supporting development of laws and policies that advance good governance and sustainable development.
- II. The Civil Society Organizations involved in the review of the draft policy laud the efforts by the Ministry of Energy and Petroleum in the development of this important policy; a policy document that embodies the aspirations of Kenyans in the management of resources to promote development as well as intra and inter-generational equity.
- III. Based on the expertise, experiences and local knowledge, we wish to make the following general and specific submissions and recommendations for inclusion in the draft policy;

General Comments

1. Many petroleum blocks are located in areas prone to high insecurity, posing risks to both petroleum infrastructure and adjacent communities. The policy should address these challenges by incorporating measures to safeguard infrastructure and ensure community safety, fostering stability for sustainable petroleum development.
2. While the policy aims to attract petroleum investment, it must ensure that petroleum development does not come at the expense of other sectors or sustainable development. It should promote the use of efficient technologies to minimize the ecological footprint and balance economic growth with environmental responsibility.

3. Improving transparency and accountability in the management of petroleum revenues enables the citizenry to effectively scrutinise the government's management of the resource in question and hold the government accountable for misuse; it enables data driven decision making in that policy makers, civil society organisations and the general public can access and analyse progress on various aspects of petroleum operations; and it provides a platform for innovation that could promote efficiencies within government, service delivery improvements and citizen feedback systems thereby ultimately creating a suitable environment for investments. The government also benefits from being transparent because trust is built with the people, while the people, meanwhile, can form realistic expectations based on the provision of reliable and timely information.
4. Six years after developing the Transparency and Accountability Framework and action plan in line with section 119 of the Petroleum Act, 2019, Kenya has yet to implement it, leaving the petroleum sector vulnerable to secrecy, mismanagement, and public mistrust. Joining EITI would enforce transparency through public disclosure of contracts, revenues, and ownership, strengthening governance, investor confidence, and community trust. With growing concerns over revenue sharing, environmental risks, and community grievances, Kenya must demonstrate its commitment to good governance and equitable resource management. EITI membership would ensure accountability, reduce corruption risks, and enhance Kenya's global standing as a responsible resource-producing nation.
5. Kenya urgently needs a comprehensive policy statement on hazardous waste management in the petroleum sector to prevent environmental contamination and protect public health. The improper handling and disposal of hazardous waste, particularly from drilling operations, oil spills, and decommissioned infrastructure, pose severe risks to communities and ecosystems. In Turkana, communities have been exposed to contaminated hazardous waste liners, leading to fears of soil and water pollution, while in Lamu, poor disposal and improper decommissioning processes has raised concerns over long-term health impacts to exposed unsuspecting communities.
6. Petroleum operations inherently carry the risk of oil spills, which can have catastrophic environmental, social, and economic consequences if not properly managed. Kenya's past experiences with oil exploration have highlighted gaps in emergency preparedness, weak enforcement of environmental safeguards, and limited public awareness on spill response. The National Oil Spill

Contingency Plan remains largely unimplemented, leaving communities and ecosystems vulnerable to contamination. Without strong inter-governmental coordination, response efforts will remain fragmented and ineffective. It is imperative that relevant agencies collaborate proactively to ensure public sensitization, industry compliance, and swift response mechanisms. Operationalizing the contingency plan is not just a regulatory necessity but an urgent priority to safeguard livelihoods, water sources, and marine biodiversity from irreversible damage.

7. While the policy highlights the facilitation of land access for petroleum operations, it must also recognize the shifting land governance landscape, particularly in areas where community land has now been registered under the Community Land Act, 2016. Unlike previous years, where county governments held unregistered community land in trust, communities now have legal authority over their land, with established bylaws, governance structures, and financial management systems. This shift necessitates direct engagement with communities as primary decision-makers, ensuring that land access negotiations are transparent, participatory, and aligned with legal provisions. Moreover, adherence to the principles of Free, Prior, and Informed Consent (FPIC) is now non-negotiable, as communities must be fully informed and actively involved in decisions affecting their land. Failure to align with these evolving dynamics risks heightened disputes, project delays, and legal challenges, undermining both investment stability and community rights.
8. The policy has no explicit provisions addressing Gender Equality and (Disability) Social Inclusion (GESI/GEDSI). It does not specifically mandate gender-responsive or inclusive measures. A standalone section within the policy that clearly outlines objectives, targets, and mechanisms for promoting gender equality and social inclusion—including considerations for persons with disabilities would be ideal. This would ensure that issues affecting women and other marginalized groups are not treated as an afterthought but as integral to the sector's development, fostering an equitable and inclusive growth agenda.
9. Local content is critical in ensuring that Kenya's oil and gas sector delivers long-term socio-economic benefits beyond resource extraction. The Early Oil Pilot Scheme (EOPS) in Turkana highlighted key gaps, including limited local employment, lack of capacity building, and minimal participation of local businesses in the supply chain. Without strong local content policies, the sector risks becoming an enclave industry with little impact on Kenya's broader economy. By prioritizing local skills development, technology transfer, and procurement from Kenyan businesses, the government can maximize the benefits of petroleum projects for

communities and the national economy. Establishing a robust local content framework will also reduce dependence on foreign expertise, enhance knowledge retention, and create sustainable employment opportunities in petroleum operations and related industries.

AREAS OF FOCUS	ISSUES (SPECIFIC POLICY SECTION)	RECOMMENDATIONS	JUSTIFICATION
CHAPTER 1: INTRODUCTION			
Policy Objectives (Section 1.4.2)	Section does not exhaustively cover social safeguards	Inclusion of policy statement; Implement existing social protection safeguards.	Communities are the most affected by upstream petroleum operations and need to be considered and their rights protected to avert potential conflicts.

	While the fundamental aspect of Transparency and Accountability has been highlighted, the policy is silent on measures to be taken.	Promote transparency and accountability across the petroleum value chain As part of efforts to enhance transparency and accountability, Kenya will take the necessary steps to join the Extractive Industries Transparency Initiative (EITI) and align its extractive sector with international best practices.	The petroleum sector is often perceived by the public as operating under a veil of secrecy. Ensuring transparency in agreements, licenses, beneficial ownership and contracts helps manage expectations and holds decision-makers accountable. Six years after the development of the Transparency and Accountability Framework, its implementation remains stalled, leaving Kenya's extractive sector vulnerable to secrecy, mismanagement, and inefficiencies. To uphold global best practices, attract responsible investment, and ensure equitable resource governance, Kenya should urgently join the Extractive Industries Transparency Initiative (EITI). EITI membership would enforce public disclosure of contracts, revenues, and beneficial ownership, strengthening accountability, reducing corruption risks, and fostering public trust. Without such measures, Kenya risks worsening governance challenges,
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			revenue leakages, and community grievances, undermining the sector's contribution to sustainable development.
	Public access to information has not been catered for	Inclusion of policy statement; The government will promote public access to information Inclusion of policy statement; The government will promote adequate public participation	Public access to information is not a privilege but a fundamental right, enshrined in the Constitution of Kenya, that underpins transparency, accountability, and equitable resource governance. In Kenya's extractive and energy sectors, secrecy fuels corruption, elite capture, and community

			disenfranchisement, leading to conflicts, environmental degradation, and revenue mismanagement. Without full disclosure of contracts, impact assessments, and benefit-sharing agreements, communities remain powerless, unable to challenge exploitative deals or demand their rightful share.
CHAPTER 2: SITUATION ANALYSIS			
Exploration (2.1.1.2)	Section does not fully exhaust the exploration history of Early Oil Pilot Scheme (EOPS) in terms of accurate number of barrels produced or final market destination of the oil	Clarification on the consistent data on the number of barrels lifted and sold.	Inconsistent data in the policy and what was presented to the Senate on 23rd May 2023. Figure presented to the Senate was 414,777 bbl while the policy indicates 415,032 bbl.
	Lacks transparency on revenues from oil exports	Avail data on revenues from EOPS	Right to Access to Information as enshrined in the Constitution

Midstream Sub-sector (2.1.2)	The opening statement under this section contradicts section 1.1.2 on the components of the midstream sub-sector	Need for the policy to capture all components of the midstream sub sector including transportation (pipeline, road, rail, tankers); processing and storage	With a vision for increased investments, there should be consideration for further discoveries and development of infrastructure
		Focus under this section should cover the four sedimentary basins	
Importation of Petroleum Fuels (2.1.3.1)	Data for the potential of LPG in the country has not been fully captured	Policy should capture all relevant data for LPG in the country including the automotive sector and other small industries	This is to market the potential of LPG in other sectors and encourage innovation
Existing Legislative Framework (2.2.2)	Several legislations that govern petroleum operations have been omitted	Include the Water Act 2024, Forestry Act 2015; Wildlife Act 2016; Fisheries Act CAP 378, EMCA 1999, Community Land Act 2016, County Governments Act, 2012 and the Model Production Sharing Agreement	The Impacts on the Petroleum Industry are often felt across different sectors. Petroleum operations often follow due process to ensure no harm to other natural resources.
Existing Institutional Framework	Several institutions with mandate to run the	Include key institutional frameworks with mandate under the petroleum sector	Effective governance in the extractive sector requires inter-agency collaboration between environmental, land, and energy authorities. A cross-sectoral approach

	petroleum sector have been omitted		ensures that policies in petroleum, energy, land, health etc.
CHAPTER 3: EMERGING ISSUES AND CHALLENGES			
Geopolitical Factors (3.1.1)	Focus on geopolitical factors has only been limited to the Russian-Ukraine conflict	Geopolitical and Geo-economic factors (conflict, change in political regime especially for super-powers, global pandemics e.g. Covid etc) should be broadened rather than focus on a specific area of concern to the sector.	All these factors have an implication on global oil prices which in term have a ripple effect that is felt in Kenya.
Environment and Regulatory Concerns (3.1.2)	Unpredictive global policies on environment and climate concerns	Policy should avoid quoting policies prone to political and global institutional changes	Leads to the oil and gas sector not making long term investment decisions. Pro-environment and climate policies and pro-fossil fuel policies directly dictate increased or reduced investments in renewables and fossil fuels
Technological advancements 3.1.3	The policy does not incorporate technological advancements in the oil and gas sector	Policy should include technological advancements in exploration, development and production including waste management.	Need to embrace cleaner drilling and production technologies. Modern technologies such as enhanced oil recovery (EOR), digital monitoring of emissions, and advanced waste treatment techniques can reduce environmental footprints, improve resource utilization,

			and minimize community exposure to toxic byproducts. Furthermore, adopting state-of-the-art spill detection, carbon capture, and efficient drilling technologies aligns Kenya's petroleum sector with global best practices, ensuring compliance with climate commitments and sustainable resource management goals.
		Incorporation on research and development on renewable energy in fossil fuels extraction, development and production process e.g. heating the pipeline using geothermal.	Existence of renewable energy sources that can support the oil and gas sector
Emerging Issues 3.1	Energy Transition effects on the petroleum sector have not been captured	Section should incorporate considerations around the global push for a shift away from fossil fuels in a way that both sectors co-exist and ensure objectives for both policies are realised without competition	As Kenya seeks to balance energy security, economic growth, and climate commitments, a coherent approach is needed to harmonize investments, regulatory frameworks, and long-term energy planning. Without strategic coordination, competition between the sectors could lead to misaligned priorities, inefficient resource allocation, and policy contradictions that hinder both decarbonization efforts and responsible

			petroleum development. Instead, the policy should promote synergies, such as leveraging oil and gas revenues to finance clean energy projects and adopting low-carbon technologies within petroleum operations.
	Frequent conflicts between communities and petroleum project proponents	Policy should ensure that community/ stakeholder engagement, expectation management and Free Prior and Informed Consent is obtained throughout the petroleum development activities to ensure buy-in from communities	During the Early Oil Pilot Scheme (EOPS), disruptions were experienced where disenfranchised communities blocked transportation of crude oil from Lokichar to Mombasa. Ensuring continuous engagement with project affected communities ensures that such risks can be mitigated in a timely manner that does not affect petroleum operations.
CHAPTER 4: POLICY STATEMENTS			
Exploration, Development and Production (4.1.4)	1.The statement on best industry practice should cover the entire upstream cycle and not just production	The statement should be revised to read, “ <i>At exploration, development and production, investors are expected to use the best industry practices in compliance with national and international Treaties, Legislation and Regulations to ensure</i>	1.Limiting the best industry practice requirement to production overlooks critical stages where sustainable practices are equally essential.

	2. The policy should acknowledge existing national, regional and international Treaties, Legislation and Regulations	<i>sustainable exploitation, and enhanced maximization of the present value of the petroleum resources.”</i>	2.Acknowledging existing national and international Treaties, Legislation, and Regulations aligns the policy with national standards, promotes investor confidence, and strengthens Kenya’s commitment to responsible resource management.
Exploration, Development and Production (4.1.4) Policy Statement (d)	Facilitation of land access is not a direct mandate for the Ministry of Energy and Petroleum	Facilitate land access and acquisition for petroleum operations in consultation with all stakeholders and in adherence with existing laws Need to include the definition of a ‘Third party’	Land access for public projects falls under the mandate of the National Land Commission (NLC); however, the complexities surrounding community land rights necessitate inter-agency collaboration between the Ministry of Energy and Petroleum and NLC to ensure fair, transparent, and legally compliant land acquisition processes. With the implementation of the Community Land Act, 2016, many communities now legally own and manage their land, meaning that previous approaches where county governments held community land in trust, are no longer applicable. Uncoordinated land acquisition efforts risk community resistance, project delays, and potential legal challenges, ultimately

			affecting both energy security and investor confidence.
Decommissioning (4.1.6) Policy Statement	Policy statement ommits post decommissioning implications of project activities to the environment	Include a policy statement that supports environmental deposit bonds, site rehabilitation and restoration.	Environmental Deposit Bonds regulations under EMCA 1999 and the Environmental Deposit Bonds guidelines for the Oil and Gas sector already exist and need to be implemented.
Midstream Sub-Sector (4.2) Policy Statement (h)	Statement not aligned and government's responsibility should be clearly set out towards enhancing energy security	Rephrase the statement as follows; <i>"The Government (h) Will ensure that produced oil and gas is used to enhance energy security in the country."</i>	Government should take responsibility for its obligations and ensure that energy security is attained by the country
Management of Revenues from Petroleum Operations (4.4.1)	The policy is silent on creating intergenerational wealth from revenues accrued	Inclusion of a policy statement that reads: <i>The government will ensure revenues accrued from petroleum operations are ring fenced for economic stabilization against economic shocks and for future generations</i>	The COVID-19 pandemic exposed Kenya's economic vulnerabilities, particularly its dependence on external borrowing and fluctuating revenues. To enhance economic resilience, it is crucial to ring-fence petroleum revenues for economic stabilization and future crises. The Sovereign Wealth Fund Policy and Bill (2019) provides a framework for managing oil revenues through three key funds: the Stabilization Fund, the Infrastructure and Development Fund, and the Future

			Generations Fund. Countries like Norway and Botswana have successfully utilized sovereign wealth funds to cushion their economies during downturns, ensuring long-term fiscal sustainability.
CHAPTER 5: CROSS CUTTING ISSUES			
Land (5.4) Policy Statement (a)	Statement is silent on compensation	Rephrase the statement to read as follows, “Government will... <i>(a) Facilitate land access, acquisition, resettlement and fair compensation for oil and gas operations.”</i>	Government has the responsibility to fairly compensate persons affected by land acquisition.
Host Community Rights (5.5) Policy Statement	Statement is silent in respect to upholding cultures and practices	Policy statement should include upholding and sustenance of cultures and practices of host communities	Host communities have rights to uphold their existing cultures and practices
Institutional Framework (6.1.2) Table 6: Role of Institutions in Implementation of the Policy	Other players have not been specified	Inclusion of CSOs and CBOs as examples under “Other Players”	To monitor compliance and implementation as watchdog organizations.

Petroleum Pricing of Petroleum Products (page 53)	Implementation framework for pricing of petroleum products	The policy lacks a clear strategy to address/manage global oil price volatility and geopolitical risks. This could include stabilization mechanisms or buffer funds to protect consumers.	Given the susceptibility of petroleum prices to global market fluctuations and geopolitical tensions, a proactive strategy is essential to stabilize domestic prices, protect consumers, and ensure overall economic stability.
Environmental Social Governance (Page 56)	Implementation framework for ESG	The policy mentions environmental protection and sustainable practices, but without robust enforcement or clear targets. The proposed regulations/guidelines should incorporate strict penalties for non-compliance and also set explicit climate change mitigation and adaptation targets within petroleum operations.	Given the environmental risks inherent in petroleum operations and the global drive for sustainability, stronger environmental safeguards are critical to protect the environment and public health, as well as to ensure that the sector contributes to Kenya's sustainable development goals.
Local Content (Page 56)	Implementation framework for local content	This policy outlines the intent to promote local participation but remains vague on concrete measures.	Clear and measurable targets would ensure that the benefits of petroleum operations—such as job creation and technological advancement—are more directly and transparently shared with
	The last activity in that section is incomplete. It reads		

	'Develop a framework to facilitate collaboration with.'	The proposed framework should be specific on local content targets, quotas, and capacity-building programs with defined timelines and measurable performance indicators. In addition, incorporate detailed plans for technology transfer and skills development for Kenyan workers and businesses.	local communities, fostering sustainable economic development.
ANNEX I: IMPLEMENTATION MATRIX FOR OIL AND GAS SECTOR OPERATIONS			
POLICY PRIORITY AREA			
Oil and Gas sector policy, legal, institutional and regulatory framework	The activities are non exhaustive & duplicated	Include activities addressing review: the transparency framework & action plan, guidelines for hazardous waste management for the oil and gas sector, communication strategy for the petroleum sector, National Petroleum Master Plan. Incorporation of Community Development Agreements in the Petroleum Act 2019 - inclusion of	Some of these documents exist thus require review rather than development, in other cases some documents need to be published Community Development Agreements allow the host community to participate fully in negotiations with investors

		investors as well as host communities	
Strengthening cooperation with Government Agencies and other Governments	Key government agencies necessary in the implementation process are missing including NEMA, DOSH, Tribunals	Include government agencies tasked in implementation process in activities falling under their roles	These agencies have sole responsibility to ensure such adherence to monitoring and implementation
Establish a mechanism for conflict management and dispute resolution	Key government agencies necessary in the conflict management and dispute resolution have been omitted.	Include the relevant Tribunals as implementing agencies in addition to SDP	Tribunals are decisive entities in conflict management and dispute resolution
Decommissioning	NEMA a key agency in decommissioning is missing in the implementation process	Include NEMA in decommissioning process	NEMA has the sole responsibility to ensure such adherence to monitoring and implementation on environmental matters
Public Participation	Policy makes public participation optional and to be determined by SDP	Deduct the statement on Public participation requirement	Public participation should be a continuous process

Climate Change Mitigation and Adaptation	State department for Climate Change and Forestry has not been included in the implementation process	State department for Climate Change and Forestry be included in the implementation process	Implementing agency
Land & Host Community Rights	Civil Society and Community Based organizations are lacking from the process	Civil Society and Community Based organizations should be included the process Inclusion of the National Land Commission as one of the key institutions important in facilitating land acquisition.	Civil Society and Community Based organizations play a vital role in bridging the vital gap between the Government, investors and Host community
Local content	Lack of governing framework on local content legal and regulatory framework	Develop and review local content legal and regulatory framework	Local content is a major component in the success of oil and gas projects to avoid delays and to encourage investors

Contributions in this memorandum are from individual consultants and Civil Society Organizations including;

1. Kenya Oil and Gas Working Group (KOGWG)

The Kenya Oil and Gas Working Group (KOGWG) is a public interest network that advocates for sustainable development and good governance of the energy and petroleum sectors in Kenya.

2. Community Action for Nature Conservation (CANCO)

Community Action for Nature Conservation is a public interest Environmental Civil Society Organization registered under the NGO Coordination Act (1990) of the laws of Kenya in 2008. It consists of multi-disciplinary professionals and practitioners motivated and committed in advocating for and contributing to good environmental governance, conservation and sustainable use of natural resources and responsible development.

3. Kenya National Association of Water Resources Users' Association (KENAWRUA)

The Kenya National Association of Water Resources Users Association is a national forum bringing together all the Water Resources Users in Kenya. The Association advocates for good Water governance and sustainable management of Water Resources Management in Kenya.

4. Association of Women in Energy and Extractives in Kenya (AWEIK)

This is a Nationwide organization that aims to connect women in Kenya with professional and business opportunities in the extractives value chain through fostering relationships and sharing knowledge and experiences.

5. OXFAM

Oxfam is a world-wide development organization that mobilizes the strength and voice of people against poverty, inequality and injustice



OXFAM



Solidaridad





NatureKenya

THE EAST AFRICA NATURAL HISTORY SOCIETY

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7th May 2026

Dear Sir,

Memorandum on Sessional paper No. 5 of 2026 on the National Energy Policy 2025-2034

Nature Kenya – the East Africa Natural History Society – acknowledges that energy and power are essential for economic growth and development. However, effectively addressing the significant risks associated with energy sources, and their transmission and distribution infrastructure, is critical to safeguarding Kenya's biodiversity. Government interventions should incorporate proactive measures at every stage of the energy cycle as part of the energy transition.

We have reviewed the Energy Policy and present the following inputs on mitigation measures for **Sub-section 3.14.2: Environmental Issues in Energy**. The policy should:

- Make it a legal requirement for power and energy infrastructures to comply with international standards and best practices such as **International Finance Corporation (IFC) Performance Standard 6** (*attached*), to achieve no net loss of biodiversity.
- Require that all **transmission and distribution lines and poles** adhere to international best practices, and modify the design of cement poles to minimize the risk of bird collisions and electrocution. (<https://rm.coe.int/0900000168074657f>)
- Require the application of **mitigation tools and techniques** such the Avian Sensitivity Tool for Energy Planning (AVISTEP), Integrated Biodiversity Assessment Tool (IBAT) and the Strategic Environmental Assessment (SEA) for Wind power and Biodiversity in Kenya to prevent impacts on biodiversity.
- Prioritize the protection and conservation of **protected areas** and **Key Biodiversity Areas (KBAs)** to sustain essential ecosystem services.
- Strengthen governance and **stakeholder engagement** to elevate the role of scientific experts, ensure strict compliance with regulations, and fosters genuine partnerships.
- Embrace **transparency** and **accountability** by publishing regular, clear reports on biodiversity monitoring results, mitigation progress, and any incidents of wildlife mortality.

We remain available for further guidance on energy development, location and conservation of Key Biodiversity Areas (KBAs).

Yours Sincerely,

Dr. Paul Matiku,
Executive Directive, Nature Kenya



Nature Kenya is the Birdlife International partner in Kenya

Background information about Nature Kenya

Nature Kenya—the East Africa Natural History Society (EANHS)—is Africa's oldest environmental Society, established in 1909 to promote the study and conservation of nature in eastern Africa. We remain a non-political and not for profit membership Society. Our mission is connecting nature and people. Our work is firmly based on partnership, science and action. We use the best available science to inspire positive action for biodiversity by and for partners—Government, local communities and the private sector.

Nature Kenya takes practical action. We work with and for people – to improve their quality of life alongside, and as a result of, nature conservation. We collaborate with others wherever possible, at local, national, regional or global levels, linking with community groups, governments, businesses, universities and civil society groups to increase the impacts of our efforts.

Some of our achievements include:

- Founded the National Museums of Kenya, now a world-renowned institution for research and education.
- Published, since 1910, the *Journal of East African Natural History*, a respected scientific journal now jointly produced with the National Museums.
- Established and maintained, with the National Museums of Kenya, a comprehensive natural history library.
- Engaged our members in the study, enjoyment and conservation of nature in Eastern Africa, through field trips, lectures, publications, and opportunities to take part in research activities since 1909.
- Identified and designated Important Bird Areas (IBAs) for Kenya, in collaboration with the National Museums. More recently, documented the plants, animals and other biodiversity of Eastern Africa as a contribution to expanding the taxonomic scope of priority setting from IBAs to Key Biodiversity Areas (KBAs). Since IBAs are KBAs based on birds, they are also referred to as Important Bird and Biodiversity Areas.
- Encouraged and supported community-based organizations to become Site Support Groups (SSGs) promoting conservation and alternative livelihoods at Important Bird Areas, especially those without official protection status.
- Developed partnerships among Government and non-government organizations for sustainable conservation action at IBAs, now KBAs, through the Important Bird Areas National Liaison Committee (IBA-NLC) – now the Key Biodiversity Areas National Liaison Committee (KBA-NLC). We work with others in the development of policies, legislation and institutional frameworks that safeguard the ecological sustainability of KBAs in Kenya
- Mobilized resources to connect nature and people to take action for biodiversity conservation through development and implementation of donor funded projects at priority KBAs in Kenya.
- Work globally through the BirdLife International Partnership and its network of like-minded organizations in Eastern Africa and beyond in 117 countries and territories.

For more information visit our website at www.naturekenya.org.

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Overview of Performance Standards on Environmental and Social Sustainability

1. IFC's Sustainability Framework articulates the Corporation's strategic commitment to sustainable development, and is an integral part of IFC's approach to risk management. The Sustainability Framework comprises IFC's Policy and Performance Standards on Environmental and Social Sustainability, and IFC's Access to Information Policy. The Policy on Environmental and Social Sustainability describes IFC's commitments, roles, and responsibilities related to environmental and social sustainability. IFC's Access to Information Policy reflects IFC's commitment to transparency and good governance on its operations, and outlines the Corporation's institutional disclosure obligations regarding its investment and advisory services. The Performance Standards are directed towards clients, providing guidance on how to identify risks and impacts, and are designed to help avoid, mitigate, and manage risks and impacts as a way of doing business in a sustainable way, including stakeholder engagement and disclosure obligations of the client in relation to project-level activities. In the case of its direct investments (including project and corporate finance provided through financial intermediaries), IFC requires its clients to apply the Performance Standards to manage environmental and social risks and impacts so that development opportunities are enhanced. IFC uses the Sustainability Framework along with other strategies, policies, and initiatives to direct the business activities of the Corporation in order to achieve its overall development objectives. The Performance Standards may also be applied by other financial institutions.

2. Together, the eight Performance Standards establish standards that the client¹ is to meet throughout the life of an investment by IFC:

Performance Standard 1:	Assessment and Management of Environmental and Social Risks and Impacts
Performance Standard 2:	Labor and Working Conditions
Performance Standard 3:	Resource Efficiency and Pollution Prevention
Performance Standard 4:	Community Health, Safety, and Security
Performance Standard 5:	Land Acquisition and Involuntary Resettlement
Performance Standard 6:	Biodiversity Conservation and Sustainable Management of Living Natural Resources
Performance Standard 7:	Indigenous Peoples
Performance Standard 8:	Cultural Heritage

3. Performance Standard 1 establishes the importance of (i) integrated assessment to identify the environmental and social impacts, risks, and opportunities of projects; (ii) effective community engagement through disclosure of project-related information and consultation with local communities on matters that directly affect them; and (iii) the client's management of environmental and social performance throughout the life of the project. Performance Standards 2 through 8 establish objectives and requirements to avoid, minimize, and where residual impacts remain, to compensate/offset for risks and impacts to workers, Affected Communities, and the environment. While all relevant environmental and social risks and potential impacts should be considered as part of the assessment, Performance Standards 2 through 8 describe potential environmental and social risks and impacts that require particular attention. Where environmental or social risks and impacts

¹ The term "client" is used throughout the Performance Standards broadly to refer to the party responsible for implementing and operating the project that is being financed, or the recipient of the financing, depending on the project structure and type of financing. The term "project" is defined in Performance Standard 1.

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are identified, the client is required to manage them through its Environmental and Social Management System (ESMS) consistent with Performance Standard 1.

4. Performance Standard 1 applies to all projects that have environmental and social risks and impacts. Depending on project circumstances, other Performance Standards may apply as well. The Performance Standards should be read together and cross-referenced as needed. The requirements section of each Performance Standard applies to all activities financed under the project, unless otherwise noted in the specific limitations described in each paragraph. Clients are encouraged to apply the ESMS developed under Performance Standard 1 to all their project activities, regardless of financing source. A number of cross-cutting topics such as climate change, gender, human rights, and water, are addressed across multiple Performance Standards.
5. In addition to meeting the requirements under the Performance Standards, clients must comply with applicable national law, including those laws implementing host country obligations under international law.
6. The World Bank Group Environmental, Health and Safety Guidelines (EHS Guidelines) are technical reference documents with general and industry-specific examples of good international industry practice. IFC uses the EHS Guidelines as a technical source of information during project appraisal. The EHS Guidelines contain the performance levels and measures that are normally acceptable to IFC, and that are generally considered to be achievable in new facilities at reasonable costs by existing technology. For IFC-financed projects, application of the EHS Guidelines to existing facilities may involve the establishment of site-specific targets with an appropriate timetable for achieving them. The environmental assessment process may recommend alternative (higher or lower) levels or measures, which, if acceptable to IFC, become project- or site-specific requirements. The General EHS Guideline contains information on cross-cutting environmental, health, and safety issues potentially applicable to all industry sectors. It should be used together with the relevant industry sector guideline(s). The EHS Guidelines may be occasionally updated.
7. When host country regulations differ from the levels and measures presented in the EHS Guidelines, projects are expected to achieve whichever is more stringent. If less stringent levels or measures are appropriate in view of specific project circumstances, a full and detailed justification for any proposed alternatives is needed as part of the site-specific environmental assessment. This justification should demonstrate that the choice for any alternative performance level is protective of human health and the environment.
8. A set of eight Guidance Notes, corresponding to each Performance Standard, and an additional Interpretation Note on Financial Intermediaries offer guidance on the requirements contained in the Performance Standards, including reference materials, and on good sustainability practices to help clients improve project performance. These Guidance/Interpretation Notes may be occasionally updated.

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Introduction

1. Performance Standard 6 recognizes that protecting and conserving biodiversity, maintaining ecosystem services, and sustainably managing living natural resources are fundamental to sustainable development. The requirements set out in this Performance Standard have been guided by the Convention on Biological Diversity, which defines biodiversity as "the variability among living organisms from all sources including, inter alia, terrestrial, marine and other aquatic ecosystems and the ecological complexes of which they are a part; this includes diversity within species, between species, and of ecosystems."

2. Ecosystem services are the benefits that people, including businesses, derive from ecosystems. Ecosystem services are organized into four types: (i) provisioning services, which are the products people obtain from ecosystems; (ii) regulating services, which are the benefits people obtain from the regulation of ecosystem processes; (iii) cultural services, which are the nonmaterial benefits people obtain from ecosystems; and (iv) supporting services, which are the natural processes that maintain the other services.¹

3. Ecosystem services valued by humans are often underpinned by biodiversity. Impacts on biodiversity can therefore often adversely affect the delivery of ecosystem services. This Performance Standard addresses how clients can sustainably manage and mitigate impacts on biodiversity and ecosystem services throughout the project's lifecycle.

Objectives

- To protect and conserve biodiversity.
- To maintain the benefits from ecosystem services.
- To promote the sustainable management of living natural resources through the adoption of practices that integrate conservation needs and development priorities.

Scope of Application

4. The applicability of this Performance Standard is established during the environmental and social risks and impacts identification process. The implementation of the actions necessary to meet the requirements of this Performance Standard is managed through the client's Environmental and Social Management System (ESMS), the elements of which are outlined in Performance Standard 1.

5. Based on the risks and impacts identification process, the requirements of this Performance Standard are applied to projects (i) located in modified, natural, and critical habitats; (ii) that potentially impact on or are dependent on ecosystem services over which the client has direct management control or significant influence; or (iii) that include the production of living natural resources (e.g., agriculture, animal husbandry, fisheries, forestry).

¹ Examples are as follows: (i) provisioning services may include food, freshwater, timber, fibers, medicinal plants; (ii) regulating services may include surface water purification, carbon storage and sequestration, climate regulation, protection from natural hazards; (iii) cultural services may include natural areas that are sacred sites and areas of importance for recreation and aesthetic enjoyment; and (iv) supporting services may include soil formation, nutrient cycling, primary production.

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Requirements

General

6. The risks and impacts identification process as set out in Performance Standard 1 should consider direct and indirect project-related impacts on biodiversity and ecosystem services and identify any significant residual impacts. This process will consider relevant threats to biodiversity and ecosystem services, especially focusing on habitat loss, degradation and fragmentation, invasive alien species, overexploitation, hydrological changes, nutrient loading, and pollution. It will also take into account the differing values attached to biodiversity and ecosystem services by Affected Communities and, where appropriate, other stakeholders. Where paragraphs 13–19 are applicable, the client should consider project-related impacts across the potentially affected landscape or seascape.

7. As a matter of priority, the client should seek to avoid impacts on biodiversity and ecosystem services. When avoidance of impacts is not possible, measures to minimize impacts and restore biodiversity and ecosystem services should be implemented. Given the complexity in predicting project impacts on biodiversity and ecosystem services over the long term, the client should adopt a practice of adaptive management in which the implementation of mitigation and management measures are responsive to changing conditions and the results of monitoring throughout the project's lifecycle.

8. Where paragraphs 13–15 are applicable, the client will retain competent professionals to assist in conducting the risks and impacts identification process. Where paragraphs 16–19 are applicable, the client should retain external experts with appropriate regional experience to assist in the development of a mitigation hierarchy that complies with this Performance Standard and to verify the implementation of those measures.

Protection and Conservation of Biodiversity

9. Habitat is defined as a terrestrial, freshwater, or marine geographical unit or airway that supports assemblages of living organisms and their interactions with the non-living environment. For the purposes of implementation of this Performance Standard, habitats are divided into modified, natural, and critical. Critical habitats are a subset of modified or natural habitats.

10. For the protection and conservation of biodiversity, the mitigation hierarchy includes biodiversity offsets, which may be considered only after appropriate avoidance, minimization, and restoration measures have been applied.² A biodiversity offset should be designed and implemented to achieve measurable conservation outcomes³ that can reasonably be expected to result in no net loss and preferably a net gain of biodiversity; however, a net gain is required in critical habitats. The design of a biodiversity offset must adhere to the "like-for-like or better" principle⁴ and must be carried out in

² Biodiversity offsets are measurable conservation outcomes resulting from actions designed to compensate for significant residual adverse biodiversity impacts arising from project development and persisting after appropriate avoidance, minimization and restoration measures have been taken.

³ Measurable conservation outcomes for biodiversity must be demonstrated in situ (on-the-ground) and on an appropriate geographic scale (e.g., local, landscape-level, national, regional).

⁴ The principle of "like-for-like or better" indicates that biodiversity offsets must be designed to conserve the same biodiversity values that are being impacted by the project (an "in-kind" offset). In certain situations, however, areas of biodiversity to be impacted by the project may be neither a national nor a local priority, and there may be other areas of biodiversity with like values that are a higher priority for conservation and sustainable use and under imminent threat or need of protection or effective management. In these situations, it may be appropriate to consider an "out-of-kind" offset that involves "trading up" (i.e., where the offset targets biodiversity of higher

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alignment with best available information and current practices. When a client is considering the development of an offset as part of the mitigation strategy, external experts with knowledge in offset design and implementation must be involved.

Modified Habitat

11. Modified habitats are areas that may contain a large proportion of plant and/or animal species of non-native origin, and/or where human activity has substantially modified an area's primary ecological functions and species composition.⁵ Modified habitats may include areas managed for agriculture, forest plantations, reclaimed⁶ coastal zones, and reclaimed wetlands.

12. This Performance Standard applies to those areas of modified habitat that include significant biodiversity value, as determined by the risks and impacts identification process required in Performance Standard 1. The client should minimize impacts on such biodiversity and implement mitigation measures as appropriate.

Natural Habitat

13. Natural habitats are areas composed of viable assemblages of plant and/or animal species of largely native origin, and/or where human activity has not essentially modified an area's primary ecological functions and species composition.

14. The client will not significantly convert or degrade⁷ natural habitats, unless all of the following are demonstrated:

- No other viable alternatives within the region exist for development of the project on modified habitat;
- Consultation has established the views of stakeholders, including Affected Communities, with respect to the extent of conversion and degradation;⁸ and
- Any conversion or degradation is mitigated according to the mitigation hierarchy.

15. In areas of natural habitat, mitigation measures will be designed to achieve no net loss⁹ of biodiversity where feasible. Appropriate actions include:

- Avoiding impacts on biodiversity through the identification and protection of set-asides;¹⁰

priority than that affected by the project) that will, for critical habitats, meet the requirements of paragraph 17 of this Performance Standard.

⁵ This excludes habitat that has been converted in anticipation of the project.

⁶ Reclamation as used in this context is the process of creating new land from sea or other aquatic areas for productive use.

⁷ Significant conversion or degradation is (i) the elimination or severe diminution of the integrity of a habitat caused by a major and/or long-term change in land or water use; or (ii) a modification that substantially minimizes the habitat's ability to maintain viable populations of its native species.

⁸ Conducted as part of the stakeholder engagement and consultation process, as described in Performance Standard 1.

⁹ No net loss is defined as the point at which project-related impacts on biodiversity are balanced by measures taken to avoid and minimize the project's impacts, to undertake on-site restoration and finally to offset significant residual impacts, if any, on an appropriate geographic scale (e.g., local, landscape-level, national, regional).

¹⁰ Set-asides are land areas within the project site, or areas over which the client has management control, that are excluded from development and are targeted for the implementation of conservation enhancement measures. Set-asides will likely contain significant biodiversity values and/or provide ecosystem services of significance at the local, national and/or regional level. Set-asides should be defined using internationally recognized approaches or methodologies (e.g., High Conservation Value, systematic conservation planning).

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- Implementing measures to minimize habitat fragmentation, such as biological corridors;
- Restoring habitats during operations and/or after operations; and
- Implementing biodiversity offsets.

Critical Habitat

16. Critical habitats are areas with high biodiversity value, including (i) habitat of significant importance to Critically Endangered and/or Endangered¹¹ species; (ii) habitat of significant importance to endemic and/or restricted-range species; (iii) habitat supporting globally significant concentrations of migratory species and/or congregatory species; (iv) highly threatened and/or unique ecosystems; and/or (v) areas associated with key evolutionary processes.

17. In areas of critical habitat, the client will not implement any project activities unless all of the following are demonstrated:

- No other viable alternatives within the region exist for development of the project on modified or natural habitats that are not critical;
- The project does not lead to measurable adverse impacts on those biodiversity values for which the critical habitat was designated, and on the ecological processes supporting those biodiversity values;¹²
- The project does not lead to a net reduction in the global and/or national/regional population¹³ of any Critically Endangered or Endangered species over a reasonable period of time;¹⁴ and
- A robust, appropriately designed, and long-term biodiversity monitoring and evaluation program is integrated into the client's management program.

18. In such cases where a client is able to meet the requirements defined in paragraph 17, the project's mitigation strategy will be described in a Biodiversity Action Plan and will be designed to achieve net gains¹⁵ of those biodiversity values for which the critical habitat was designated.

¹¹ As listed on the International Union for the Conservation of Nature (IUCN) Red List of Threatened Species. The determination of critical habitat based on other listings is as follows: (i) If the species is listed nationally / regionally as critically endangered or endangered, in countries that have adhered to IUCN guidance, the critical habitat determination will be made on a project by project basis in consultation with competent professionals; and (ii) in instances where nationally or regionally listed species' categorizations do not correspond well to those of the IUCN (e.g., some countries more generally list species as "protected" or "restricted"), an assessment will be conducted to determine the rationale and purpose of the listing. In this case, the critical habitat determination will be based on such an assessment.

¹² Biodiversity values and their supporting ecological processes will be determined on an ecologically relevant scale.

¹³ Net reduction is a singular or cumulative loss of individuals that impacts on the species' ability to persist at the global and/or regional/national scales for many generations or over a long period of time. The scale (i.e., global and/or regional/national) of the potential net reduction is determined based on the species' listing on either the (global) IUCN Red List and/or on regional/national lists. For species listed on both the (global) IUCN Red List and the national/regional lists, the net reduction will be based on the national/regional population.

¹⁴ The timeframe in which clients must demonstrate "no net reduction" of Critically Endangered and Endangered species will be determined on a case-by-case basis in consultation with external experts.

¹⁵ Net gains are additional conservation outcomes that can be achieved for the biodiversity values for which the critical habitat was designated. Net gains may be achieved through the development of a biodiversity offset and/or, in instances where the client could meet the requirements of paragraph 17 of this Performance Standard without a biodiversity offset, the client should achieve net gains through the implementation of programs that could be implemented in situ (on-the-ground) to enhance habitat, and protect and conserve biodiversity.

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19. In instances where biodiversity offsets are proposed as part of the mitigation strategy, the client must demonstrate through an assessment that the project's significant residual impacts on biodiversity will be adequately mitigated to meet the requirements of paragraph 17.

Legally Protected and Internationally Recognized Areas

20. In circumstances where a proposed project is located within a legally protected area¹⁶ or an internationally recognized area,¹⁷ the client will meet the requirements of paragraphs 13 through 19 of this Performance Standard, as applicable. In addition, the client will:

- Demonstrate that the proposed development in such areas is legally permitted;
- Act in a manner consistent with any government recognized management plans for such areas;
- Consult protected area sponsors and managers, Affected Communities, Indigenous Peoples and other stakeholders on the proposed project, as appropriate; and
- Implement additional programs, as appropriate, to promote and enhance the conservation aims and effective management of the area.¹⁸

Invasive Alien Species

21. Intentional or accidental introduction of alien, or non-native, species of flora and fauna into areas where they are not normally found can be a significant threat to biodiversity, since some alien species can become invasive, spreading rapidly and out-competing native species.

22. The client will not intentionally introduce any new alien species (not currently established in the country or region of the project) unless this is carried out in accordance with the existing regulatory framework for such introduction. Notwithstanding the above, the client will not deliberately introduce any alien species with a high risk of invasive behavior regardless of whether such introductions are permitted under the existing regulatory framework. All introductions of alien species will be subject to a risk assessment (as part of the client's environmental and social risks and impacts identification process) to determine the potential for invasive behavior. The client will implement measures to avoid the potential for accidental or unintended introductions including the transportation of substrates and vectors (such as soil, ballast, and plant materials) that may harbor alien species.

23. Where alien species are already established in the country or region of the proposed project, the client will exercise diligence in not spreading them into areas in which they have not already been established. As practicable, the client should take measures to eradicate such species from the natural habitats over which they have management control.

Management of Ecosystem Services

24. Where a project is likely to adversely impact ecosystem services, as determined by the risks and impacts identification process, the client will conduct a systematic review to identify priority

¹⁶ This Performance Standard recognizes legally protected areas that meet the IUCN definition: "A clearly defined geographical space, recognized, dedicated and managed, through legal or other effective means, to achieve the long-term conservation of nature with associated ecosystem services and cultural values." For the purposes of this Performance Standard, this includes areas proposed by governments for such designation.

¹⁷ Exclusively defined as UNESCO Natural World Heritage Sites, UNESCO Man and the Biosphere Reserves, Key Biodiversity Areas, and wetlands designated under the Convention on Wetlands of International Importance (the Ramsar Convention).

¹⁸ Implementing additional programs may not be necessary for projects that do not create a new footprint.

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ecosystem services. Priority ecosystem services are two-fold: (i) those services on which project operations are most likely to have an impact and, therefore, which result in adverse impacts to Affected Communities; and/or (ii) those services on which the project is directly dependent for its operations (e.g., water). When Affected Communities are likely to be impacted, they should participate in the determination of priority ecosystem services in accordance with the stakeholder engagement process as defined in Performance Standard 1.

25. With respect to impacts on priority ecosystem services of relevance to Affected Communities and where the client has direct management control or significant influence over such ecosystem services, adverse impacts should be avoided. If these impacts are unavoidable, the client will minimize them and implement mitigation measures that aim to maintain the value and functionality of priority services. With respect to impacts on priority ecosystem services on which the project depends, clients should minimize impacts on ecosystem services and implement measures that increase resource efficiency of their operations, as described in Performance Standard 3. Additional provisions for ecosystem services are included in Performance Standards 4, 5, 7, and 8.¹⁹

Sustainable Management of Living Natural Resources

26. Clients who are engaged in the primary production of living natural resources, including natural and plantation forestry, agriculture, animal husbandry, aquaculture, and fisheries, will be subject to the requirements of paragraphs 26 through 30, in addition to the rest of this Performance Standard. Where feasible, the client will locate land-based agribusiness and forestry projects on unforested land or land already converted. Clients who are engaged in such industries will manage living natural resources in a sustainable manner, through the application of industry-specific good management practices and available technologies. Where such primary production practices are codified in globally, regionally, or nationally recognized standards, the client will implement sustainable management practices to one or more relevant and credible standards as demonstrated by independent verification or certification.

27. Credible globally, regionally, or nationally recognized standards for sustainable management of living natural resources are those which (i) are objective and achievable; (ii) are founded on a multi-stakeholder consultative process; (iii) encourage step-wise and continual improvements; and (iv) provide for independent verification or certification through appropriate accredited bodies for such standards.²⁰

28. Where relevant and credible standard(s) exist, but the client has not yet obtained independent verification or certification to such standard(s), the client will conduct a pre-assessment of its conformity to the applicable standard(s) and take actions to achieve such verification or certification over an appropriate period of time.

29. In the absence of a relevant and credible global, regional, or national standard for the particular living natural resource in the country concerned, the client will:

¹⁹ Ecosystem service references are located in Performance Standard 4, paragraph 8; Performance Standard 5, paragraphs 5 and 25–29; Performance Standard 7, paragraphs 13–17 and 20; and Performance Standard 8, paragraph 11.

²⁰ A credible certification system would be one which is independent, cost-effective, based on objective and measurable performance standards and developed through consultation with relevant stakeholders, such as local people and communities, Indigenous Peoples, and civil society organizations representing consumer, producer and conservation interests. Such a system has fair, transparent and independent decision-making procedures that avoid conflicts of interest.

Performance Standard 6

Biodiversity Conservation and Sustainable Management of Living Natural Resources

January 1, 2012

- Commit to applying good international industry operating principles, management practices, and technologies; and
- Actively engage and support the development of a national standard, where relevant, including studies that contribute to the definition and demonstration of sustainable practices.

Supply Chain

30. Where a client is purchasing primary production (especially but not exclusively food and fiber commodities) that is known to be produced in regions where there is a risk of significant conversion of natural and/or critical habitats, systems and verification practices will be adopted as part of the client's ESMS to evaluate its primary suppliers.²¹ The systems and verification practices will (i) identify where the supply is coming from and the habitat type of this area; (ii) provide for an ongoing review of the client's primary supply chains; (iii) limit procurement to those suppliers that can demonstrate that they are not contributing to significant conversion of natural and/or critical habitats (this may be demonstrated by delivery of certified product, or progress towards verification or certification under a credible scheme in certain commodities and/or locations); and (iv) where possible, require actions to shift the client's primary supply chain over time to suppliers that can demonstrate that they are not significantly adversely impacting these areas. The ability of the client to fully address these risks will depend upon the client's level of management control or influence over its primary suppliers.

²¹ Primary suppliers are those suppliers who, on an ongoing basis, provide the majority of living natural resources, goods, and materials essential for the core business processes of the project.



**NATIONAL ENVIRONMENT MANAGEMENT AUTHORITY
OFFICE OF THE DIRECTOR GENERAL**

DATE: 4TH JUNE, 2026

STATEMENT AND WRITTEN SUBMISSION BY THE DIRECTOR GENERAL, NATIONAL ENVIRONMENT MANAGEMENT AUTHORITY (NEMA), TO THE DEPARTMENTAL COMMITTEE ON ENERGY ON SESSIONAL PAPER NO. 4 OF 2026 ON THE NATIONAL PETROLEUM POLICY AND SESSIONAL PAPER NO. 5 OF 2026 ON THE NATIONAL ENERGY POLICY 2025

Reference: NA/DDC/ENERGY/CORR/2026(074), dated 29th May, 2026

1. Chairperson, Honorable Members, the National Environment Management Authority (NEMA) was invited by the Clerk of the National Assembly through letter Ref. **NA/DDC/ENERGY/CORR/2026(074)**, dated 29th May, 2026, to submit comments and participate in stakeholder engagement on Sessional Paper No. 4 of 2026 on the **National Petroleum Policy** and Sessional Paper No. 5 of 2026 on the **National Energy Policy 2025**. The Authority appreciates the opportunity to present its regulatory and technical perspective on the environmental management, climate change, social safeguards and compliance implications of the two policy instruments.
2. Chairperson, Honorable Members, the Authority is established under the **Environmental Management and Co-ordination Act, Cap. 387 (EMCA)**, as the principal instrument of Government responsible for the implementation of all policies relating to the environment and for exercising general supervision and co-ordination over all matters relating to the environment. In discharging this mandate, NEMA is guided by **Articles 42, 69 and 70 of the Constitution of Kenya**, which guarantee the right to a clean and healthy environment, impose duties on the State to ensure sustainable exploitation, utilization, management and conservation of the environment and natural resources, and provide access to redress where this right is threatened or violated.
3. The Authority further notes that the Committee is undertaking this engagement within the framework of **Article 118 of the Constitution** and the Standing Orders of the National Assembly, which require Parliament to facilitate public participation and stakeholder engagement in its legislative and oversight processes. Environmental governance is, by constitutional design, a participatory function; therefore, the consideration of these Sessional Papers is an important opportunity to ensure that national energy and petroleum policy directions are aligned with **sustainable development**, climate resilience, intergenerational equity and **environmental accountability**.
4. NEMA has reviewed the two Sessional Papers and notes that they seek to provide policy direction for energy access, renewable energy development, **clean cooking**, grid modernization, energy efficiency, green hydrogen, **carbon markets**, critical energy minerals, petroleum exploration and production, midstream and downstream petroleum infrastructure, LPG uptake, petroleum data management, revenue management, **decommissioning**, environmental, social and governance (**ESG**) principles, health and safety and **climate change mitigation and adaptation**.

5. The Authority supports the policy objective of ensuring reliable, affordable, secure and sustainable energy and petroleum supply for national development. However, **NEMA's support is subject to a clear and firm position**: approval of the Sessional Papers **should not be construed as approval, exemption, waiver or pre-clearance** of any energy or petroleum project, plan, programme, petroleum block, transmission corridor, generation facility, LPG facility, pipeline, depot, refinery, petrochemical facility, critical minerals value chain, nuclear programme or related infrastructure. All such undertakings **remain subject to EMCA** and the applicable environmental and social safeguards framework.
6. Environmental assessment is not a procedural formality. It is a substantive decision-making tool required to identify, predict, evaluate, avoid, minimize, mitigate and monitor environmental and social risks before policy, programme and project decisions become irreversible. Accordingly, the implementation of the two Sessional Papers must be anchored in **Strategic Environmental Assessment under section 57A of EMCA, Environmental and Social Impact Assessment under section 58 of EMCA, Environmental Audit under section 68 of EMCA**, and compliance monitoring and enforcement under the broader provisions of EMCA.
7. The legal and regulatory framework relevant to the two Sessional Papers includes, but is not limited to, the Constitution of Kenya; EMCA, Cap. 387; the **Climate Change Act, Cap. 387A**; the Environmental (Impact Assessment and Audit) Regulations, 2003 (Legal Notice No. 101 of 2003), as amended; the Environmental Management and Co-ordination (Strategic and Integrated Environmental Assessments and Environmental Audits)(No. 2) Regulations, 2025 (Legal Notice No. 71 of 2025), as applicable; the Environmental Management and Co-ordination (**Deposit Bonds**)(No. 2) Regulations, 2025 (Legal Notice No. 67 of 2025); the Environmental Management and Co-ordination (**Water Quality**) Regulations, 2024 (Legal Notice No. 177 of 2024); the Environmental Management and Co-ordination (**Waste Management**) Regulations, 2024 (Legal Notice No. 178 of 2024); the Environmental Management and Co-ordination (**Air Quality**) Regulations, 2024 (Legal Notice No. 180 of 2024); the Environmental Management and Co-ordination (Management of **Toxic and Hazardous Chemicals and Materials**) Regulations, 2024 (Legal Notice No. 182 of 2024); the Sustainable **Waste Management (Extended Producer Responsibility)** Regulations, 2024 (Legal Notice No. 176 of 2024); the Climate Change (**Carbon Markets**) Regulations, 2024 (Legal Notice No. 84 of 2024); and all other applicable laws governing biodiversity, wetlands, forests, wildlife, water resources, occupational health and safety, land, community land, physical planning, public health and disaster risk management.
8. With regard to Sessional Paper No. 5 of 2026 on the **National Energy Policy 2025**, the Authority notes the positive policy orientation towards universal electricity access, **clean cooking by 2030**, renewable energy development, energy efficiency, **industrial decarbonization, green hydrogen, carbon markets**, climate action reporting and transition to cleaner technologies. These policy directions are broadly consistent with Kenya's climate commitments and the constitutional obligation to protect the environment for present and future generations.
9. However, Honorable Members, **clean energy infrastructure is not automatically low impact**. Large-scale geothermal, wind, solar, hydropower, transmission, battery storage, waste-to-energy, green hydrogen, nuclear and critical minerals projects may give rise to land acquisition impacts, biodiversity loss, avifauna mortality, hydrological changes, hazardous waste, battery and solar panel waste, geothermal brine and hydrogen sulphide emissions, safety risks, water demand, radioactive waste, cumulative impacts and social conflict if not properly planned and regulated. The Energy Policy should therefore be strengthened to expressly require environmental assessment, **cumulative impact assessment, lifecycle waste management**, biodiversity safeguards, climate-risk

screening and **decommissioning obligations** for all high-risk energy programmes and projects.

10. The Authority therefore recommends that the Energy Policy should expressly require **Strategic Environmental Assessment** for energy master plans, renewable energy zones, transmission corridors, hydropower basin plans, geothermal fields, critical energy minerals value chains, nuclear programme planning, green hydrogen hubs and waste-to-energy programmes. The Policy should also require **project-specific ESIA, environmental audits** and relevant permits before implementation, commissioning, expansion, variation or decommissioning of energy projects.
11. On **clean cooking and LPG**, the Authority supports the transition away from unsustainable biomass and household air pollution. Nevertheless, the Policy should include **sustainability criteria** for biomass and bioenergy feedstocks, **cylinder safety and traceability**, siting controls for LPG bulk storage and filling facilities, emergency preparedness, air quality considerations, indoor air quality targets, and safeguards to ensure that the clean cooking transition does not merely shift risk from households to poorly regulated supply chains.
12. On carbon markets and carbon finance, the Authority recommends that all energy-sector carbon projects be aligned with the Climate Change Act and the **Climate Change (Carbon Markets) Regulations, 2024**. The Policy should require integrity safeguards including **additionality, no double counting**, robust monitoring, reporting and verification (**MRV**), host-country authorization where applicable, environmental and social safeguards, benefit sharing, grievance redress and public disclosure. Carbon finance should supplement, and **not substitute**, direct emission reduction and pollution prevention obligations.
13. On coal, natural gas and other fossil-fuel pathways within the Energy Policy, the Authority recommends express guardrails. **Coal should not be used to create new long-term power-generation lock-in** and, where considered for hard-to-abate industrial heat, should be subject to strict air quality, climate compatibility, waste management, ash management, restoration and deposit bond requirements. Natural gas should be treated only as a **time-bound transition fuel** where lower-carbon alternatives are not reasonably feasible, and should be subject to **methane leak detection and repair**, flaring and venting controls, emergency preparedness and full lifecycle greenhouse gas accounting.
14. With regard to Sessional Paper No. 4 of 2026 on the **National Petroleum Policy**, the Authority notes that the Policy recognizes petroleum exploration, development, commercialization, supply security, LPG uptake, revenue management, petroleum data governance, **decommissioning, public participation**, land access, **water access, local community rights**, local content, health and safety, **ESG** and climate change mitigation and adaptation. These themes are important and should be retained.
15. However, the Petroleum Policy should be strengthened because petroleum operations present **inherently high environmental and social risks**, including seismic disturbance, drilling waste, produced water, oil spills, soil and groundwater contamination, gas flaring, methane emissions, hazardous chemicals, pipeline leaks, fire and explosion hazards, marine and coastal impacts, land acquisition, community conflict, security risks and decommissioning liabilities. These risks require **binding instruments, clear institutional responsibility, measurable indicators** and adequate budgetary provisions, not merely broad policy commitments.
16. The Authority recommends that **petroleum block licensing**, exploration programmes, seismic surveys, drilling campaigns, **field development plans**, pipelines, terminals, depots, refineries, petrochemical facilities, LPG infrastructure, cross-border petroleum facilities and decommissioning activities should be expressly subjected to environmental

and social pre-screening, SEA where applicable, project ESIA, cumulative impact assessment, public participation, emergency preparedness, environmental audit, environmental quality monitoring and **decommissioning financial assurance in form of Environmental Deposit Bond**.

17. The Petroleum Policy should further require a comprehensive petroleum environmental risk management framework covering **produced water management**, drilling muds and cuttings, hazardous chemicals, contaminated land, **oil spill contingency planning**, **pipeline integrity**, vapor recovery, tank integrity testing, groundwater monitoring, **methane leak detection and repair**, flaring and venting controls, oil spill drills, incident reporting, community notification and multi-agency emergency response.
18. On decommissioning, the Authority commends the Policy for recognizing decommissioning as a cross-cutting issue. The Committee should, however, recommend that **decommissioning plans and costed restoration plans** be required at the ESIA stage and updated throughout the petroleum project cycle. Operators should maintain adequate **financial assurance**, including **environmental deposit bonds** or other acceptable instruments, to secure restoration, contaminated land remediation, post-closure monitoring and management of residual liabilities. Decommissioning **should not be deferred** to the end of production when risks and costs have already crystallized.
19. On land, water and community rights, the Authority recommends that the Petroleum Policy should clearly require alternatives analysis, avoidance of displacement where feasible, lawful land acquisition, **community land safeguards**, **livelihood restoration**, water availability assessment, Water Resources Authority permits, produced-water management, protection of ecosystems and community water needs, local language disclosure, grievance redress and participatory monitoring. **Corporate social responsibility should not be treated as a substitute** for legally enforceable mitigation, compensation or restoration obligations.
20. In addition to the policy-specific comments above, NEMA recommends that the Committee adopts the following **cross-cutting environmental safeguards** as express conditions and implementation directions in the two Sessional Papers:

Cross-cutting recommendations for incorporation into the two Sessional Papers

Issue for Committee consideration	Legal and regulatory alignment	Recommended policy direction
Environmental law as a condition precedent	Constitution Articles 42, 69 and 70; EMCA sections 3, 9, 57A, 58, 68 and 69.	State expressly that no energy or petroleum policy, plan, programme, license, permit, agreement, financing decision, procurement, construction, commissioning, variation, expansion, transfer or decommissioning activity shall proceed without applicable SEA, ESIA/EA, environmental audit, environmental permits and compliance status.
Strategic Environmental Assessment and cumulative impacts	EMCA section 57A; applicable SEA/Integrated Environmental Assessment Regulations.	Require SEA and cumulative impact assessment for national energy plans, petroleum basin/block planning, renewable energy zones, transmission corridors, hydropower cascades, geothermal fields, nuclear planning, green hydrogen hubs, LPG master plans and critical minerals value chains.
Pollution prevention and environmental quality standards	EMCA sections 72, 78, 87 and 91; Water Quality Regulations LN 177/2024; Waste Management Regulations LN 178/2024; Air Quality Regulations LN 180/2024; Toxic	Require compliance with emission, effluent, waste, hazardous chemicals, ambient air, water quality, noise and contaminated-site controls, including monitoring, reporting, corrective action and sanctions.

Issue for Committee consideration	Legal and regulatory alignment	Recommended policy direction
	and Hazardous Chemicals Regulations LN 182/2024.	
Climate change, GHG accounting and carbon markets	Climate Change Act, Cap. 387A; Climate Change (Carbon Markets) Regulations LN 84/2024; national MRV and NDC obligations.	Require project-level GHG inventories, methane controls, flaring and venting restrictions, SF6 inventories, climate-risk screening, adaptation plans, MRV, carbon market integrity safeguards, no double counting and benefit-sharing controls.
Waste and circular economy	Sustainable Waste Management Act, 2022; Sustainable Waste Management (EPR) Regulations LN 176/2024; EMCA Waste Management Regulations LN 178/2024.	Embed lifecycle management of solar PV panels, batteries, wind turbine blades, e-waste, used oils, drilling muds/cuttings, produced water, contaminated soils, ash, hazardous chemicals and packaging materials.
Biodiversity, water resources and sensitive ecosystems	Constitution Article 69; EMCA; Water Quality Regulations; Wetlands, forests, wildlife, biodiversity and water resources laws.	Require avoidance of protected areas, wetlands, riparian reserves, forests, wildlife corridors, water towers, community conservancies and critical habitats unless strict legal and ecological tests are satisfied; require ecological flows, avifauna safeguards and restoration plans.
Decommissioning and financial assurance	EMCA restoration framework; Environmental Management and Co-ordination (Deposit Bonds) (No. 2) Regulations LN 67/2025.	Require decommissioning plans at project inception and maintain adequate financial assurance for petroleum wells, pipelines, depots, LPG terminals, geothermal wells, coal facilities, nuclear facilities, wind, solar, BESS, hydropower and transmission infrastructure.
Public participation and grievance redress	Constitution Articles 10, 35, 42, 69 and 118; EMCA; environmental assessment regulations.	Require early, meaningful, inclusive and culturally appropriate participation, local language disclosure, response-to-comments matrices, vulnerable group inclusion, community liaison and grievance redress mechanisms.
Inter-agency coordination	EMCA lead agency coordination mandate; Energy Act; Petroleum Act; county government functions.	Create a formal NEMA-EPRA-State Department-county-lead agency protocol requiring environmental compliance status to be verified before sector licenses are issued, renewed, varied or transferred.
Monitoring, enforcement and public disclosure	EMCA sections on monitoring, audits, restoration orders and enforcement; environmental audit regulations.	Include measurable KPIs: number of SEAs completed, ESIA compliance rates, audit closure rates, incident reporting timelines, spill response time, GHG reporting coverage, decommissioning funds secured, restoration success and public participation compliance.

21. The Authority further recommends that the implementation matrices of the two Sessional Papers should identify **NEMA as the principal environmental regulator** and mandatory coordinating agency for environmental assessment, audit, permitting, compliance monitoring, incident response, decommissioning and environmental data disclosure. NEMA's role should not be reduced to a post-approval commentator; the Authority must be engaged at the **planning, licensing, implementation, audit and decommissioning stages**.
22. The Committee should also recommend that **adequate budgetary and institutional support** be provided for environmental regulation of the energy and petroleum sectors. The policy ambitions will generate increased demand for SEA review, ESIA review, compliance inspections, audits, incident response, climate reporting verification, carbon market

oversight, data integration and enforcement. These functions require **technical capacity**, laboratories, digital systems, **and field logistics** and coordinated lead agency support.

23. Honorable Members, NEMA's bottom-line position is that the two Sessional Papers are progressive and may be **supported in principle**, but they should be approved with clear Committee recommendations requiring the responsible State Departments to incorporate **binding environmental safeguards**, measurable implementation indicators and compliance linkages with EMCA, the Climate Change Act and the relevant subsidiary legislation. This will ensure that energy security, petroleum development and green industrialization do not compromise the **constitutional right to a clean and healthy environment**.
24. The Authority respectfully recommends that the Committee's report to the House includes a finding that implementation of the National Energy Policy 2025 and the National Petroleum Policy must be subject to **mandatory SEA, ESIA/EA**, environmental audits, pollution control permits, climate change safeguards, carbon market integrity requirements, **decommissioning financial assurance**, public participation, biodiversity safeguards, waste and hazardous materials controls, and **continuous compliance monitoring and enforcement** by NEMA in collaboration with EPRA, the responsible State Departments, counties and other lead agencies.
25. In conclusion, the National Environment Management Authority **supports the policy intent** of the two Sessional Papers, **subject to the incorporation and implementation** of the environmental safeguards set out in this submission. The Authority remains available to work with the Committee, the Ministry of Energy and Petroleum, EPRA, counties and other relevant institutions to ensure that Kenya's energy and petroleum development pathway is **lawful, climate-resilient, socially responsive and environmentally sustainable**.
26. I thank you, Honorable Chairperson and Members.

Recommended clause for insertion into both policy implementation frameworks

All policies, plans, programmes, projects and sector licenses implemented under this Policy shall be subject to the Constitution of Kenya, the Environmental Management and Co-ordination Act, Cap. 387, the Climate Change Act, Cap. 387A, and all applicable environmental and social safeguards laws and regulations. The responsible State Department and sector regulators shall ensure that **Strategic Environmental Assessment, Environmental and Social Impact Assessment**, Environmental Audit, public participation, pollution control permits, climate-risk screening, greenhouse gas accounting, carbon market safeguards, biodiversity safeguards, waste and hazardous materials management, **decommissioning plans, deposit bonds** and other financial assurance instruments, emergency preparedness and continuous compliance monitoring are undertaken before approval, financing, licensing, construction, commissioning, expansion, variation, transfer or decommissioning of energy or petroleum undertakings.

Signature _____

Dated 4th June, 2026

Mamo B. Mamo, EBS, PhD

Director General

NATIONAL ENVIRONMENT MANAGEMENT AUTHORITY



MEMORANDUM ON THE NATIONAL PETROLEUM POLICY (SESSIONAL PAPER NO. 4 OF 2026)

TO: The Departmental Committee on Energy, National Assembly

FROM: Engineers Board of Kenya (EBK)

DATE: 3rd June 2026

REF: EBK/NA/PETROLEUM/POLICY/2026/01

SUBJECT: SUBMISSION BY THE ENGINEERS BOARD OF KENYA ON SESSIONAL PAPER NO. 4 OF 2026: THE NATIONAL PETROLEUM POLICY

1.0 PREAMBLE

The Engineers Board of Kenya (EBK) appreciates the opportunity to submit its comments on Sessional Paper No. 4 of 2026 (the National Petroleum Policy) pursuant to the invitation by the Departmental Committee on Energy vide letter Ref: NA/DDC/ENERGY/CORR/2026(077) dated 29th May 2026.

As the statutory body established under the Engineers Act, 2011, EBK is mandated to register, regulate, and promote the engineering profession in Kenya. Our comments focus on the technical, safety, quality assurance, and professional capacity dimensions of the Petroleum Policy.

We acknowledge the Policy's comprehensive coverage of upstream, midstream, and downstream petroleum operations, and its alignment with national development goals. However, the Policy contains significant gaps regarding the role of professional engineers in design, construction, operation, maintenance, and decommissioning of petroleum

infrastructure. These gaps pose risks to safety, environmental protection, and long-term sustainability.

2.0 GENERAL OBSERVATIONS

2.1 Positive Acknowledgment

The Board commends the Ministry for:

- Establishing a clear framework for petroleum exploration, development, production, and supply.
- Addressing emerging issues such as natural gas utilization, LPG promotion, local content, and climate change mitigation.
- Providing an implementation matrix with timelines and responsible institutions.

2.2 Overarching Concern: Absence of Mandated Engineering Oversight

The Policy extensively references infrastructure development (pipelines, storage facilities, refineries, LPG reticulation, decommissioning) but **does not explicitly require that such infrastructure be designed, constructed, inspected, and certified by registered engineers**. This omission is a serious liability, given the hazardous nature of petroleum operations.

Specifically, the Policy lacks provisions on:

- Mandatory engagement of registered professional engineers for feasibility studies, detailed design, construction supervision, and commissioning of petroleum facilities.
- Certification of pressure vessels, pipelines, storage tanks, and LPG reticulation systems by competent engineers.
- Continuing professional development (CPD) for engineers working in the petroleum sector, including upstream, midstream, and downstream.

3.0 SPECIFIC COMMENTS AND RECOMMENDATIONS

3.1 Upstream Petroleum Sub-Sector (Section 3.2)

Observation	Recommendation
The Policy provides for exploration, development, and production operations but does not require engineering design verification for drilling platforms, wellheads, flow lines, and processing facilities.	Amend to require that all upstream facility designs, including wellhead equipment, manifolds, and early production facilities, be certified by registered petroleum/mechanical engineers.
Decommissioning (Section 3.8.1) is mentioned, but no requirement for decommissioning plans to be prepared or approved by qualified engineers.	Mandate that decommissioning plans include engineering assessments of structural integrity, hazard removal, and site restoration, prepared by registered engineers.

3.2 Midstream Petroleum Sub-Sector (Section 3.3)

Observation	Recommendation
The Policy promotes development of midstream infrastructure (pipelines, storage, refining) but lacks engineering quality assurance requirements.	Require that all pipeline design, material selection, welding procedures, hydrostatic testing, and cathodic protection be certified by registered engineers.
Third-party access to infrastructure is allowed, but there is no provision for technical audits to ensure infrastructure integrity before access is granted.	Establish mandatory pre-access engineering inspections and periodic integrity audits by EBK-registered engineers.

3.3 Downstream Petroleum Sub-Sector (Section 3.4)

Observation	Recommendation
Infrastructure development for storage, transportation, and distribution is discussed, but no engineering standards for tank farms, dispensing stations, or reticulation systems are referenced.	Require that all new and upgraded petroleum storage facilities, retail stations, and LPG reticulation systems be designed and certified by registered mechanical/civil engineers.
LPG promotion includes reticulation into housing units and commercial entities, but no mention of safety standards or engineer certification for gas piping networks.	Mandate that LPG reticulation designs, pressure testing, and leak detection systems be certified by registered gas engineers.

3.4 Liquefied Petroleum Gas (LPG) (Section 3.4.4)

Observation	Recommendation
The Policy aims to increase LPG uptake and develop bulk storage and filling infrastructure, but does not address the shortage of qualified engineers for LPG facility design, operation, and maintenance.	Develop a mandatory certification scheme for LPG facility engineers, covering bulk storage, filling plants, reticulation, and autogas installations.
Safety, quality, and standards compliance is mentioned, but the role of EBK in enforcing engineering standards is absent.	Include EBK as a statutory consultee in the approval of LPG infrastructure projects, with power to verify engineering competence.

3.5 Decommissioning (Section 3.8.1)

Observation	Recommendation
The Policy requires financial assurances and environmentally sustainable decommissioning but does not require engineering sign-off on decommissioning methods.	Require that decommissioning plans include a formal engineering certification that structures have been rendered safe and the site restored to original condition.

3.6 Petroleum Data Management (Section 3.8.2)

Observation	Recommendation
Data management is addressed, but engineering data (e.g., well logs, pipeline integrity reports, material certifications) is not specifically protected or standardized.	Establish a national repository for petroleum engineering data, with mandatory submission of as-built drawings, test reports, and integrity assessments by registered engineers.

3.7 Health and Safety (Section 3.8.10)

Observation	Recommendation
The Policy states that compliance with health and safety laws will be ensured, but does not reference the Engineers Act or EBK's role in engineering safety.	Amend to require that all petroleum facilities have a Safety Case prepared by a registered engineer, and that major hazard installations undergo periodic engineering safety audits.

3.8 Environment, Social and Governance (ESG) (Section 3.8.11)

Observation

ESG principles are promoted, but engineering aspects of environmental protection (e.g., leak detection, spill

Recommendation

Require that environmental management plans for petroleum operations include engineering controls certified by registered engineers, with third-party verification.

Observation

Recommendation

containment, emissions control) are not linked to professional certification.

3.9 Local Content (Section 3.8.7)

Observation	Recommendation
The Policy prioritizes local content but does not specify that local engineering firms must be registered with EBK or that local engineers must hold valid practicing licenses.	Amend to require that all local content in engineering services (design, supervision, inspection) be provided by EBK-registered firms and individuals.

3.10 Institutional Capacity Development (Section 3.6)

Observation	Recommendation
The Policy provides for institutional capacity development but does not mandate CPD for engineers in the petroleum sector.	Require that all engineers employed in petroleum operations (government, contractors, consultants) maintain annual CPD credits as a condition of practicing license renewal.

3.11 Technology and Innovation (Section 3.7)

Observation	Recommendation
The Policy encourages adoption of AI, IoT, robotics, and blockchain, but does not address the need for engineering validation of these technologies in safety-critical applications.	Mandate that any digital or automated system used in petroleum operations (e.g., SCADA, leak detection, emergency shutdown) be validated by a registered engineer before deployment.

3.12 Implementation Matrix (Annex I)

The implementation matrix lists many activities but **does not assign EBK any role** in quality assurance, engineering certification, or capacity building. This is a critical omission.

Recommendation
Insert EBK as a supporting institution for all activities involving design, construction, inspection, maintenance, and decommissioning of petroleum infrastructure. Specific activities to include: development of standards (under KEBS), capacity building, licensing of engineers, and technical audits.

4.0 CROSS-CUTTING ISSUES

4.1 Pipeline Integrity Management

The Policy does not address pipeline integrity management systems (PIMS), which are essential for preventing leaks, ruptures, and environmental disasters. EBK recommends:

- Mandatory pipeline integrity assessments by registered engineers every five years.
- Real-time monitoring systems for all major pipelines, with engineering certification.

4.2 Pressure Equipment Safety

Storage tanks, pressure vessels, and piping systems in petroleum operations are high-risk. The Policy should require:

- Registration of all pressure equipment with a designated authority.
- Periodic inspection by EBK-registered inspectors.
- Certification of repairs and alterations by registered engineers.

4.3 Fire and Explosion Risk Management

The Policy mentions fires and explosions but does not require engineering-led hazard analysis (e.g., HAZOP, QRA). EBK recommends:

- Mandatory HAZOP studies for all new petroleum facilities, conducted by registered process safety engineers.
- Quarterly fire safety audits by registered engineers.

4.4 Training and Certification of Petroleum Engineers

The Policy lacks a framework for specialized training and certification of petroleum, pipeline, and gas engineers. EBK proposes:

- Establishment of a joint EBK-Industry-National Oil Corporation certification program for upstream and downstream engineers.
- Mandatory registration of all petroleum engineers with EBK, with a specialized category for petroleum operations.

5.0 PROPOSED AMENDMENTS TO THE POLICY

The Board proposes the following specific amendments to the Policy text (Chapter 3 and Chapter 4):

Section	Proposed Amendment
3.2.4 (Exploration, Development, Production)	Add: <i>"All designs, construction activities, and modifications to upstream facilities shall be certified by engineers registered with the Engineers Board of Kenya. No facility shall be commissioned without a final engineering sign-off."</i>
3.3.1 (Value addition)	Add: <i>"Midstream infrastructure (pipelines, storage, refining) shall be subject to engineering integrity audits every three years, conducted by EBK-registered engineers."</i>
3.4.3 (Infrastructure Development)	Add: <i>"Storage and distribution facilities, including retail stations, shall have valid engineering certification renewed annually by EBK-registered inspectors."</i>
3.4.4 (Liquefied Petroleum Gas)	Add: <i>"All LPG reticulation systems, bulk storage, and filling plants shall be designed, installed, and maintained under</i>

	<i>the supervision of EBK-registered gas engineers. Annual safety certification shall be submitted to EPRA and EBK."</i>
3.8.1 (Decommissioning)	<i>Add: "Decommissioning plans shall include an engineering certification of structural safety, removal of hazardous materials, and environmental restoration, signed by a registered engineer."</i>
3.8.7 (Local Content)	<i>Add: *"Local engineering content shall mean services provided by firms registered with EBK and individuals holding valid annual practicing licenses. Foreign contractors shall sub-contract a minimum of 30% of engineering works to EBK-registered local firms."*</i>
4.1 (Institutional Framework – Table 5)	<i>Insert EBK as a supporting institution with role: "Regulation of engineering profession in petroleum operations; certification of engineers; technical audits; and capacity building."</i>

6.0 CONCLUSION AND OFFER OF PARTNERSHIP

The Engineers Board of Kenya supports the National Petroleum Policy's goal of sustainable exploration, exploitation, and supply of petroleum products. However, the hazardous nature of petroleum operations demands rigorous engineering oversight, which is currently absent from the Policy.

We respectfully request the Committee to:

1. Incorporate the recommendations and proposed amendments above into the final Sessional Paper or its implementing regulations.
2. Recognize EBK as a statutory partner in ensuring engineering quality, safety, and competence across the petroleum value chain.
3. Include EBK in the proposed multi-agency advisory committee and in the monitoring and evaluation framework for the Policy.

The Board is ready to provide further technical input, draft regulatory language, or oral testimony as the Committee may require.

Yours faithfully,



Eng. Grace Onyango, CE

Acting Registrar / Chief Executive Officer

Engineers Board of Kenya

Copy to:

- The Clerk of the National Assembly
- The Principal Secretary, State Department for Petroleum
- The Director General, Energy and Petroleum Regulatory Authority (EPRA)



THE COMPETITION AUTHORITY'S SUBMISSION ON SESSIONAL PAPER NO. 4 OF 2026 ON THE NATIONAL PETROLEUM POLICY AND SESSIONAL PAPER NO. 5 OF 2026 ON THE NATIONAL ENERGY POLICY

A. BACKGROUND

1. The Competition Authority of Kenya (CAK) is established under the Competition Act, CAP 504 (the Act) of the Laws of Kenya. Its mandate is to promote and safeguard competition, and to protect consumers from unfair or misleading market conduct. The Act sets out the legal framework to promote and protect competition, prohibit restrictive trade practices and the regulation of mergers.
2. The object of the Act as set out in Section 3 is to enhance the welfare of the people of Kenya by promoting and protecting effective competition in markets and preventing unfair and misleading market conduct throughout Kenya.
3. The Government tabled Sessional Paper No. 4 of 2026 on the National Petroleum Policy and Sessional Paper No. 5 of 2026 on the National Energy Policy 2025. Subsequently, through its letter dated 29th May 2026, the National Assembly Departmental Committee on Energy required the Authority to appear before it and make submissions on the Sessional Papers.
4. Accordingly, this submission provides a review of the competition and consumer protection under the two sessional papers as follows:

B. SESSIONAL PAPER NO. 4 OF 2026 THE NATIONAL PETROLEUM POLICY

5. The National Petroleum Policy is a comprehensive government document designed to regulate and transform Kenya's oil and gas sector into a driver of sustainable economic growth. It establishes a modernized framework for upstream exploration, midstream infrastructure development, and downstream product distribution to align with the country's "Bottom-Up Economic Transformation Agenda."
6. The National Petroleum Policy achieves competition and consumer protection through a combination of regulatory oversight, price controls, quality assurance, and competitive procurement frameworks. These measures are designed to ensure economic efficiency, security of supply, and the safeguarding of the public's interests.

Achieving Fair Competition

7. The policy promotes competition by establishing legal and institutional frameworks that promote market efficiency:
- a) **Guiding Principles:** The policy is premised on national values that require stakeholders to promote **fair competition** and ethical business practices.
 - b) **Open Tender System (OTS):** For the downstream sub-sector, the policy utilizes the OTS, a **competitive process** where monthly imports of petroleum fuels are determined through consultations between the government and oil marketers to meet country demand.
 - c) **Competitive Sourcing for LPG:** To lower retail prices and increase uptake, the government uses competitive sourcing of Liquefied Petroleum Gas (LPG).
 - d) **Third-Party Infrastructure Access:** The policy facilitates third-party access to petroleum infrastructure (such as pipelines and storage) in exchange for fair compensation, preventing monopolies from restricting market entry.

Ensuring Consumer Protection

8. Consumer protection is integrated into the policy through safety standards, price regulations, and supply stability:
- a) **Price Regulation:** The government maintains a regulated price regime - through the energy and petroleum sector regulator - for essential products like Automotive Gas Oil (Diesel), Premium Motor Spirit (Super Petrol), and Illuminating Kerosene to ensure fair pricing and market stability.
 - b) **Quality Control and Standards:** To protect consumers from substandard products, the policy mandates: Regular spot checks at randomly selected dispensing sites, quality checks at the point of vessel discharge and Strict adherence to statutory requirements on quality and standards enforced by the Energy and Petroleum Regulatory Authority (EPRA) and the Kenya Bureau of Standards (KEBS).
 - c) **Security of Supply:** The policy aims to protect consumers from supply disruptions by establishing and maintaining strategic petroleum stocks.
9. The National Petroleum Policy achieves competition and consumer protection through a combination of regulatory oversight, price controls, quality assurance, and competitive procurement frameworks. These measures are designed to ensure economic efficiency, security of supply, and the safeguarding of the public's interests.

10. While the National Petroleum Policy outlines several mechanisms to promote fair markets, it also identifies several prevailing challenges and emerging issues that pose concerns for competition and consumer protection.

Competition Concerns

11. The policy highlights several barriers that may limit market entry and fair competition:
- a) **High Barriers to Entry:** The sector is extremely capital intensive, requiring massive upfront capital investments for exploration and infrastructure. These high costs, combined with exploration risks and volatile global prices, can discourage new investors (serving as a barrier to entry), and thus limiting the number of market participants.
 - b) **Inadequate Legal Frameworks:** The policy admits that existing laws and regulations need review to enhance the efficiency of petroleum operations and enable the country to compete effectively with other jurisdictions.

Consumer Protection Concerns

12. Consumers face risks related to global price shocks and cost management under the current landscape:
- a) **Cost Management Risks:** There is a concern that the government has difficulty challenging "unnecessary, inefficient or unchecked expenditures" by oil contractors due to an inadequate regulatory framework.
 - b) **Global Price Shocks:** Because Kenya relies heavily on imports, fluctuations in global crude oil prices contribute directly to an increased cost of living for citizens in petroleum exporting countries, like Kenya.

C. THE NATIONAL ENERGY POLICY 2025

13. The National Energy Policy 2025, presented by Kenya's Ministry of Energy and Petroleum, outlines a strategic ten-year roadmap to transform the nation's energy sector into a sustainable and inclusive driver of economic growth. This comprehensive sessional paper aims to achieve universal electricity access and clean cooking solutions by 2030, while reducing reliance on fossil fuels.

Competition Review

14. The policy outlines a transition from a centralized, single-off-taker model to a more liberalized and competitive market structure to drive efficiency and innovation.

15. **Market Liberalization and Reform:** The Kenyan electricity market is currently unbundled but operates under a single off-taker model where Kenya Power and Lighting Company (KPLC) solely purchases power from generators. The policy intends to reform this into a competitive wholesale and retail market. This includes adopting a day-ahead market and allowing open access to transmission and distribution networks.
16. **Power Procurement and Auctions:** To enhance competitiveness in generation, the government is moving away from the Feed-in Tariff (FiT) policy for large projects toward a Renewable Energy Auctions process. This is intended to facilitate price discovery and ensure cost efficiency.
17. **Retail Competition:** The policy seeks to facilitate the establishment of downstream Energy Supply Companies (ESCOs) and multiple retailers. By unbundling the public retail function, the government aims to provide consumers with options for electricity suppliers, thereby breaking the current monopoly.
18. **Barriers to Competition:** Several challenges to a competitive market are identified, including legacy Power Purchase Agreements (PPAs) that may delay the transition, the lack of wheeling tariffs for transporting electricity, and constrained transmission capacity. Additionally, the current single buyer model is noted as a limitation on both competition and innovation.
19. **Prosumer Participation:** The Energy (Net Metering) Regulations, 2024 allow "prosumers" (consumers who also generate power) to connect to the grid and net off their excess energy. This introduces decentralized competition to traditional bulk generation.

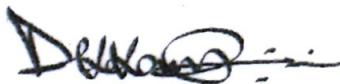
Consumer Protection Review

20. Consumer protection in the policy focuses on affordability, universal access, service reliability, and safety standards.
21. **Affordability and Pricing:** A primary goal is to provide competitive and affordable energy. Retail tariffs remain regulated by the Energy and Petroleum Regulatory Authority (EPRA) and are reviewed every three years to ensure they are cost-reflective yet predictable. The policy also promotes "Time of Use" tariffs to encourage lower-cost consumption during off-peak hours.
22. **Universal Access by 2030:** The policy sets a bold target for universal access to electricity and clean cooking by 2030. This is specifically aimed at addressing the 25% of the population currently lacking access, particularly in rural and underserved areas.
23. **Social Safety Nets:** To protect low-income earners, the policy utilizes lifeline electricity tariffs and seeks to develop innovative pricing models to make household connections more affordable.

24. **Quality and Reliability of Supply:** The policy recognizes that the reliability and quality of supply directly impact the country's economic competitiveness. It sets specific performance indicators for utilities, such as reducing system outages and improving the **Customer Average Interruption Duration Index (CAIDI)**.

D. CONCLUSION

25. The Petroleum Policy uses centralized procurement (OTS) and price controls to stabilize essential fuel (i.e. petrol, diesel and kerosene) and LPG markets. To protect consumers and enhance competition, there is need to address high capital barriers and address effects of global price volatility.
26. The Energy Policy 2025 provides a forward-looking roadmap to break the KPLC monopoly through retail liberalization and competitive auctions. While it offers robust consumer safeguards including lifeline tariffs and a 2030 universal access goal, its success depends on navigating legacy contractual obligations (PPAs) and upgrading transmission infrastructure to support a decentralized, multi-buyer market.



David K. Kemei

DIRECTOR - GENERAL

3rd June 2026

STRATEGIC REPORT: KENYA'S TRANSITION TO OPEN ACCESS ELECTRICITY

Analyzing Wholesale Market Trading, Cartel Risks, and Lifeline Consumer Protections Under Fiscal Distress

SECTION 1: EXECUTIVE SUMMARY & MARKET CONTEXT

Kenya has reached a critical juncture in its energy evolution. With the official gazettelement of the **Energy (Electricity Market, Bulk Supply and Open Access) Regulations**, the nation has initiated a transition away from the traditional single-buyer monopoly held by the Kenya Power and Lighting Company (KPLC). By transitioning to an open-access system where private generation companies can wheel power directly to end-users, Kenya aims to emulate the successes of international frameworks like China's power sector reforms.

However, executing this transition amid a severe sovereign debt crisis exceeding KSh 12.4 trillion requires navigating deep structural risks. This report evaluates the market impacts of this liberalization, analyzes how historical cartel-type behaviors might adapt to a free market, and provides a statutory blueprint to protect vulnerable low-income households without adding to the national debt.

SECTION 2: COMPARATIVE FRAMEWORK (CHINA VS. KENYA)

A structural comparison with China's power sector modernization highlights the strategic drivers behind Kenya's open-access model:

- **Market Structure & Competition:** China unbundled its power generation from transmission and distribution, legally requiring new energy projects to participate in market trading. Kenya's new regulations similarly break KPLC's monopoly, allowing independent power producers (IPPs) to utilize the national grid to sell directly to large bulk consumers.
- **The Role of Wheeling Tariffs:** To integrate massive renewable energy capacity, China standardized open-access wheeling fees. Kenya is leveraging this approach, utilizing the Kenya Electricity Transmission Company (KETRACO) to trial regional and domestic open-access wheeling.
- **Strategic Drivers:** While China sought to transition mature renewables away from direct government subsidies, Kenya's primary driver is reducing high industrial electricity tariffs that historically crippled manufacturing competitiveness.



SECTION 3: MARKET LIBERALIZATION IMPACTS ON LIVING COSTS

Introducing market-based trading into an economy historically prone to collusive or cartel-type structures creates a starkly bifurcated pricing impact for Kenyan citizens:

1. Large Industrial and Commercial Consumers

- **Impact:** Downward Price Trend (☒)
- **Driver:** Large manufacturers (drawing over 1 MVA/10 MVA) can completely bypass KPLC, contracting directly with cheap renewable energy IPPs. This breaks the grip of high-cost legacy Power Purchase Agreements (PPAs) and eliminates retail markups.

2. Domestic Households and Lifeline Consumers

- **Impact:** High Upward Price Risk (☒)
- **Driver:** Historically, EPRA utilized a cross-subsidy model where high-tariff revenues from industrial clients funded cheap electricity for low-income homes. As large corporations exit KPLC's consumer pool to buy power privately, KPLC loses its primary revenue base. To cover its massive grid maintenance costs and legacy debts, KPLC will face structural pressure to hike rates for its remaining captive domestic consumers.

3. Market Volatility Pass-Through

- **Impact:** Increased Monthly Budget Strain (☒)
- **Driver:** Unlike a fully regulated market that buffers consumers, a competitive wholesale spot market fluctuates hourly. Under weak oversight, these fluctuations will feed directly into variable monthly statements via the Fuel Energy Cost Charge (FECC) and Foreign Exchange Fluctuation Adjustments, adding unpredictable costs onto household token budgets.

SECTION 4: LESSONS FROM THE GHANA DEBT-CRISIS REFORMS

Because the Kenyan National Treasury faces severe fiscal constraints—with debt servicing consuming more than half of ordinary tax revenues—the government cannot afford a taxpayer-funded subsidy fund. Kenya must look to **Ghana**, which successfully sustained low-income lifeline protections under a tight structural adjustment program without using exchequer cash:

- **Right-Sizing the Lifeline Band:** Ghana's Public Utilities Regulatory Commission (PURC) optimized resources by tightening its lifeline threshold strictly to 0 to 30 kWh per month, ensuring middle-class households could not exploit the subsidized pool.
- **The Cash Waterfall Mechanism (CWM):** Ghana established a centralized, automated escrow account. 100% of all grid revenue is pooled into this account and distributed via a strict mathematical formula that pays out the low-income lifeline subsidy *before* any state entities or private generation companies can access the cash.
- **Enforcing Utility Collection Targets:** Rather than relying on state bailouts, regulators tied utility budgets to aggressive revenue collection targets. Forcing a crackdown on power theft and non-payment in wealthy neighborhoods generated the revenue surplus needed to fund the poor.

SECTION 5: STATUTORY BLUEPRINT (REQUIRED AMENDMENTS TO THE ENERGY ACT, 2019)

To legally implement an off-budget, rule-based safety net, Kenya's Parliament must pass specific amendments to the primary legislation, as subsidiary open-access regulations cannot govern financial revenue distribution:

Amendment 1: Section 11 (Functions of EPRA) – Establishing the Cash Waterfall Mechanism

- **Statutory Action:** Amend Section 11 to grant EPRA explicit legal authority to oversee a centralized, escrowed revenue collection system.
- **Legal Protection:** The statute must mandate that 100% of retail electricity revenues are automatically pooled into this account, legally declaring that the **Lifeline Tariff Subsidy Fund is prioritized at "Tier 1" of the waterfall**, ring-fencing household protections before debt servicing or IPP payments occur.

Amendment 2: Section 140 (Wheeling Fees) – Implementing the Cross-Subsidy Levy

- **Statutory Action:** Insert a new subsection under Section 140 creating a mandatory **"Universal Service Lifeline Levy."**
- **Legal Protection:** This law will require that whenever an industrial consumer bypasses KPLC to buy power via a private open-access contract, a micro-percentage (e.g., KSh 0.50 per kWh traded) is baked into their wheeling tariff. This cash bypasses the National Treasury and flows directly into the escrow account to fund low-income tokens.

Amendment 3: Section 134 (Retail Tariffs) – Locking the Lifeline Band Threshold

- **Statutory Action:** Amend Section 134 to legally define the lifeline consumer class strictly as **households consuming between 0 and 30 kWh per month**, preventing regulatory or political manipulation of the pool.
- **Legal Protection:** Insert a statutory prohibition preventing utilities from applying variable pass-through charges (such as fuel and forex adjustments) to this specific class, isolating vulnerable families from wholesale spot market volatility.

Amendment 4: Part V (Market Oversight) – Anti-Collusion and Anti-Trust Powers

- **Statutory Action:** Introduce a new section granting joint market-monitoring and anti-trust enforcement powers to EPRA and the Competition Authority of Kenya (CAK).
- **Legal Protection:** Explicitly criminalize market-manipulation behaviors—such as private power generators colluding to artificially withhold generation capacity during peak hours to trigger high spot-market price spikes. Penalties must include severe structural fines tied to global corporate turnover alongside immediate license revocations.

The policy document repeatedly characterizes geothermal and nuclear as baseload resources. For example, it states that geothermal can “provide baseload supply, enhance power stability, and energy security” and that nuclear can provide “stable and reliable baseload power.”

However, this framing understates an increasingly important reality: both geothermal and modern nuclear technologies can also provide operational flexibility and contribute to peak-load management, ancillary services, and renewable integration.

Impact of treating geothermal and nuclear only as baseload

1. Underestimation of system flexibility

The policy recognizes the need for flexible resources to support variable renewable energy (VRE) and identifies geothermal, hydro and battery storage as resources that can provide balancing and stabilization support.

If geothermal and nuclear are treated only as fixed-output baseload plants:

Their contribution to ramping and load-following may be ignored.

System planners may overestimate the amount of battery storage or thermal peaking plants required.

Grid flexibility costs may be overstated.

For Kenya, where solar and wind penetration is expected to increase, recognizing geothermal flexibility could significantly reduce balancing costs.

2. Overinvestment in peaking technologies

The policy highlights thermal plants as providers of peaking capacity.

If geothermal and future nuclear plants are assumed incapable of meeting peak demand:

More gas or diesel peaking plants may be procured.

Additional battery storage may be planned beyond what is economically necessary.

Consumers could face higher electricity costs.

In reality, geothermal units can often increase output during peak periods if reservoir and plant design permit.

3. Underutilization of geothermal resources

The document already notes that Kenya experiences periods where geothermal generation is underutilized, resulting in steam venting.

• If geothermal is viewed only as baseload:

Operators may continue running units at fixed output.

Opportunities for flexible dispatch to follow demand patterns are missed.

More renewable curtailment may occur.

A flexible geothermal strategy could:

Increase output during evening peaks.

Reduce output during periods of excess solar generation.

Minimize steam wastage.

4. Distorted least-cost planning

Least-cost power planning depends on correctly valuing:

Energy production

Capacity value

Ancillary services

Flexibility

If geothermal and nuclear are credited only for energy and baseload capacity:

Their true economic value is understated.

Alternative technologies may appear more attractive than they really are.

Planning models may recommend a suboptimal generation mix.

5. Missed ancillary service opportunities

The policy identifies the growing need for:

Frequency regulation

Voltage control

Spinning reserve

Grid stabilization services.

Both geothermal and nuclear plants can provide some of these services through:

Governor response

Reactive power support

Frequency control

Spinning reserve margins

Ignoring this capability can result in unnecessary procurement of ancillary services from other sources.

Examples of flexible geothermal operation

KenGen – Kenya

Kenya's geothermal fleet at Olkaria already operates in a system with significant hydro, wind and solar generation.

The policy itself notes that geothermal output is sometimes underutilized and steam is vented.

With appropriate dispatch arrangements, these plants can modulate output to:

Accommodate daytime solar production.

Increase generation during evening peaks.

Support grid frequency control.

The Geysers – United States

The Geysers geothermal complex in California has been operated with varying output levels to support a grid with high solar penetration.

Its operators have increasingly adapted operations to complement renewable generation rather than operating strictly as constant-output baseload.

Hellisheiði Power Station – Iceland

This geothermal plant adjusts output based on electricity demand and district-heating requirements, demonstrating operational flexibility.

Examples of flexible nuclear operation

France

France is the best-known example.

Its nuclear fleet routinely:

Ramps power up and down.

Follows daily load variations.

Balances large shares of renewable generation.

French reactors often operate below maximum output and increase production during peak demand periods.

Germany

Before the nuclear phase-out, German reactors were regularly load-followed to accommodate fluctuations in wind and solar generation.

United States

Historically many U.S. reactors operated as baseload, but several plants now provide flexible operation and participate in ancillary-service markets where economically justified.

Implications for Kenya

A more complete policy position would be:

- Geothermal and nuclear should not be considered solely as baseload resources. They should also be recognized as sources of firm capacity, operational flexibility, ancillary services, and peak-load support that can facilitate higher penetration of variable renewable energy while enhancing grid stability and reducing overall system costs.

For Kenya specifically, acknowledging geothermal flexibility could:

Reduce geothermal steam venting.

Lower dependence on thermal peaking plants.

Reduce future storage requirements.

Improve integration of solar and wind.

Lower overall system costs while maintaining reliability.

This is particularly important because Kenya's power system is moving toward higher shares of solar and wind, where flexibility becomes almost as valuable as baseload energy.

We have reviewed the document, which is Kenya's National Energy Policy 2025 draft. From a consumer organization perspective, the most significant consumer concerns are not the policy's ambitions—which are generally positive—but the risks, gaps, and potential impacts on households, small businesses, and vulnerable consumers.

1. Affordability of Electricity Remains the Biggest Concern

The policy repeatedly acknowledges:

High energy costs

Multiple levies and charges on electricity infrastructure

High grid expansion costs

Expensive imported fuels

Costly new technologies and infrastructure

The policy aims for affordable energy but does not provide clear commitments on:

Reducing electricity tariffs

Eliminating unnecessary levies

Protecting consumers from future tariff increases

Measuring affordability for low-income households

Consumer concern: Consumers may continue facing high electricity bills while being asked to finance major investments in transmission, storage systems, renewable integration, and market reforms.

2. Risk of Rising Tariffs Due to Energy Transition Policies

The policy promotes:

Green hydrogen

Battery storage systems

Electric mobility

Smart grids

Renewable energy expansion

Nuclear energy exploration

Most are capital-intensive projects requiring substantial financing. The document identifies high capital costs as a challenge in several areas.

Consumer concern: There is no clear guarantee that costs associated with the transition will not be passed on to consumers through higher electricity tariffs.

3. Universal Access Target May Leave Poor Households Behind

The policy targets:

Universal electricity access by 2030

Universal clean cooking access by 2030

Yet it recognizes:

High connection costs

High upfront costs for off-grid systems

Limited affordability among low-income households

Low rural connectivity

Consumer concern: Access does not automatically mean affordability. Households may be connected but unable to afford electricity consumption or clean cooking fuels.

4. Reliability and Quality of Service Remain Unresolved

The policy identifies:

Aging infrastructure

Grid instability

System losses

Transmission constraints

Frequent vandalism

Reliability challenges

Consumer concern: Consumers may continue experiencing:

Outages

Voltage fluctuations

Damaged appliances

Poor service quality

The policy lacks strong consumer compensation mechanisms for service failures.

5. Electricity Market Liberalization Could Harm Vulnerable Consumers

The policy proposes transition from:

Single buyer model

Towards competitive wholesale and retail electricity markets

While competition can improve efficiency, it can also:

Increase complexity

Create price disparities

Encourage providers to focus on profitable customers

Consumer concern: Without strong consumer protection, low-income and rural consumers could be disadvantaged.

6. Captive Power and Net Metering Could Shift Costs to Ordinary Consumers

The policy notes that:

Large commercial users increasingly generate their own power.

This may reduce revenues used to cross-subsidize low-end consumers.

Consumer concern: If wealthier industrial and commercial customers leave the grid partially or fully, remaining residential consumers may bear a larger share of network costs, causing tariff increases.

7. Clean Cooking Transition May Be Unaffordable

The policy acknowledges:

More than 65% of households still use biomass.

Clean cooking technologies are expensive.

LPG prices are volatile.

Funding is inadequate.

Consumer concern: The transition from charcoal and firewood may fail if households cannot afford:

LPG cylinders

Refills

Electric cookers

Electricity required for cooking

8. Lack of Strong Consumer Rights and Protection Framework

Across 148 pages, there is extensive discussion on:

Infrastructure

Financing

Generation

Markets

Climate transition

However, there is limited emphasis on:

Consumer complaint handling

Consumer compensation

Billing disputes

Service standards

Consumer representation in decision-making

Consumer concern: The policy appears sector-focused rather than consumer-focused.

9. Rural Consumers Face Persistent Inequality

The policy notes:

Urban access $\approx$ 90%

Rural access $\approx$ 68%

Rural electrification remains costly

Consumer concern: Rural households may continue receiving:

Inferior service

Slower connections

Higher effective costs

Lower reliability

Compared to urban consumers.

10. Lack of Clear Commitments on Tariff Transparency

The policy discusses:

Energy pricing

Market reforms

Power procurement

But does not clearly commit to:

Simpler electricity bills

Transparent tariff setting

Consumer participation in tariff reviews

Consumer concern: Consumers may continue facing complex tariff structures and fuel cost adjustments that are difficult to understand or challenge.

11. Environmental and Social Risks Around New Energy Projects

The policy promotes:

Geothermal expansion

Transmission lines

Large renewable projects

Nuclear energy

Green hydrogen

The document itself acknowledges:

Land acquisition challenges

Community concerns

Social license issues

Consumer concern: Communities may face:

Land disputes

Displacement risks

Inadequate compensation

Environmental impacts

If safeguards are weak.

Priority Consumer Issues to Submit as Formal Comments

A consumer organization could prioritize the following recommendations:

1. Energy affordability should be a measurable policy objective.
2. Introduce protections against tariff increases arising from energy transition investments.
3. Create a strong consumer rights and redress framework.
4. Require compensation for prolonged outages and poor-quality supply.
5. Protect low-income consumers during electricity market liberalization.

6. Strengthen tariff transparency and public participation.
7. Expand targeted subsidies for poor households and clean cooking adoption.
8. Ensure captive power and net-metering policies do not unfairly increase costs for ordinary consumers.
9. Guarantee equitable service standards for rural consumers.
10. Strengthen community consultation and compensation requirements for energy projects.

These are the issues most likely to affect ordinary Kenyan households directly and would form a strong consumer-focused submission on the draft policy.

Kenya Electricity Consumer Societies Bill, 2026

Part I – Preliminary

1. **Short Title** This Act may be cited as the *Electricity Consumer Societies Act, 2026*.
2. **Interpretation** In this Act—
 - “ELCOS” means Electricity Consumer Societies registered under the Ministry of Energy.
 - “Fund” means the Consumer Advocacy Fund established under this Act.
 - “Authority” means the Energy and Petroleum Regulatory Authority (EPRA).

Part II – Establishment of Consumer Advocacy Fund

1. There is hereby established a **Consumer Advocacy Fund** under the State Department of Energy.
2. The Fund shall—
 - Provide annual grants of not less than 0.03 Kenya shillings per kilowatt hour per month to registered ELCOS for operational sustainability.
 - Finance outreach, advocacy, and consumer protection activities.
 - Be ring-fenced from utility company contributions to safeguard independence.

Part III – Recognition of ELCOS in Energy Governance

1. ELCOS shall be recognized as statutory stakeholders in tariff-setting, licensing, and regulatory hearings.
2. EPRA shall ensure ELCOS representation in all consumer-related consultations.
3. No tariff adjustment shall be approved without documented input from ELCOS.

Part IV – Capacity Building and Training

1. The Ministry of Energy shall allocate resources for training ELCOS members in—
 - Energy law,
 - Consumer rights,
 - Dispute resolution.
2. Digital platforms shall be provided to ELCOS for monitoring service delivery.
3. Partnerships with universities and research institutions shall be encouraged.

Part V – Community Engagement

1. ELCOS shall conduct consumer awareness campaigns on—
 - Energy efficiency,
 - Clean cooking,
 - Renewable adoption.

2. The Ministry shall finance grassroots forums and town halls organized by ELCOS.
3. Energy policies shall be translated into local languages for accessibility.

Part VI – Research and Evidence-Based Advocacy

1. Grants shall be provided to ELCOS for independent studies on affordability, access, and service quality.
2. A **Consumer Energy Data Hub** shall be established and managed by ELCOS.
3. Research outputs shall be submitted annually to Parliament and EPRA.

Part VII – Governance and Accountability

1. ELCOS shall have statutory representation in the **National Energy Council**.
2. ELCOS shall submit annual **Consumer Impact Reports** to Parliament.
3. EPRA shall establish monitoring frameworks to evaluate utility compliance with consumer protection standards

Part VIII – Enforcement and Penalties

1. Any utility company found to obstruct ELCOS operations shall be liable to a fine not exceeding **Kshs 5,000,000** or imprisonment not exceeding **3 years**, or both.
2. Misuse of funds by ELCOS officials shall attract penalties under the **Public Finance Management Act, 2012**.
3. The Attorney General may institute proceedings to enforce compliance with this Act.

Draft Legislative Text – Kenya ELCOS Framework

Part I: Establishment of Consumer Advocacy Fund

1. There shall be established a **Consumer Advocacy Fund** under the State Department of Energy.
2. The Fund shall provide annual grants to registered ELCOS for operational sustainability, outreach, and advocacy activities.
3. The Fund shall be ring-fenced to ensure independence from utility companies and private energy providers.

Part II: Mandated Participation in Energy Governance

1. ELCOS shall be recognized as statutory stakeholders in tariff-setting, licensing, and regulatory hearings.
2. The Energy and Petroleum Regulatory Authority (EPRA) shall ensure ELCOS representation in all consumer-related consultations.
3. No tariff adjustment shall be approved without documented input from ELCOS.

Part III: Capacity Building and Training

1. The Ministry of Energy shall allocate resources for training ELCOS members in energy law, consumer rights, and dispute resolution.
2. Digital platforms shall be provided to ELCOS for monitoring service delivery and engaging in policy debates.
3. Partnerships with universities and research institutions shall be encouraged to strengthen ELCOS technical capacity.

Part IV: Community Engagement and Awareness

1. ELCOS shall be facilitated to conduct consumer awareness campaigns on energy efficiency, clean cooking, and renewable adoption.
2. The State Department of Energy shall provide financial support for grassroots forums and town halls organized by ELCOS.
3. Energy policies shall be translated into local languages to ensure accessibility for all citizens.

Part V: Research and Evidence-Based Advocacy

1. Grants shall be provided to ELCOS for independent studies on affordability, access, and service quality.
2. A **Consumer Energy Data Hub** shall be established and managed by ELCOS to track complaints, outages, and tariff impacts.
3. Research outputs shall be submitted annually to Parliament and EPRA to inform energy planning.

Part VI: Governance and Accountability

1. ELCOS shall have statutory representation in the **National Energy Council**.
2. ELCOS shall submit annual **Consumer Impact Reports** to Parliament.
3. EPRA shall establish monitoring frameworks to evaluate utility compliance with consumer protection standards, with ELCOS participation.

CONSUMER ADVOCACY

For ELCOS (Electricity Consumer Societies) to effectively serve as consumer advocacy bodies in Kenya's **National Energy Policy 2025 (Sessional Paper No. 5 of 2026)**, the funding and facilitation priorities should emphasize both **operational sustainability** and **consumer empowerment**. These inclusions ensure that ELCOS can act as credible voices in energy governance while protecting consumer rights.

Funding & Facilitation Priorities for ELCOS Operations

- **Operational Grants**
 - Direct government or donor funding to cover administrative costs, staffing, and outreach activities.
 - Ensures ELCOS remain independent and effective in representing consumer interests.
- **Consumer Advocacy Funds**
 - Dedicated budget lines for ELCOS to conduct tariff reviews, policy consultations, and public interest litigation.
 - Enables them to challenge unfair practices and influence regulatory decisions.
- **Capacity-Building Programs**
 - Training in energy law, consumer rights, and dispute resolution.
 - Digital literacy programs to help societies use online platforms for advocacy and monitoring.
- **Community Engagement Support**
 - Funding for awareness campaigns, town hall meetings, and consumer education on energy efficiency and rights.
 - Strengthens grassroots participation in energy policy.
- **Research & Data Grants**
 - Support for independent studies on affordability, access, and service quality.
 - Provides evidence-based advocacy to influence government and regulator decisions.
- **Legal & Mediation Facilitation**
 - Resources to help ELCOS mediate disputes between consumers and utilities.
 - Legal aid funds for representing vulnerable groups in energy-related conflicts.

Structured Overview

Priority Area	Funding Mechanism	Advocacy Impact
Operational Grants	Government/Donor support	Sustains ELCOS independence
Advocacy Fund	Budget allocations	Stronger consumer voice in tariff/policy
Capacity Building	Training & digital tools	Professionalized consumer representation
Community Engagement	Outreach financing	Increased public participation
Research & Data	Grants for studies	Evidence based advocacy
Legal & Mediation	Legal aid & mediation funds	Fair dispute resolution

Alignment with Policy Goals

- **Kenya Vision 2030:** Strengthening citizen participation in governance.
- **National Energy Policy 2025:** Promoting affordability, reliability, and consumer protection.
- **Just Energy Transition:** Ensuring vulnerable communities are represented in decision-making.
- **Inclusivity in governance:** Consumers to enjoy transparent and effective representation to neutralize high handedness currently enjoyed by the utility which is a monopoly.

The most strategic inclusions for ELCOS operations in the **Sessional Paper No. 5 of 2026** should be **operational grants, advocacy funds, capacity-building programs, community engagement support, research/data grants, and legal facilitation mechanisms**. These ensure ELCOS can function as **credible consumer watchdogs** while empowering communities in Kenya's energy transition.

Kenya ELCOS Policy Advocacy Framework

1. Operational Sustainability

- Establish a **Consumer Advocacy Fund** within the Ministry of Energy to finance ELCOS operations.
- Provide annual **government subventions** and donor-backed grants for administrative costs, staffing, and outreach.
- Ensure independence by ring-fencing funds from utility companies to avoid conflicts of interest.

2. Consumer Protection & Rights

- Mandate ELCOS participation in **tariff-setting hearings** and regulatory consultations.
- Allocate facilitation funds for **legal aid** and **public interest litigation** to challenge unfair practices.
- Support mediation and arbitration mechanisms for resolving consumer–utility disputes.

3. Capacity Building

- Fund training programs in **energy law, consumer rights, and dispute resolution**.
- Provide digital tools for monitoring service delivery and engaging in policy debates.
- Partner with universities and think tanks to strengthen ELCOS research capacity.

4. Community Engagement

- Finance **consumer awareness campaigns** on energy efficiency, clean cooking, and renewable adoption.
- Support grassroots forums and town halls to ensure rural and marginalized voices are heard.
- Facilitate translation of energy policies into local languages for accessibility.

5. Research & Evidence-Based Advocacy

- Provide grants for **independent studies** on affordability, access, and service quality.
- Establish a **Consumer Energy Data Hub** managed by ELCOS to track complaints, outages, and tariff impacts.
- Use research outputs to influence national energy planning and regulatory reforms.

6. Governance & Accountability

- Institutionalize ELCOS representation in the **Energy Regulatory Commission** and **National Energy Council**.
- Require annual **consumer impact reports** submitted to Parliament.
- Create monitoring frameworks to evaluate utility compliance with consumer protection standards.

Structured Overview

Framework Pillar	Funding Mechanism	Advocacy impact
Operational sustainability	Consumer advocacy fund	Independent watch dog role
Consumer protection	Legal aid & Litigation funds	Stronger consumer rights
Capacity Building	Training & digital tools	Professionalized advocacy
Community Engagement	Outreach financing	Inclusive grassroots participation
Research & Evidence	Grants & data hub	Evidence-based policy influence
Governance & Accountability	Institutional representation	Transparent, accountable energy sector

Framework Pillar	Funding Mechanism	Advocacy Impact
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KENYA BUREAU OF STANDARDS

STAKEHOLDER WRITTEN SUBMISSION

TO THE
NATIONAL ASSEMBLY DEPARTMENTAL COMMITTEE ON ENERGY
ON
SESSIONAL PAPER NO. 4 OF 2026
NATIONAL PETROLEUM POLICY
(Cabinet-Approved, 15 December 2025)

Submitted by:	Kenya Bureau of Standards (KEBS)
Represented by:	Esther Ngari, EBS, Managing Director
Reference:	KEBS/SUB/NPP/2026
In Response to:	NA/DDC/ENERGY/CORR/2026(073) dated 29 May 2026
Submission Deadline:	Thursday, 4 June 2026 at 5:00 PM
Submitted to:	Departmental Committee on Energy, National Assembly
Date of Submission:	04 th June 2026

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A. SUBMITTING ORGANISATION DETAILS

Name of Organisation:	Kenya Bureau of Standards (KEBS)
Statutory Mandate:	Established under the Standards Act Cap. 496 (revised 2012); mandated to formulate, publish and promote standards; provide testing, calibration and certification services; coordinate conformity assessment for goods and services including petroleum products.
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Authorised Contact Person:	Managing Director, Kenya Bureau of Standards

KEBS submits these comments in its capacity as Kenya's national standards body and the designated competent authority for industrial and scientific measurement standards and conformity assessment. KEBS has direct operational interest in the National Petroleum Policy, particularly regarding petroleum product quality standards, measurement accuracy standards for custody transfer, quality assurance frameworks for petroleum equipment, and standards governance for emerging petroleum technologies.

B. EXECUTIVE SUMMARY

The Kenya Bureau of Standards (KEBS) commends the Government of Kenya for the development of Sessional Paper No. 4 of 2026 on the National Petroleum Policy, a landmark policy instrument that consolidates the governance of Kenya's upstream, midstream, and downstream petroleum sector within a unified strategic framework. The Policy was Cabinet-approved on 15 December 2025 and represents a significant step towards harnessing Kenya's hydrocarbon resources for national development in alignment with Kenya Vision 2030 and the Bottom-Up Economic Transformation Agenda (BETA).

KEBS has undertaken a thorough technical review of the Policy and offers the following key observations: the Policy provides a commendable institutional and regulatory architecture, clearly delineating the roles of EPRA, NOCK, KPC, KPRL, and other sector actors. Policy Objectives 1 through 10 are broadly aligned with national development aspirations. The Implementation and Monitoring frameworks in Chapters 4 and 5 establish useful accountability structures. However, KEBS identifies six critical areas requiring strengthening before the Policy is finalised:

- Artificial intelligence, digital technology, and data governance provisions are absent or aspirational, leaving Kenya at risk of technological marginalisation in the global petroleum industry.
- Energy transition, climate alignment, and just transition provisions fall short of Kenya's NDC commitments and emerging international standards under the Paris Agreement.
- Local content provisions lack mandatory percentage thresholds and technology transfer timelines, rendering them unenforceable against international oil company obligations.
- Regulatory independence safeguards for EPRA are insufficiently codified in the Policy, creating long-term governance risk.
- Fiscal regime and revenue management provisions omit EITI commitment, sovereign wealth fund framework, and beneficial ownership disclosure requirements.

- Regional integration linkages under AfCFTA and the Africa Energy Transition Framework are entirely absent from the Policy.

KEBS presents herein thirty-one (31) specific recommended amendments with draft policy language across all policy chapters and cross-cutting sections. KEBS also offers its technical expertise in standards development, conformity assessment, and measurement science to support implementation of this Policy and stands ready to engage further with the Committee, the Ministry of Energy and Petroleum, and EPRA.

C. GENERAL OBSERVATIONS ON THE NATIONAL PETROLEUM POLICY

C.1 Strengths of the Policy

KEBS acknowledges the following strengths in the National Petroleum Policy:

- Comprehensive scope: The Policy covers upstream, midstream, and downstream sub-sectors within a single integrated framework, addressing a longstanding governance gap.
- Clear institutional architecture: The roles of EPRA, NOCK, KPC, KPRL, NLC, NEA, and NEMA are clearly delineated in the institutional roles table at Chapter 4.
- Ambitious implementation horizon: The 10-year implementation matrix (2025-2035) in Annex I provides a structured investment and activity roadmap with cost estimates in KSh millions.
- Cross-cutting issue coverage: Twelve cross-cutting issues are addressed in Section 3.8, including gender, local content, occupational health and safety, and environmental management.
- M&E framework: The biannual monitoring, 5-year evaluation, and 5-year policy review cycle in Chapter 5 create accountability structures consistent with good governance.

C.2 Critical Weaknesses Requiring Remedy

KEBS identifies the following systemic weaknesses that, if unaddressed, will undermine the Policy's effectiveness:

- Technology provisions in Section 3.7 are aspirational and advisory rather than mandatory, with no timelines, no minimum investment thresholds, and no digital transformation milestones. This is particularly concerning given that global oil majors are deploying AI for exploration, digital twins for refinery optimisation, and IoT for pipeline integrity management.
- The Policy is entirely silent on cybersecurity of critical petroleum infrastructure, despite pipelines, refineries, and LNG facilities being designated critical national infrastructure globally.
- Section 3.8.12 does not quantify flaring reduction targets, does not mention carbon capture and storage, does not align with Kenya's NDC timeline for achieving 32% emissions reduction by 2030, and does not include just transition provisions for fossil fuel-dependent communities.
- Section 3.8.7 contains no minimum percentage thresholds for Kenyan participation in contracts, employment, or equity, unlike comparable frameworks in Uganda, Tanzania, and Nigeria.
- There is no mention of AfCFTA, the Africa Energy Transition Framework (AETF), or EAC/COMESA regional petroleum trade frameworks, despite Kenya's obligations as a signatory.
- The Policy does not commit Kenya to the Extractive Industries Transparency Initiative (EITI), inconsistent with the Government's stated commitment to transparency in natural resource governance.

C.3 Drafting Observations

- Several provisions use permissive language ("shall endeavour", "may consider", "where possible") in areas requiring mandatory obligations. KEBS recommends replacing permissive language with mandatory language in all provisions relating to safety, environmental compliance, data reporting, and local content.
- The Policy does not define key technical terms including "digital twin", "AI-powered exploration", "critical petroleum infrastructure", "just transition", "data sovereignty", "beneficial ownership", or "sovereign wealth fund".
- Implementation responsibilities in Annex I assign activities to "Ministry of Energy" without distinguishing between the Ministry, EPRA, NOCK, and KPC.

D. SECTION-BY-SECTION TECHNICAL INPUTS

D.1 Chapter 1: Introduction and Policy Objectives

Chapter 1 provides commendable background on Kenya's petroleum sector, including the 4 sedimentary basins, 50 petroleum blocks, 95 wells drilled, and 42 hydrocarbon discoveries to date. The 10 policy objectives and 7 guiding principles are broadly well-framed.

KEBS offers the following inputs:

Issue D.1.1: Policy Objectives — Digital Transformation Omission

Current text: The 10 policy objectives do not include digital transformation, technology-driven exploration enhancement, or data-led regulatory decision-making as a stated objective.

Recommended Amendment — Add Policy Objective 11:

"Objective 11: To promote the adoption of digital technologies, artificial intelligence, data analytics, and innovation in the petroleum sector to enhance exploration efficiency, operational safety, environmental monitoring, and regulatory oversight."

Issue D.1.2: Guiding Principles — Just Transition Omission

Current text: The 7 guiding principles do not include just transition as a principle despite Kenya's carbon-neutral development commitments.

Recommended Amendment — Add Guiding Principle 8:

"Just Transition: Ensuring that the development of petroleum resources is conducted in a manner that minimises adverse social and environmental impacts, and that communities dependent on fossil fuel industries are supported in transitioning to alternative livelihoods as Kenya progresses towards a low-carbon economy."

D.2 Chapter 2: Situation Analysis

Chapter 2 provides a useful baseline for the upstream sector, midstream infrastructure gaps, and downstream import dependence (5.9 million MT per annum).

KEBS notes the following:

Issue D.2.1: Petroleum Product Quality Infrastructure Gap Not Captured

The Situation Analysis does not assess the current state of petroleum product quality standards, measurement accuracy, or conformity assessment infrastructure. Product adulteration remains a significant consumer safety risk.

Recommended Amendment — Add paragraph 2.3.5:

"The petroleum products quality assurance framework has historically suffered from inadequate enforcement capacity, insufficient testing laboratories, and limited mandatory pre-import and post-landing quality verification. These gaps expose consumers to substandard fuel products. The Policy shall therefore mandate KEBS and EPRA to establish a joint petroleum product quality surveillance programme by Year 1 of implementation."

D.3 Chapter 3: Policy Statements

Chapter 3 of the Policy is structured as follows: Section 3.1 (Oil and Gas Sector Policy, Legal, Regulatory, Institutional, Fiscal and Contractual Framework); Section 3.2 (Upstream Petroleum Sub-Sector, comprising sub-sections 3.2.1 to 3.2.5); Section 3.3 (Midstream Petroleum Sub-Sector, with sub-section 3.3.1); Section 3.4 (Downstream Petroleum Sub-Sector, comprising sub-sections 3.4.1 to 3.4.4); and Section 3.5 (Revenue from Petroleum Operations). KEBS provides the following targeted inputs on three of these sections:

D.3.1 Section 3.2 Upstream Petroleum Sub-Sector — Seismic Data Repository

Issue: Section 3.2.4 (Exploration, Development and Production Operations) and Section 3.8.2 (Petroleum Data Management) address data in general terms but do not establish a national seismic data repository, data ownership framework, or data sovereignty protections for seismic, well, and reservoir data acquired by international oil companies (IOCs) operating under Kenyan exploration licences. In the absence of an explicit data ownership provision, IOCs may retain, commercialise, or offshore critical national subsurface intelligence with no legal remedy available to the Government.

Recommended Amendment — Insert new Section 3.2.6:

"All seismic data, well data, reservoir data, and environmental baseline data acquired under exploration and production licences issued by the Government of Kenya shall be the property of the Government of Kenya. Licence holders shall submit complete datasets to the National Petroleum Data Repository managed by UPRO within ninety (90) days of acquisition. Data shall be classified for a period not exceeding five (5) years after licence termination or expiry, after which they shall enter the public domain. International oil companies shall not export, transfer, or assign such data to third parties without written authorisation from the Cabinet Secretary."

D.3.2 Section 3.3 Midstream Petroleum Sub-Sector — LLCOP Project Governance

Issue: Section 3.3.1 (Value Addition to Petroleum Resources) addresses midstream in broad terms but does not specify governance standards, financial accountability mechanisms, independent oversight structures, or environmental and social impact monitoring obligations for the flagship 824-kilometre Lokichar-Lamu Crude Oil Pipeline (LLCOP). Given the scale of public investment and environmental risk involved, the absence of project governance provisions in the only midstream sub-section is a significant accountability gap.

Recommended Amendment — Insert new Section 3.3.2:

"The development, construction, and operation of the LLCOP shall be governed by an independent Project Oversight Committee comprising representatives of the Ministry, National Treasury, EPRA, KPC, civil society, and affected county governments. The Committee shall publish quarterly project progress reports, financial utilisation reports, and environmental compliance reports in the Kenya

Gazette. EPRA shall conduct annual independent safety audits of the LLCOP during construction and operational phases."

D.3.3 Section 3.4 Downstream Petroleum Sub-Sector — Petroleum Product Quality Standards Mandate

Issue: Section 3.4.1 (Supply of Petroleum Products) addresses import supply arrangements but does not establish mandatory petroleum product quality standards, pre-import testing obligations, destination inspection, or in-market quality surveillance requirements. Sections 3.4.2 to 3.4.4 address pricing, infrastructure, and LPG respectively, but none address product quality assurance. Product adulteration at import and retail levels remains a significant consumer protection, engine performance, and environmental compliance risk in Kenya, yet the Policy contains no binding quality assurance obligations on EPRA or KEBS. This gap falls squarely within KEBS statutory mandate and must be remedied.

Recommended Amendment — Insert new Section 3.4.5:

"EPRA, in conjunction with KEBS, shall: (a) develop and gazette mandatory quality specifications for all petroleum products imported into or refined in Kenya, aligned with Euro 5 emission standards by 2028; (b) establish a mandatory pre-shipment inspection and destination inspection testing programme for all petroleum product imports; (c) institute a quarterly in-market petroleum product quality surveillance programme at distribution depots and retail stations; (d) maintain a publicly accessible database of test results, non-compliance findings, and enforcement actions; and (e) review and update petroleum product quality standards every five (5) years."

D.4 Section 3.7: Technology and Innovation

Section 3.7 is the Policy's technology chapter covering five sub-sections on exploration technology, refinery upgrades, pipeline technology, product diversification, and innovation. KEBS finds this chapter to be the most critically deficient section of the entire Policy.

Issue D.4.1: Advisory Rather Than Mandatory Technology Obligations

Current text: Section 3.7 uses language such as "the Government shall promote", "encourage investment in", and "support adoption of" for all technology provisions, with no mandatory obligations, timelines, or investment thresholds.

Recommended Amendment — Replace the introductory chapeau of Section 3.7:

"The Government of Kenya shall require all petroleum sector licence holders, operators, and state-owned enterprises to adopt, within specified timelines, digital technologies, artificial intelligence applications, and Industry 4.0 standards as prescribed by EPRA in guidelines published within 12 months of this Policy coming into force. The technology adoption framework shall be binding on all new licences and shall be incorporated into existing licences at the first renewal date."

D.5 Section 3.8: Cross-Cutting Issues

Section 3.8 covers 12 cross-cutting issues from Section 3.8.1 (Safety and Health) through Section 3.8.12 (Environmental Management and Climate Change). KEBS provides targeted inputs on the most critical deficiencies:

- Section 3.8.2 (Data Management): Does not establish data sovereignty protections, cybersecurity standards for critical petroleum infrastructure, or data residency requirements. Full recommended amendments are provided in Section E.
- Section 3.8.7 (Local Content): Encourages local content participation but sets no mandatory minimum percentages for Kenyan employment, goods procurement, or equity participation. Full recommended amendments are provided in Section G.
- Section 3.8.12 (Climate): Does not quantify flaring reduction targets, reference Kenya's NDC, address carbon pricing, or mention CCS. Full recommended amendments are provided in Section F.

D.6 Chapter 4: Implementation Framework

Chapter 4 provides an institutional roles table and resource mobilisation framework. KEBS notes that the institutional roles table does not include KEBS despite its direct mandate over petroleum product quality standards, measurement standards for custody transfer, and conformity assessments. KEBS recommends inclusion in the institutional roles table with the following assigned responsibilities: development and maintenance of petroleum product quality standards; oversight of measurement accuracy for petroleum custody transfer metering; conformity assessment for petroleum equipment including dispensing pumps, storage tanks, and flow meters; and technical support to EPRA on standards-referenced regulation.

D.7 Chapter 5: M&E Framework

Chapter 5 establishes biannual monitoring reports, 5-year evaluations, and a 5-year policy review cycle, which KEBS regards as appropriate. However, the M&E matrix in Annex II does not include indicators for technology adoption, cybersecurity incident rates, petroleum product quality compliance, or AI/digital deployment milestones. KEBS recommends adding the following indicators: (a) percentage of EPRA-licensed operators with certified digital operations management systems; (b) petroleum product quality compliance rate at point of import and retail; (c) number of AI-powered exploration tools deployed by licence holders; (d) percentage reduction in routine flaring year-on-year; (e) Kenyan local content percentage in petroleum sector contracts by value.

E. ARTIFICIAL INTELLIGENCE, DIGITAL TECHNOLOGY AND DATA GOVERNANCE

KEBS regards the absence of robust AI, digital technology, and data governance provisions as the single most significant structural gap in the National Petroleum Policy. The global petroleum industry is undergoing fundamental digital transformation: AI-powered seismic interpretation has reduced exploration cycle times by up to 40%; digital twin technology enables real-time simulation of refinery operations; IoT sensor networks provide continuous environmental monitoring for pipeline integrity; and predictive maintenance algorithms reduce unplanned downtime in critical infrastructure. Kenya cannot afford to develop a 10-year petroleum policy that is silent on these megatrends.

E.1 AI-Powered Exploration and Seismic Interpretation

Policy Gap: Section 3.7.1 (Exploration Technology)

Recommended Policy Language for new Section 3.7.1(a):

"All exploration licence holders shall, within 36 months of the commencement of exploration activities, deploy or commission AI-powered seismic data interpretation tools validated against international standards. Licence holders shall report annually to EPRA on the AI tools deployed, the quality of subsurface data generated, and improvements in exploration success rates attributable to AI application. EPRA shall publish guidelines on approved AI-based exploration methodologies within 18 months of this Policy coming into force. The

Government, through NOCK, shall invest in the development of national AI-for-petroleum research capacity at Kenyan universities and public research institutions."

E.2 Digital Twin Technology for Refinery and Pipeline Operations

Policy Gap: Section 3.7.2 (Refinery Technology) and Section 3.7.3 (Pipeline Technology)

Recommended Policy Language for new Section 3.7.2(a):

"KPERL and all future refinery operators shall implement a certified Digital Twin platform for refinery operations management within five (5) years of this Policy coming into force. The Digital Twin platform shall provide real-time simulation of refinery process units, predictive maintenance scheduling, energy efficiency optimisation, and environmental emissions monitoring. KPC shall implement a Digital Twin platform for the national pipeline network, including the proposed LLCOP, within the same timeframe. EPRA in collaboration with KEBS shall develop a Digital Twin certification standard for petroleum infrastructure within 24 months of this Policy coming into force."

E.3 Predictive Maintenance and IoT for Pipeline Integrity

Policy Gap: Section 3.7.3 and Section 3.8.1 (Safety and Health)

Recommended Policy Language for new Section 3.7.3(a):

"All petroleum pipeline operators shall install continuous real-time pipeline integrity monitoring systems incorporating IoT sensor networks, automated leak detection algorithms, and predictive maintenance analytics. Pipeline operators shall report pipeline integrity data to EPRA in real time through a Government-designated secure data platform. EPRA shall set minimum performance standards for pipeline integrity monitoring systems and shall require independent third-party certification of all such systems prior to commissioning."

E.4 Data Sovereignty and National Petroleum Data Repository

Policy Gap: Section 3.8.2 (Data Management)

Recommended Policy Language for new Section 3.8.2(a):

"All petroleum sector data generated within Kenya's territorial jurisdiction, including seismic data, well logs, production data, financial data, environmental monitoring data, and operational data, is the sovereign property of the Government of Kenya. No petroleum operator, IOC, or contractor shall transfer, export, or offshore such data without express written authorisation from the Cabinet Secretary for Energy and Petroleum. The Government shall establish a National Petroleum Data Repository managed by UPRO with a secure cloud infrastructure hosted within Kenya. All data submitted to the Repository shall be encrypted to AES-256 standard. The Repository shall be audited annually by an independent cybersecurity firm and the audit report published."

E.5 Cybersecurity of Critical Petroleum Infrastructure

Policy Gap: Absent from the Policy (new provision required)

Recommended Policy Language for new Section 3.8.2(b):

"All petroleum sector operators managing critical petroleum infrastructure, including refineries, major storage facilities, pipelines, LNG terminals, and offshore platforms, shall develop, implement, and maintain a Petroleum Infrastructure Cybersecurity Management System (PICMS) certified to ISO/IEC 27001 and IEC 62443 standards by 2027. EPRA shall designate petroleum infrastructure cybersecurity standards and conduct annual cybersecurity audits of all designated critical petroleum infrastructure operators. Operators shall report all significant cybersecurity incidents to EPRA and NC4 within 24 hours of detection. The Government shall develop a national Petroleum Sector Cybersecurity Incident Response Plan within 18 months of this Policy coming into force."

E.6 Digital Literacy and Workforce Capability

Policy Gap: Section 3.8.8 (Human Resource Development)

Recommended Policy Language for new Section 3.8.8(a):

"All petroleum sector operators shall develop and implement annual digital skills development programmes for their Kenyan workforce, covering data analytics, AI tools, cybersecurity awareness, IoT systems management, and digital twin operations. Training programmes shall be accredited by KNQA and shall contribute to nationally recognised qualifications in petroleum digital technology. NOCK shall establish a Centre of Excellence for Petroleum Digital Technology in partnership with a Kenyan university by 2028."

F. ENERGY TRANSITION AND CLIMATE ALIGNMENT

Kenya has committed to reducing greenhouse gas emissions by 32% below a business-as-usual scenario by 2030 under its NDC submitted to the UNFCCC. The National Petroleum Policy, as a 10-year sovereign instrument, must be consistent with this commitment. Section 3.8.12 is insufficiently detailed to operationalise Kenya's climate commitments in the petroleum sector.

F.1 Gas Flaring Elimination Timeline

Policy Gap: Section 3.8.12

Recommended Policy Language:

"The Government of Kenya shall adopt a Zero Routine Flaring policy in the upstream petroleum sector, consistent with the World Bank Zero Routine Flaring by 2030 initiative. All exploration and production licence holders shall achieve zero routine flaring by 31 December 2030. Associated gas that cannot be re-injected or used productively shall be subject to a flaring levy of USD 3.50 per thousand standard cubic feet (Mscf) effective from 2027, escalating at 10% per annum until zero flaring is achieved. EPRA shall establish a Gas Flaring Monitoring System linked to satellite flaring detection data by 2027."

F.2 Carbon Capture, Utilisation and Storage (CCUS)

Policy Gap: Section 3.8.12 and Section 3.7 (Technology)

Recommended Policy Language:

"The Government of Kenya shall develop a national CCUS regulatory framework within 36 months of this Policy coming into force, enabling the deployment of carbon capture technology at KPRL and at future petroleum processing facilities. NOCK shall conduct a feasibility study on CO₂ Enhanced Oil Recovery potential in the Lokichar Basin by 2027. EPRA shall issue CCUS licensing regulations and technical standards within 48 months of this Policy coming into force."

F.3 NDC Alignment and Petroleum Sector Carbon Budget

Policy Gap: Section 3.8.12

Recommended Policy Language:

"The Ministry of Energy and Petroleum shall, in collaboration with the Ministry of Environment, Climate Change and Forestry, establish a Petroleum Sector Carbon Budget aligned with Kenya's NDC commitments. The Carbon Budget shall set sector-level absolute greenhouse gas emission limits for 2026, 2028, and 2030, consistent with achieving Kenya's 32% emissions reduction target. EPRA shall require all petroleum operators to submit annual greenhouse gas inventory reports, verified by an independent third party certified by KEBS, and shall publish a consolidated Petroleum Sector Greenhouse Gas Report annually."

F.4 Just Transition Framework

Policy Gap: Absent (new provision required)

Recommended Policy Language:

"The Government of Kenya recognises that the energy transition will have differential impacts on communities, workers, and micro-enterprises dependent on fossil fuel-related livelihoods. The Government shall develop a National Petroleum Sector Just Transition Framework within 24 months of this Policy coming into force. The Framework shall: (a) map communities, workers, and businesses with significant fossil fuel livelihood dependence; (b) establish retraining and reskilling programmes for petroleum sector workers transitioning to renewable energy sectors; (c) provide targeted economic diversification support to Turkana and other petroleum-dependent counties; (d) ensure that affected communities are consulted in the design and implementation of transition programmes; and (e) establish a Just Transition Fund financed by a 0.5% levy on gross petroleum revenues."

F.5 AfCFTA and Africa Energy Transition Framework Alignment

Policy Gap: Absent (new provision required)

Recommended Policy Language:

"Kenya shall anchor the National Petroleum Policy within the continental frameworks of the African Union Agenda 2063, the Africa Energy Transition Framework (AETF), and the AfCFTA Protocol on Trade in Services. The Government shall pursue regional petroleum market integration through: (a) harmonisation of petroleum product quality standards with EAC standards by 2027; (b) participation in AfCFTA Energy Services Protocol negotiations to position Kenya as a petroleum products trading hub; (c) engagement with IGAD on cross-border pipeline and energy infrastructure development; and (d) alignment of national petroleum data standards with the APPO data governance framework."

G. LOCAL CONTENT, TECHNOLOGY TRANSFER AND INDUSTRIALISATION

Section 3.8.7 of the Policy addresses local content but falls significantly short of established regional benchmarks. Uganda's Local Content Act (2017) sets minimum 30% Ugandan equity in petroleum contracts; Tanzania's Local Content Regulations (2017) mandate 81% Tanzanian employment in unskilled and semi-skilled roles; Nigeria's NCDMB framework mandates minimum local content thresholds by contract category. Kenya's Policy, by contrast, contains only aspirational language with no binding percentages or enforcement mechanisms.

G.1 Mandatory Local Content Thresholds

Policy Gap: Section 3.8.7

Recommended Policy Language:

"All petroleum sector operators shall comply with the following mandatory minimum Kenyan local content thresholds: (a) Employment: at least 80% of unskilled and semi-skilled positions, 60% of skilled technical positions, and 30% of senior management and specialised technical positions shall be held by Kenyan citizens within five (5) years of this Policy coming into force; (b) Goods and services: at least 40% of total expenditure on goods and services by value shall be sourced from Kenyan-registered companies with majority Kenyan ownership by Year 3 of implementation, increasing to 60% by Year 7; (c) Equity: NOCK shall have the right to acquire a minimum 10% participating interest in any commercial discovery at no cost (carried interest), exercisable within 90 days of a commercial discovery declaration."

G.2 Technology Transfer Obligations

Policy Gap: Section 3.7 and Section 3.8.7

Recommended Policy Language:

"All exploration and production licence holders and major midstream and downstream operators shall, as a condition of licence or contract award, enter into a Technology Transfer Agreement (TTA) with the Government of Kenya. The TTA shall specify: (a) technologies to be transferred to Kenyan state entities and private companies; (b) training programmes and joint research initiatives to be funded; (c) annual financial contributions to the National Petroleum Technology Development Fund, set at a minimum of 0.5% of annual gross petroleum revenues; and (d) milestones and timelines for technology transfer, subject to annual review by EPRA. Failure to meet agreed milestones shall constitute grounds for licence suspension."

G.3 Linkage with BETA and SME Development

Policy Gap: Chapter 1 and Section 3.8.7

Recommended Policy Language:

"The National Petroleum Policy shall be implemented as a driver of the Government's Bottom-Up Economic Transformation Agenda (BETA) through: (a) mandatory procurement of petroleum sector goods and services from SMEs registered in Turkana, Lamu, Mandera, and other petroleum-producing counties; (b) ring-fencing at least 15% of upstream petroleum sector service contracts for Kenyan MSMEs; (c) establishment of a Petroleum Sector SME Development Programme administered by NOCK in partnership with the Kenya National Chamber of Commerce and Industry; and (d) integration of the Hustler Fund in petroleum sector skills training finance."

H. REGULATORY AND INSTITUTIONAL FRAMEWORK

H.1 EPRA Independence and Governance

Policy Gap: Chapter 4 and Section 3.4

Recommended Policy Language:

"The Government of Kenya affirms the operational and financial independence of EPRA as the primary regulator for the petroleum sector. The Policy shall be implemented in a manner that: (a) ensures EPRA is funded from licence fees and regulatory levies rather than Government appropriations; (b) prohibits the Ministry from issuing regulatory directives to EPRA that override technical and safety decisions; (c) establishes transparent and merit-based processes for the appointment and removal of EPRA Board Members and Director General; (d) requires EPRA to publish annual reports, regulatory accounts, and performance scorecards; and (e) subjects EPRA to quinquennial independent institutional performance reviews."

H.2 Beneficial Ownership Disclosure

Policy Gap: Section 3.5 and Section 3.1

Recommended Policy Language:

"All entities holding petroleum exploration or production licences, refinery licences, or petroleum import/export licences shall disclose the full beneficial ownership chain to EPRA and the Registrar of Companies. Beneficial ownership information shall be updated within 30 days of any change in ownership structure. EPRA shall maintain a publicly accessible Petroleum Sector Beneficial Ownership Register consistent with the Business Registration Service Act and Kenya's Open Government Partnership commitments. The Register shall be audited annually."

H.3 KEBS Role in Petroleum Standards Governance

Policy Gap: Chapter 4 (Institutional Framework)

Recommended Policy Language:

"The Kenya Bureau of Standards (KEBS) shall be the designated standards development authority for petroleum product quality standards, measurement accuracy standards for petroleum custody transfer, and conformity assessment frameworks for petroleum equipment and infrastructure. EPRA shall incorporate KEBS-published standards by reference into all petroleum regulations and licences. KEBS and EPRA shall establish a Joint Petroleum Standards Technical Committee that meets quarterly to review, update, and develop standards required for petroleum sector governance."

I. FISCAL REGIME AND REVENUE MANAGEMENT

I.1 EITI Commitment

Policy Gap: Section 3.5 (Revenue Management)

Recommended Policy Language:

"The Government of Kenya shall formally accede to the Extractive Industries Transparency Initiative (EITI) Standard within 24 months of this Policy coming into force. The Ministry shall designate a national EITI Coordinator and establish a Multi-Stakeholder Group (MSG) comprising government, petroleum companies, and civil society representatives. Annual EITI Reports covering all revenue streams from the petroleum sector, including signature bonuses, royalties, production entitlements, corporate income tax, and surface fees, shall be published and independently reconciled. Kenya's accession to EITI shall be treated as a condition for accessing multilateral development bank financing for petroleum infrastructure."

I.2 Sovereign Wealth Fund Framework

Policy Gap: Section 3.5 (Revenue Management)

Recommended Policy Language:

"The Government of Kenya shall establish a Petroleum Revenue Sovereign Wealth Fund (SWF) within 36 months of the commencement of commercial petroleum production. The SWF shall be governed by the Santiago Principles and shall include: (a) a Stabilisation Fund to smooth government spending during petroleum revenue volatility; (b) a Future Generations Fund to preserve a portion of revenues for post-petroleum era development; (c) a Petroleum Infrastructure Development Fund to finance strategic petroleum infrastructure; and (d) a Local Development Fund channelling a minimum of 10% of petroleum revenues to petroleum-producing counties. The SWF shall be managed by a professional investment board, subject to annual independent audit, and required to publish quarterly investment performance reports."

I.3 PSC Review and Windfall Provisions

Policy Gap: Section 3.1 and Section 3.5

Recommended Policy Language:

"The Government shall review all existing Production Sharing Contracts (PSCs) and their cost recovery and profit oil split provisions within 24 months of this Policy coming into force. New PSCs shall include: (a) a windfall profit tax of 20% on revenues exceeding a pre-agreed cost recovery oil price threshold; (b) a mandatory ring-fencing provision preventing licence holders from offsetting costs across multiple licence areas; (c) periodic re-opener provisions enabling the Government to renegotiate economic terms if oil prices diverge materially from baseline assumptions; and (d) mandatory arbitration in Kenyan jurisdiction for all PSC disputes."

J. SUMMARY TABLE OF RECOMMENDED AMENDMENTS

The table below summarises all 31 recommended amendments. Priority: HIGH = fundamental to policy effectiveness; MEDIUM = significantly improves the Policy; LOW = editorial or technical improvement. HIGH priority amendments are shaded red; MEDIUM amber; LOW green.

No.	Policy Reference	Current Gap	Recommended Amendment (Summary)	Priority
1	Ch.1 Obj.11	No digital transformation objective	Add Objective 11: Promote AI, digital technology, and innovation in the petroleum sector	HIGH
2	Ch.1 Principle 8	No just transition principle	Add Guiding Principle 8: Just Transition	HIGH
3	Sec. 3.1.3(a)	Weak data ownership language	Establish national seismic data repository; all data is sovereign property of GoK; 5-year classification period	HIGH
4	Sec. 3.2.1(b)	No LLCOP governance standards	Establish independent Project Oversight Committee; quarterly public reports; annual EPRA safety audits	HIGH
5	Sec. 3.3.8	No product quality standards mandate	EPRA-KEBS joint quality surveillance; Euro 5 compliance by 2028; mandatory pre-import and/or destination inspection testing	HIGH
6	Sec. 3.7 Chapeau	Technology provisions advisory only	Replace with mandatory technology adoption obligations; binding on new licences; incorporated at renewal	HIGH
7	Sec. 3.7.1(a)	No AI for exploration mandate	Mandatory AI-powered seismic interpretation within 36 months; annual EPRA reporting; NOCK-university research capacity	HIGH
8	Sec. 3.7.2(a)	No digital twin mandate	KPRL and future refineries: Digital Twin by Year 5; KPC pipeline Digital Twin by Year 5; EPRA certification standard by Year 2	HIGH
9	Sec. 3.7.3(a)	No IoT/predictive maintenance mandate	Mandatory IoT pipeline integrity monitoring; real-time data to EPRA; third-party certification required	HIGH
10	Sec. 3.8.2(a)	No data sovereignty framework	All petroleum data is sovereign; no offshore transfer without CS approval; National Petroleum Data Repository; AES-256 encryption; annual cybersecurity audit	HIGH
11	Sec. 3.8.2(b)	No cybersecurity framework	PICMS certified to ISO 27001 and IEC 62443 by 2028; mandatory incident reporting within 24 hours; national Cybersecurity Incident Response Plan by Year 2	HIGH
12	Sec. 3.8.7	No local content thresholds	Mandatory employment thresholds (80/60/30%); goods procurement (40% Year 3, 60% Year 7); NOCK 10% free carried interest	HIGH
13	Sec. 3.8.7	No technology transfer obligations	Mandatory TTA as licence condition; 0.5% revenue contribution to National Petroleum Technology Fund; binding milestones	HIGH
14	Sec. 3.8.7/BETA	No BETA linkage for local MSMEs	15% ring-fenced upstream service contracts for MSMEs in petroleum-producing counties; Hustler Fund skills finance	MEDIUM
15	Sec. 3.8.8(a)	No digital literacy provisions	Annual KNQA-accredited digital skills programmes; NOCK Centre of Excellence for Petroleum Digital Technology by 2027	MEDIUM
16	Sec. 3.8.12	No flaring elimination timeline	Zero routine flaring by 2030; flaring levy USD 3.50/Mscf from 2026 escalating 10%/yr; satellite-linked Flaring Monitoring System	HIGH
17	Sec. 3.8.12	No CCUS provisions	National CCUS regulatory framework within 36 months; NOCK CO2 EOR feasibility by 2027; EPRA CCUS licensing regulations within 48 months	MEDIUM
18	Sec. 3.8.12	No NDC alignment or carbon budget	Petroleum Sector Carbon Budget aligned with NDC 32% reduction; sector emission limits for 2026/2028/2030; mandatory annual GHG inventory verified by KEBS-certified auditor	HIGH
19	Sec. 3.8.12	No just transition framework	National Just Transition Framework within 24 months; 0.5% revenue levy for Just Transition Fund; retraining and county diversification support	HIGH

20	New Sec. 3.8.13	No AfCFTA or regional integration	EAC standard harmonisation by 2027; AfCFTA Energy Services Protocol engagement; IGAD cross-border infrastructure coordination; APPO data standards alignment	HIGH
21	Sec. 3.4/Ch.4	EPRA independence not codified	Fund EPRA from regulatory levies; prohibit Ministerial override of safety decisions; transparent appointment process; quinquennial performance reviews	HIGH
22	Ch.4 Inst. Table	KEBS absent from institutional roles	Add KEBS roles: petroleum product quality standards; custody transfer measurement; conformity assessment; KEBS-EPRA Joint Technical Committee	MEDIUM
23	Sec. 3.5	No beneficial ownership disclosure	Mandatory disclosure to EPRA and Registrar; 30-day update obligation; publicly accessible Petroleum Beneficial Ownership Register; annual audit	HIGH
24	Sec. 3.5	No EITI commitment	Formal EITI accession within 24 months; MSG established; annual independently reconciled EITI Report; EITI as condition for MDB financing	HIGH
25	Sec. 3.5	No sovereign wealth fund	Petroleum Revenue SWF within 36 months of commercial production; governed by Santiago Principles; 4-component structure; quarterly investment performance reports	HIGH
26	Sec. 3.1/3.5	PSC windfall provisions absent	20% windfall profit tax; ring-fencing; re-opener provisions; mandatory Kenyan jurisdiction arbitration for PSC disputes	MEDIUM
27	Sec. 2.3.5	Product quality gap not in situation analysis	Add para. 2.3.5 on petroleum product quality infrastructure gaps; mandate KEBS-EPRA joint surveillance programme by Year 1	MEDIUM
28	Annex II M&E	Technology and quality indicators absent	Add M&E indicators for digital operations certification; product quality compliance; AI exploration tools; flaring reduction; local content by value	MEDIUM
29	Definitions	Key digital terms undefined	Define: digital twin, AI-powered exploration, critical petroleum infrastructure, just transition, data sovereignty, beneficial ownership, sovereign wealth fund, CCUS	LOW
30	All Sections	Permissive language in mandatory areas	Replace "shall endeavour", "may consider", "where possible" with "shall" in provisions on safety, environment, data, and local content	MEDIUM
31	Annex I Impl.	Vague responsibility assignment	Specify lead and supporting institutions for each Annex I activity, distinguishing Ministry, EPRA, NOCK, KPC, KPRL, and KEBS	LOW

K. CONCLUSION AND OFFER FOR FURTHER ENGAGEMENT

The Kenya Bureau of Standards has undertaken this review of the National Petroleum Policy (Sessional Paper No. 4 of 2026) in the spirit of constructive and evidence-based stakeholder engagement. KEBS regards the Policy as a foundational document for Kenya's petroleum sector governance, and wishes to see it succeed in guiding the responsible development of Kenya's hydrocarbon resources for national prosperity.

The 31 recommended amendments presented in this submission are informed by: KEBS's statutory mandate as Kenya's national standards body; Kenya's international commitments including the Paris Agreement NDC, EITI, AfCFTA, and the Africa Energy Transition Framework; global best practices in petroleum sector digital transformation and data governance; and comparative analysis of petroleum policy frameworks in Uganda, Tanzania, Nigeria, and Mozambique.

KEBS respectfully urges the Departmental Committee on Energy to:

1. Prioritise incorporation of the 17 HIGH priority amendments into the Policy before finalisation, as these address fundamental governance, transparency, and sustainability gaps.
2. Direct the Ministry of Energy and Petroleum and EPRA to engage KEBS in the drafting of petroleum product quality standards, measurement accuracy standards for custody transfer, and conformity assessment frameworks.

3. Recommend that the Government initiate the EITI accession process as a matter of urgency, given the international reputational and financing benefits of EITI membership.
4. Commission a rapid assessment of the petroleum sector's digital transformation readiness, with a view to establishing realistic but ambitious timelines for AI, digital twin, IoT, and cybersecurity adoption.
5. Ensure that Turkana and Lamu County Governments are adequately consulted in finalising the local content, just transition, and sovereign wealth fund provisions.

KEBS offers the following specific technical support contributions to Policy finalisation and implementation:

- Development of mandatory petroleum product quality standards aligned with Euro 5 specifications
- Development of measurement accuracy standards for petroleum custody transfer metering systems
- Establishment of a KEBS-certified Petroleum Testing Laboratory for comprehensive petroleum product analysis
- Development of conformity assessment schemes for petroleum equipment including dispensing pumps, storage tanks, and flow meters
- Technical expertise in cybersecurity standards for critical petroleum infrastructure (ISO/IEC 27001, IEC 62443)
- Support for EPRA in developing and implementing a petroleum product quality surveillance programme
- Representation on any technical committee established to develop the Petroleum Sector Digital Technology Standards Framework

KEBS further offers to make a technical oral presentation to the Departmental Committee on Energy at the stakeholder forum scheduled for 5th and 6th June 2026 at Argyle Hotel, Machakos County, to elaborate on any of the inputs contained in this submission.

Submitted on behalf of Kenya Bureau of Standards



Dr. Geoffrey Muriira,
For Managing Director
Kenya Bureau of Standards
Date: 04th June 2026

This submission is made in the public interest and in fulfilment of KEBS's statutory mandate under the Standards Act Cap. 496. All recommendations are made on the basis of technical analysis and are without prejudice to KEBS's regulatory activities. For further information, contact: The Managing Director, KEBS. Email: md@kebs.org; info@kebs.org |

6. TECHNOLOGY TRANSFER AND SUCCESSION PLANNING

- The engagement of expatriate expertise may be necessary in highly specialized areas where local capacity is still developing. However, such engagements should be accompanied by clear technology transfer obligations and structured succession plans.
- Every specialized role occupied by expatriate personnel should contribute to the development of Kenyan understudies through mentorship, coaching, on-the-job training, and skills transfer programs. This will ensure that expertise is retained within the country and that localization objectives are achieved over time.

7. PARTNERSHIPS FOR SUSTAINABLE CAPACITY DEVELOPMENT

- The achievement of local content objectives will require close collaboration between government, regulators, industry operators, training institutions, academia, and international partners.
- Such partnerships should focus on curriculum development, research, innovation, professional certification, technology transfer, and workforce development.

CONCLUSION

PIEA and SPS submit that the success of the Local Content Bill will ultimately be measured by its ability to create opportunities for Kenyans, strengthen local institutions, and build a globally competitive workforce.

We therefore recommend the following;

- Prioritization of accredited local training institutions;
- Skills development across the upstream, midstream, and downstream sectors;
- Industrial attachment, apprenticeships, internships, and workplace-based learning programs
- Standardized competency-based training and certification frameworks;
- Development of artisan and technical skills in critical petroleum operations;
- Structured technology transfer mechanisms and succession planning; and
- Strategic partnerships that strengthen local capacity and knowledge retention.

These measures will ensure that local content moves beyond policy aspiration and becomes a practical vehicle for job creation, skills development, technology transfer, and sustainable national development.

that many employees have limited technical qualifications and relatively short industry experience. It also identified gaps in critical competency areas such as hazard identification and risk assessment.

- The findings from the report highlight the importance of structured technical training, professional certification pathways, and continuous professional development programs that build competence throughout an individual's career.

4. INDUSTRIAL ATTACHMENT AND WORKPLACE LEARNING AS A LOCAL CONTENT TOOL

- One of the most effective ways of developing local expertise is through workplace exposure. While classroom-based training provides essential theoretical knowledge, practical experience enables individuals to apply that knowledge in real operational environments.
- PIEA and SPS therefore recommend that industrial attachment, apprenticeships, internships, graduate trainee programs, and structured mentorship arrangements be explicitly recognized as key components of local content development.
- The continued growth of the sector and diversification of energy sources must be underpinned by a strong culture of safety that emphasizes prevention, compliance, continuous improvement, and accountability. Strong safety cultures protect lives, safeguard investments, strengthen public confidence, and contribute to the sustainable growth of the sector.

5. STRENGTHENING ARTISAN AND TECHNICAL SKILLS

- As LPG adoption expands across the country, there will be increasing demand for skilled artisans and technicians in areas such as LPG installation, autogas systems, depot operations, equipment maintenance, fuel handling, safety management, and emergency response.
- In reference to the report released by EPRA "An analysis on the effectiveness of safety trainings in Liquified Petroleum Gas (LPG) depots in Kenya" in June 2025 it was discovered that while most personnel in LPG operations had received basic safety training, some mandatory training areas were not consistently covered across facilities. This points to the need for standardized training curricula, competency-based certification, and regular refresher training to ensure that workers remain equipped to manage operational risks safely and effectively.

1. CAPACITY DEVELOPMENT ACROSS THE OIL AND GAS VALUE CHAIN;

- We recommend the need to support capacity development across the upstream, midstream, and downstream segments of the petroleum industry.
- The Local Content Bill should wholistically cover the upstream, midstream and downstream segments where significant employment and enterprise opportunities exist in storage, transportation, LPG operations, distribution, retail networks, logistics and related support services which include contracted engineers who do installation, maintenance and repair works including artisan and craft practitioners.
- A comprehensive approach will ensure that Kenyan professionals, technicians, artisans, and entrepreneurs are equipped to participate meaningfully across the entire value chain.

2. RECOGNITION AND UTILIZATION OF LOCAL TRAINING INSTITUTIONS;

- PIEA recommends that government agencies, regulators, state corporations, and industry operators prioritize accredited local institutions when implementing training and capacity-building programs.
- Kenya has invested considerably in developing local training capacity and expertise and has sufficient professional institutions (Universities, Technical Vocational Educational and Training institutions, NITA (National Industrial Training Authority) accredited institutions such as the PIEA School of Petroleum Studies etc.) hence, greater utilization of local institutions will strengthen national knowledge systems, reduce training costs, improve accessibility, and ensure that training programs remain responsive to local industry emerging needs.
- Also, where specialized expertise is not available locally, international partnerships should be encouraged, with a clear emphasis on knowledge transfer and which will ultimately enable skilling, reskilling and upskilling of the labor force while strengthening of local institutions.

3. SKILLS DEVELOPMENT MUST BE DRIVEN BY INDUSTRY NEEDS;

- Effective local content requires a workforce that is prepared for the realities of the industry.
- Training programs should therefore be informed by regular skills-gap assessments and emerging sector requirements. This is in reference to recent findings from EPRA's study on LPG depot safety training underscore this need. The study found

However, they appear regulatory/compliance oriented.

PIEA RECOMMENDATION

We recommend for the promotion of:

- Introduction of Environment, Social and Governance (ESG) being that this is the pathway for sustainable development and therefore which should be applied across the energy sectors.

C. CAPACITY BUILDING PIEA RECOMMENDATION

- Continuous capacity building to ensure that compliance with legal, regulatory and best practice requirements with respect to health, safety and environment are upheld and practices so that there is a safety culture across all oil and gas operations.

D. JUST ENERGY TRANSITION PIEA RECOMMENDATION

The draft NEP discusses Just Energy Transition extensively however there is an opportunity for inclusion of transition measures that do not inadvertently undermine existing investments, jobs and infrastructure within the petroleum value chain.

PIEA RECOMMENDATION

The draft NEP discusses Just Energy Transition extensively however there is an opportunity for inclusion of transition measures that do not inadvertently undermine existing investments, jobs and infrastructure within the petroleum value chain.

2. THE LOCAL CONTENT BILL, NO. 50 OF 2023 SENATE

The Petroleum Institute of East Africa (PIEA) and its capacity building arm subsidiary the School of Petroleum Studies (SPS) welcome the enactment of a robust local content regulatory framework as a critical step towards ensuring that Kenyans derive lasting social and economic benefits from investments in the petroleum and energy sector.

The Local content bill should not be viewed solely as a compliance requirement. Rather, it should serve as a strategic tool for developing Kenyan talent, strengthening local institutions, promoting technology transfer, creating employment opportunities, and enhancing the country's long-term technical and industrial capacity.



- Inadequate Legal/Regulatory Framework
- Inadequate Distribution Infrastructure.

This is an improvement because it moves beyond pure affordability, however, the draft NPP does not have a strong recognition of:

- Awareness and Education to counter Behavioural Barriers
- Safety Perceptions
- Accessibility (Supply Reliability)
- Distribution Density to ease Last-Mile access and availability

all of which have been identified in several LPG adoption studies.

PIEA RECOMMENDATION:

We request that policy interventions be aligned to findings from existing Government and industry LPG adoption studies.

5. ADDITIONAL PIEA COMMENTS:

A. ENERGY SECURITY

PIEA RECOMMENDATION:

- Implementation of strategic petroleum reserves (SPR) as shall be anchored in the requisite Regulation.
- Optimizing the use of existing storage infrastructure to facilitate SPR in the draft NPP.
- Sufficient operational stocks
- Strategic incorporation of other available energy mix for example Autogas, Biofuels and EVs.
- Explicit recognition of petroleum supply security, storage infrastructure, strategic stocks and downstream logistics as integral components of national energy security planning in the draft NPP and NEP.
- Existing petroleum retail and distribution infrastructure should be leveraged to accelerate deployment of emerging energy solutions including EV charging, autogas, biofuels and future alternative fuels.
- Enhanced collaboration between Government and industry to facilitate timely, accurate and secure petroleum sector data sharing for planning, emergency response and policy formulation.

B. ESG / SAFETY CULTURE

There is an entire section on:

- Occupational Health and Safety (OSH)
- Workplace Safety
- Risk Management
- OSHA Compliance
- Safety Awareness.



- clean cooking equipment
- biofuels
- energy technologies

It appears not to explicitly recognize:

- lubricants
- greases
- coolants
- LPG cylinders and accessories manufacturing
- Autogas
- broader downstream petroleum manufacturing value chains (e.g. Autogas conversion kits, electric vehicle (EV) battery charging points in already existing fueling infrastructure, incentivization/enableness of biofuels feedstock supply)

These are important industrialization and local-content opportunities.

3. PREVIOUS PIEA COMMENT: INDUSTRY ASSOCIATIONS MISSING

In our earlier submitted comments we had noted the gap of Professional Industry Associations omitted from implementation institutions.

The implementation framework now recognizes:

- Private Sector
- Civil Society
- Other stakeholders/community participation.

However, there is no explicit recognition of:

- Petroleum Institute of East Africa (PIEA)
- Petroleum Outlets Association of Kenya (POAK)
- And other Industry associations as implementation partners

PIEA RECOMMENDATION:

We request for the explicit inclusion of: "Professional Industry Associations and recognized industry bodies" within implementation structures, technical committees and stakeholder engagement mechanisms.

This is actually quite important because Industry Associations are the organized vehicle through which the private sector participates.

4. PREVIOUS PIEA COMMENT: LPG UPTAKE DRIVERS INCORRECT

In our earlier submissions we challenged the assumption that price was the main barrier to LPG uptake.

The policy now identifies multiple barriers including:

- Inadequate Bulk LPG Facilities
- Price Volatility



PETROLEUM INDUSTRY PETROLEUM INSTITUTE OF EAST AFRICA (PIEA) COMMENTS ON:

1. SESSIONAL PAPER NO. 4 OF 2026 ON THE NATIONAL PETROLEUM POLICY AND SESSIONAL PAPER NO. 5 OF 2026 ON THE NATIONAL ENERGY POLICY
2. THE LOCAL CONTENT BILL, NO. 50 OF 2023

1. PREVIOUS PIEA COMMENT: ENERGY TRANSITION OUGHT TO BE INCLUDED IN POLICY OBJECTIVES

From our assessment Energy Transition is now captured in the Draft National Petroleum Policy (NPP) as the policy objectives now expressly include:

"Support energy transition, green industrialization, environmental and social sustainability."

The policy also has dedicated sections on:

- Energy Transition and Climate Change
- Industrial Energy Transition
- Just Energy Transition
- Carbon Markets and Carbon Financing

PIEA RECOMMENDATION:

We commend inclusion of energy transition however we recommend that:

1. Petroleum products remain recognised as part of Kenya's transitional energy mix; Noting that liquefied petroleum gas (LPG) is a crucial transition energy source and particularly for cleaning cooking agenda. Lubricants are a necessity for both renewable and non-renewable users/uses.
2. Transition pathways be anchored on energy security, affordability, accessibility, and reliability;
3. Implementation should be technology-neutral and market-driven.

2. PREVIOUS PIEA COMMENT: PROMOTE LOCAL MANUFACTURING

In our earlier submitted comments we recommended that the promotion of local manufacturing of lubricants, greases, coolants, LPG cylinders and accessories be explicitly included in the draft NPP.

The draft NPP now includes legislative and fiscal support to promote local manufacturing and trade of clean cooking solutions. It also references local content and optimization of human capacity across the energy sector.

PIEA RECOMMENDATION:

While the policy focuses mainly on:

- LPG



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PIEA/ADMIN 27B

4th June 2026

The Clerk
Kenya National Assembly
Office of the Clerk, Parliament Buildings
P.O. Box 41842 - 00100
NAIROBI

ATT: MR. JEREMIAH W. NDOMBI

Dear Sir,

PETROLEUM INDUSTRY WRITTEN SUBMISSIONS ON THE:

- 1. SESSIONAL PAPER NO. 4 OF 2026 ON THE NATIONAL PETROLEUM POLICY AND
SESSIONAL PAPER NO. 5 OF 2026 ON THE NATIONAL ENERGY POLICY**
- 2. THE LOCAL CONTENT BILL, NO. 50 OF 2023**

We refer to your letter dated 29th May 2026 that we received on the 2nd of June 2026 inviting stakeholders to submit comments on the above policy and legislative proposals.

In accordance with Article 118(1)(b) of the Constitution of Kenya, the Petroleum Institute of East Africa (PIEA) hereby submits the attached Petroleum Industry Memorandum for consideration by the National Assembly Departmental Committee on Energy.

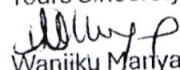
PIEA is a professional association representing stakeholders across the petroleum and energy value chain in East Africa. As part of its mandate, PIEA promotes sustainable, progressive and commercially responsive policy, legal and regulatory frameworks that support national socio-economic development, energy security, environmental sustainability and a just energy transition.

Our submissions acknowledge areas where previous industry recommendations have been incorporated and provide additional recommendations on energy security, local manufacturing, industry participation, Environment, Social and Governance (ESG) and safety culture, capacity building, and local content development across the petroleum value chain.

We trust that the Committee will find the submissions useful during its deliberations and remain available to provide any further clarification or engagement as may be required.

We remain available to provide any further clarification on the proposals submitted.

Yours Sincerely,


Wanjiku Mwangi,
General Manager