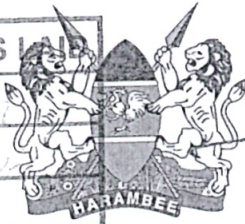


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THE SENATE

TWELVETH PARLIAMENT

STANDING COMMITTEE ON ENERGY

A REPORT ON A PUBLIC HEARING ON THE LOCAL CONTENT BILL
(SENATE BILLS NO 10 OF 2018)

Clerk's Chambers,
First Floor,
Parliament Buildings,
NAIROBI.

JULY, 2018

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1.1 PREFACE

Mr. Speaker Sir,

On behalf of the Senate Committee on Energy and pursuant to provisions of Standing Order 137 (1) of the Senate Standing Orders, it is my pleasant privilege and honour to present to this House the Report of the Committee on its consideration of the Local Content Bill (Senate Bills No. 10 of 2018).

The Bill was committed to the Committee on Thursday, 10th May, 2018 and it is on the basis of this that the Committee makes this report pursuant to Standing Order 127.

1.1 Establishment of the Committee

The Senate Standing Committee on Energy is established pursuant to standing order 212 (3) of the Senate Standing Orders. The Committee is mandated *to consider all matters relating to fossil fuels exploration, development, production, maintenance and regulation of energy.*

In the execution of its mandate, the Committee oversees the Ministry of Mining and Petroleum and the Ministry of Energy.

1.2 Membership of the Committee

The Committee is comprised of the following member-

- | | |
|-------------------------------|-------------------|
| 1. Sen. (Eng.) Ephraim Maina | -Chairperson |
| 2. Sen. Mary Seneta | -Vice Chairperson |
| 3. Sen. Aaron Cheruiyot | -Member |
| 4. Sen. Mithika Linturi | -Member |
| 5. Sen. Susan Kihika | -Member |
| 6. Sen. (Prof.) Imana Malachy | -Member |
| 7. Sen. Ledama Olekina | -Member |
| 8. Sen. Mwaruma Johnes | -Member |
| 9. Sen. Mercy Chebeni | -Member |

1.3 Consideration of the Local Content Bill, 2018

Mr. Speaker Sir,

The Local Content Bill, 2018 underwent first reading on 10th May, 2018 and thereafter committed to the Standing Committee on Energy as provided for in the Standing order 134(1).

Pursuant to Article 118(b) and Standing Order 134(5), which require public participation and involvement in the legislative and other business of Parliament and its Committees, a notification was placed in the mainstream print media on 15th July, 2018 informing the public that the Committee was considering the Local Content Bill, 2018 and inviting them to submit any representation they may have on the Bill.

Mr. Speaker Sir,

The Committee received views from the public and interest stakeholders in a public hearing held on 21st June, 2017. Moreover, the Committee held consultative meetings with the Ministry of Mining and Petroleum to consider pertinent issues that the Bill was seeking to address. Additionally the Committee received written memorandum from various stakeholders as is herein outlined.

The view were taken into consideration and have been considered in arriving at the Committee amendments proposed.

1.4 Acknowledgement

The Committee wishes to thank the Offices of the Speaker and the Clerk of the Senate, for the support extended to it in the processing of this Bill. Similarly, the Committee extends gratitude to the institutions/organisations that made both oral and written submissions.

Mr. Speaker Sir,

It is my pleasant duty, pursuant to Standing Order 137 (1), to lay on table the Report of the Standing Committee on Energy, on the Local Content Bill (Senate Bills No. 10 of 2018).



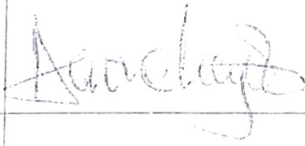
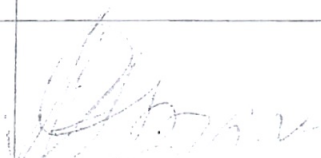
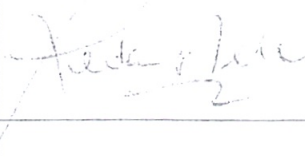
Signed.....

Date..... 26th JULY, 2018

**SEN. EPHRAIM MAINA,
CHAIRPERSON
STANDING COMMITTEE ON ENERGY.**

1.5 Adoption of the Report

We the members of the Senate Committee on Energy have pursuant to Standing Order 199 adopted this Report on the Local Content Bill (Senate Bills No. 10 of 2018) and affix our signatures to affirm our approval and confirm its accuracy, validity and authenticity today Thursday 26th July, 2018:-

No.	NAME	DESIGNATION	SIGNATURE
1.	Sen. Ephraim Maina	Chairperson	
2.	Sen. Mary Seneta	Vice Chairperson	
3.	Sen. Aaron Cheruiyot	Member	
4.	Sen. Mithika Linturi	Member	
5.	Sen. Susan Kihika	Member	
6.	Sen. (Prof.) Imana Malachy	Member	
7.	Sen. Ledama Olekina	Member	
8.	Sen. Mwaruma Johnes	Member	
9.	Sen. Mercy Chebeni	Member	

2.1 INTRODUCTION

The Local Content Bill, 2018 (Senate Bill No. 10 of 2018) was read a first time in the Senate on 10th May, 2018 and Committed to the Standing Committee on Energy, pursuant to Standing Order 134(1) of the Senate Standing Orders.

2.1 Background of the Bill

Article 69(1) of the Constitution imposes an obligation on the State to, among other things,–

- (a) ensure the sustainable exploitation, utilization, management and conservation of the environment and natural resources and ensure the equitable sharing of the accruing benefits; and
- (b) utilize the environment and natural resources for the benefit of the people of Kenya.

In addition, Article 66(2) of the Constitution further provides that –

Parliament shall enact legislation ensuring that investments in property benefit local communities and their economies.

The discovery of a number of natural resources, particularly oil, in Kenya has led to the realization of the existing gap in the framework not only for the management in the utilization of the resource but also in ensuring that the benefits find their way to the local communities in the form of income, capacity building and research and development.

The development of the extractive industry in Kenya has often brought with it disruptive effects particularly with regard to the communities living around the area in which the resource is explored. In particular, the issues of concern which have arisen out of extractive activities include –

- (a) land acquisition by non-locals where resources are discovered and subsequent displacement of such locals;
- (b) low levels of education and capacity to engage or participate in extractive activities;
- (c) lack of employment of the locals or involvement in the processes connected with the extractive activities;
- (d) lack of public participation; and,

- (e) the fact that benefits arising out of these extractive activities do not trickle down to the local communities or benefit the country at large.

These concerns have been intensified by the fact that Kenya does not have in place a legal framework that would ensure the realization of local content in the extractive industry value chain.

In order for the local communities, particularly in areas where the resources are extracted, to benefit from the extraction of resources, there needs to be in place a strong policy and legal framework on local content in the extractive industry value chain. The framework would be expected to facilitate the development of local economies by ensuring the procurement of goods and services by operators that are produced locally, in order to stimulate local industrial development, capacity building and to increase the local capability of local enterprises to meet international standards in the supply of goods and services.

With regard to the extractive industry, local content is expected to occur at the exploration and appraisal stage, the development stage and at the production stage. Having in place a local content law would ensure that attention is directed to one singular objective of developing local content.

2.2 Objects of the Local Content Bill, 2018 (Senate Bill No. 10 of 2018)

This Bill seeks to provide for a framework to facilitate the local ownership, control and financing of activities connected with the exploitation of gas, oil and other mineral resources.

In particular, it seeks to ensure that local content is actualized through –

- (a) involvement of local communities in the various processes of the extractive industry value chain and hence, the development and enhancement of income through training and capacity building, transfer of technology and employment of such locals;
- (b) ensuring that land owners and owners of resources receive the revenue due to them; and,
- (c) targeting income streams to local communities, local enterprises and financial institutions

2.3 Overview of the Bill

The Local Content Bill seeks to provide a legal framework for the development and adoption of local content in order to ensure –

- (a) the development of local economies;
- (b) stimulation of industrial development;
- (c) increase in local capability;
- (d) building of a skilled workforce; and
- (e) the creation of a competitive supplier base.

Part I of the Bill seeks to apply the legislation to all commercial activities related to the exploration, development and exploitation of natural resources in the extractive industry in Kenya. These resources have been defined to mean oil, gas and mining sectors in Kenya. It also sets out the principal objects of the Act and the principles under Article 66 and 66 of the Constitution which are to guide persons and entities that are involved in the extractive industry.

Part II of the Bill sets out the role of the National Governments in ensuring that the objectives of the Bill are realized. In particular, it calls for the identification, by the National Government of sectors along the extractive value chain in which local content opportunities exist and the establishment of mechanisms to enhance the attainment of local content as set out in the Bill. It also calls for the collaboration between the National Government and the County Governments in matters relating to the implementation of the Act.

Part III of the Bill sets out the governance framework in relation to the extractive industry. It provides for the establishment of a Local Content Development Committee whose main role is to ensure the realization of local content through the recommendation and implementation of measures for the development, implementation, monitoring and evaluation of local content and the development of local capacity to take part in the extractive industry processes. This Part sets out the composition of the Committee comprising principally of the principal secretaries in the ministries responsible for matters relating to petroleum, finance, industry and enterprise development and immigration, the Solicitor-General, the chairperson to the Council of County Governors and three other persons representing various players in the extractive industry who shall be appointed by the Cabinet Secretary. The Committee is expected to conduct its affairs through the Secretariat headed by a Director who shall be competitively recruited by the Public Service Commission and appointed by the Cabinet Secretary.

Part IV of the Bill provides a framework for the preparation of local content plans by an operator involved in the extractive industry. The operator is required to set out in these plans, the strategies to be adopted by the operator in ensuring that it attains local content

in the extractive processes that it is involved in. This Part also requires an operator to prepare and submit to the Committee, an employment and skill development plan, a research and development plan, a technology transfer plan and a financial services plan all setting out the manner in which the operator will ensure the uptake of local goods and services and ensure the transfer of know-how and technology to local communities and enterprises in the area in which the extractive industry is to be carried out.

In particular, this Part it imposes an obligation on all operators to give first consideration for the employment of local persons over foreigners, carry out education and training of locals in the various stages of the extractive industry and progressively minimize the employment of foreign staff. For this purpose, it imposes an obligation on the operator to prepare a succession plan for any position not held by a local person.

Part V of the Bill imposes an obligation on an operator to establish a bidding process that promotes the acquisition of goods and services in a manner that would give a fair opportunity to local persons to participate in the supply processes. It also imposes an obligation on the Cabinet Secretary to set a threshold on the minimum Kenyan equity in an extractive industry company, the number of nationals that are to be hired in an extractive industry company and, for this purpose, proposes to impose an obligation on the National Government to carry out corresponding reform measures to ensure that this objective is realized. It also imposes an obligation on the Cabinet Secretary, on the advice of the Committee, to put in place tax incentives, including exemptions aimed at facilitating the realization of local content.

Part VI imposes an obligation on an operator to submit its annual work plan which sets out the estimate of the local content component of the extractive activities undertaken by the operator during the period under consideration and an annual statement of the expenditure incurred in that process. It imposes an obligation on the Committee to make recommendations for the implementation of support measures to promote the realization of local content. This Part also provides for a framework for the conduct of public participate and sets out penalties for the breach of the provisions of the Act.

Part VII sets out transitional provisions with respect to existing contracts and agreements entered into by an operator prior to the commencement of the Act.

3.1 PUBLIC PARTICIPATION / STAKEHOLDER CONSULTATIONS ON THE LOCAL CONTENT BILL, 2018

Pursuant to Article 118 of the Constitution and Standing Order No. 134 (5), the Senate Standing Committee on Energy, held a public hearing on Local Content Bill, (Senate Bill No. 10 of 2018) and met with various stakeholders to discuss the Bill.

The Committee received submissions from the following stakeholders alongside the general public -

1. The Ministry of Petroleum and Mining
2. Kenya Oil and Gas Association
3. Easter Africa Extractive Consulting Ltd
4. Kenya Chamber of Mines
5. George Mati Mucee
6. Energy Solution Africa Limited
7. Strathmore University
8. Base Titanium
9. Mr. Tony Paul

The submissions received by the Committee on Energy are summarized as below:

	CLAUSE	STAKEHOLDER	PROPOSED AMENDMENT	RATIONALE FOR AMENDMENT	COMMITTEE RESOLUTION
1.	Preamble	Eastern Africa Extractive Consulting Limited	The words “other petroleum resources” be substituted with “minerals” for the Bill to substantively provide for the extractive industry and rationalize this inconsistency.	In the introduction section also known as the preamble, the Bill restricts/limits itself to gas, oil and other petroleum resources. However, Section 2 of the Bill assigns the meaning of 'extractive industry' as oil, gas and mining sectors in Kenya.	Rejected
		Geothermal Association of Kenya	The Bill should incorporate the value chain of geothermal energy.	The Geothermal sector, like the oil, gas and mining sectors attract foreign corporates to operate in the country. The industry players propose that the Bill covers the geothermal sector.	
2.	Clause 2	Kenya Chamber of Mines	Definition of “extractive industry” should be retained as is to exclude mineral resources.	This is correct since the extractive industry refers to mineral resources and petroleum resources. Section 3 of the Local Content Bill states that “This Act shall apply to	Rejected

	CLAUSE	STAKEHOLDER	PROPOSED AMENDMENT	RATIONALE FOR AMENDMENT	COMMITTEE RESOLUTION
				<p>all commercial activities related to the exploration, extraction, development and exploitation of oil, gas and other petroleum resources in the extractive industry in Kenya.</p> <p>This is very clearly guided and excludes the mineral resources.</p> <p>Then, if the mineral resources are excluded, which Act provides for their administration? It the Mining Act 2016</p> <p>Section 2 of the Mining Act 2016 states “This Act shall apply to the minerals specified in the First Schedule”.</p> <p>The First Schedule in the Mining Act 2016 provides comprehensive listings of the mineral resources on which the Act applies. It should be</p>	

	CLAUSE	STAKEHOLDER	PROPOSED AMENDMENT	RATIONALE FOR AMENDMENT	COMMITTEE RESOLUTION
		<p>Turkana County Government</p> <p>Kenya Oil and Gas Association</p>	<p>The following amendments are proposed for inclusion</p> <p>“host community” means the community or communities living in the sub-county which is, or sub-counties which are the source of the extractive resource or resources being the subject of the extractive activities of an operator; and</p> <p>“host county” means the county which is,</p>	<p>noted that the listings deliberately exclude oil, gas and other petroleum resources as was stipulated under Section 3 of the Mining Act when it states that ‘Save to the extent provided for in this Act, this Act shall not apply to matters relating to petroleum and hydrocarbon gases.</p> <p>It would then be right to state that the Mining Act does not envisage a situation where it deal with oil, hydrocarbon gases (gas) and other petroleum resources.</p> <p>It is essential to include the definitions of these terms because their use is proposed hereinafter for purpose of giving priority to persons from host counties and host communities to benefit from the local content plans and local</p>	

	CLAUSE	STAKEHOLDER	PROPOSED AMENDMENT	RATIONALE FOR AMENDMENT	COMMITTEE RESOLUTION
		<p>Energy Solutions Africa Limited</p> <p>Turkana Natural Resources Governance Hub</p>	<p>or counties which are the source of the extractive resource or resources being the subject of the extractive activities of an operator.</p> <p>In the definition of the term “company” there should be clarity with respect to the use of the word “effectively” in the definition.</p> <p>The following words should be defined –</p> <ul style="list-style-type: none"> (a) company (b) capacity building (c) financial services (d) indigenous skills (e) research and development (f) technology transfer <p>The term “local company” be re-defined</p>	<p>content development strategies.</p> <p>These terms have been used in the Bill and should be defined to avoid ambiguity.</p>	

	CLAUSE	STAKEHOLDER	PROPOSED AMENDMENT	RATIONALE FOR AMENDMENT	COMMITTEE RESOLUTION
		<p>George Mati Mucee</p> <p>Eastern Africa Extractive Consulting Limited</p> <p>Geothermal Association of Kenya</p> <p>Ministry of Petroleum</p>	<p>to be deemed to be one that is effectively owned and controlled by Kenyans if it has not less than 51% equity shares by Kenyans”.</p> <p>Local content should be defined as the sum of the inputs of local goods and services, including employment, provided in oil and gas operations.</p> <p>Locals should be classified into three categories: national locals, county locals and community locals. National locals should be defined as the citizens or residents of the country. County locals should be defined as the residents or citizens of the county and community locals should be defined as the residents of the area around the extractive.</p> <p>It would be necessary to determine who is</p>	<p>There is need to clearly and explicitly define a local company.</p>	

	CLAUSE	STAKEHOLDER	PROPOSED AMENDMENT	RATIONALE FOR AMENDMENT	COMMITTEE RESOLUTION
			<p>a local and what local means. Local person should be defined to the specific man or woman historically residing in the area where such a project is taking place.</p> <p>Substitute 50% with an irreducible minimum percentage of 20% to be reviewed progressively.</p> <p>The definition of the word “extractive sector” should include the value chain of the geothermal energy sector in Kenya.</p> <p>Include the definition of the term “joint venture company”.</p>	<p>It would be important for a bigger percentage of the community around the project to benefit from the projects through employment. Hence,</p> <p>Labour and services used in the manufacture of local goods must be at least 50% of the cost of the finished product. This higher requirement may not be practical to our developing economy.</p> <p>By definition, the term extractive covers the extraction of natural resources from the subsurface for commercial use. The development of geothermal resources, under the definition falls within the bracket of extractives.</p> <p>This term has been used in clause 25(1)(a) and it would be important</p>	

	CLAUSE	STAKEHOLDER	PROPOSED AMENDMENT	RATIONALE FOR AMENDMENT	COMMITTEE RESOLUTION
				to define it as an entity established in Kenya.	
3.	Clause 3	Turkana County Government	Clause 3 should be amended to apply to all natural resources in the extractive industry.	It is a constitutional imperative that all resources should be utilized for the benefit of the people of Kenya, pursuant to Article 69(1)(h). Therefore, the Local Content Bill, once passed, should secure the rights of citizens to benefit not only in oil, gas and other petroleum resources, but across all extractive industries in Kenya.	Adopted
		Acacia Exploration Kenya Limited	<p>The clause should be reviewed to ensure that the Bill only applies to the oil, gas and petroleum sectors.</p> <p>A provision may be inserted as follows –</p> <p>Where a Statute or Statutes prescribe the details of local content in a particular natural resource sector, the provisions of</p>	The term extractive industry is defined in the Bill as oil, gas and mining sectors. Clause 3 can be interpreted to extend the application of the Bill to other sectors in the extractive industry including the mining sector. There already exist legislation (regulations) that regulate local	Rejected

	CLAUSE	STAKEHOLDER	PROPOSED AMENDMENT	RATIONALE FOR AMENDMENT	COMMITTEE RESOLUTION
			<p>that Statute or Statutes shall apply in respect of that sector. Or</p> <p>Wherever “extractive industry” is mentioned without specific mention of restriction to oil, gas and petroleum within the extractive industry, such restriction may be included.</p>	<p>content in the mining sector and hence, these provisions would be a duplication of the existing legislation.</p>	
		George Mati Mucee	<p>The application of the Bill should extend to all sectors of the Kenyan economy that in effect guides specific sectors as the case may be.</p>	<p>The very specific nature of the Bill may bring about a situation where each sector seeks to come up with its own law on local content which would be a duplication of laws and would confuse people. It would be more appropriate to have a local content law that sets the framework to guide all sectors with one board and secretariat that is comprised of stakeholders from key industries. Whereas the sectors may be diverse, the approach should basically be the same in that it should result in the</p>	Adopted

	CLAUSE	STAKEHOLDER	PROPOSED AMENDMENT	RATIONALE FOR AMENDMENT	COMMITTEE RESOLUTION
				empowerment of Kenyans to compete fairly with others regardless of the sector.	
		Eastern Africa Extractive Consulting Limited	<p>Replace “other petroleum resources” with “minerals”.</p> <p>Amend the section to read “.....all commercial activities in and related to the exploration.....” to ensure all activities are included.</p>	<p>The use of “other petroleum resources” is limiting in view of the fact that the extractive industry has been</p> <p>The use of “all commercial activities related to the exploration” locks out core activities during exploration.</p>	Adopted
		Geothermal association of Kenya	The application of the Bill should be extended to include the geothermal sector.	To align it with the proposed amendment for inclusion of the geothermal value chain in the Bill.	-
4.	Clause 4	Kenya Chamber of Mines	<p>The following words to be inserted before the extractive to eliminate the possible ambiguous situation; “oil, gas and other petroleum resources of” to read as follows:</p> <p>Section 4(a) The objects and purposes of</p>	<p>Section 4(a) of the Local Content Bill states:</p> <p>The objects and purposes of this Act are to—</p> <p>(a) promote the maximization</p>	Rejected

	CLAUSE	STAKEHOLDER	PROPOSED AMENDMENT	RATIONALE FOR AMENDMENT	COMMITTEE RESOLUTION
			<p>this Act are to—</p> <p>(a) promote the maximization of value-addition and the creation of employment opportunities in the oil, gas and other petroleum resources of the extractive industry value chain through the use of local expertise, goods, services, businesses and financing and their retention in the country;</p>	<p>of value-addition and the creation of employment opportunities in the extractive industry value chain through the use of local expertise, goods, services, businesses and financing and their retention in the country;</p> <p>The section fails to qualify the resources within the extractive industry impacted by Section 4(a) since the extractive industry is interpreted to include mineral resources listed in the First Schedule in the Mining Act 2018.</p> <p>This hence brings about ambiguity, which should be eliminated from this Bill.</p>	
		Eastern Africa Extractive Consulting Limited	<p>Paragraph (d) Amend the paragraph to read “.....sustainable local labour force.....”</p>	The use of the words “sustainable labour force” is open to foreign labour force which is not an objective or purpose for which an	Adopted

	CLAUSE	STAKEHOLDER	PROPOSED AMENDMENT	RATIONALE FOR AMENDMENT	COMMITTEE RESOLUTION
				Act of Parliament will be established	
5.	Clause 6	Turkana County Government	Sub-clause (2) This should be amended to refer to subsection (1).	To correct a typographical error.	Adopted
		Eastern Africa Extractive Consulting Limited	Sub-clause (2) Amend the subsection to make reference to subsection (2)	Makes reference to subsection (2) instead of subsection (1)	
6.	Clause 7	Eastern Africa Extractive Consulting Limited	Paragraph (b)(i) Replace the word “locals” with “local persons” because the meaning of local person has been provided for Paragraph (b)(ii) Assign the tasks if identifying the in-country programmes to the Committee so as to have this subsection read as follows- “...in-country programmes identified by the Committee...” A similar duty tantamount to self assessment by the operator should be	Makes reference to locals yet the meaning of locals hasn’t been provided for Reference is made to in-country programmes yet no entity or individual has been tasked to come up with such programmes The duty to Measure and report the performance of operators in the extractive industry with respect	Adopted

	CLAUSE	STAKEHOLDER	PROPOSED AMENDMENT	RATIONALE FOR AMENDMENT	COMMITTEE RESOLUTION
			bestowed on the operators	to local value addition is bestowed upon the Committee	
		Ministry of Petroleum	Paragraph (b)(iv) Replace the word “wealth capture” with the word “wealth creation”.	The objective is to ensure wealth creation and not wealth capture. Hence, the provision should be amended to reflect this.	Adopted
7.	Clause 8	Turkana County Government	The clause should be renumbered to read as clause 8 and not sub-clause (1).	To correct the numbering.	Adopted
			The following function should be inserted immediately after paragraph (f) as follows – (g) in cooperation with the Secretariat of the Committee, identify, register and keep a database of, and share with the Committee, the database of the locally available goods and services in the County for local content consideration	The county government is well placed to identify goods and services obtaining within its jurisdiction. It is essential to give this role to county governments to ensure that qualified and merited individuals and entities are considered.	

	CLAUSE	STAKEHOLDER	PROPOSED AMENDMENT	RATIONALE FOR AMENDMENT	COMMITTEE RESOLUTION
8.	Clause 9	Energy Solutions Africa Limited	The Bill should be in sync with the Petroleum Bill and local content policy.	<p>The Executive is in the process of preparing a policy on local content that is overarching. The policy will create an institution to administer local content that is similar to the proposed local content development committee.</p> <p>The Petroleum Bill also requires plans to be submitted to the Upstream Petroleum Regulatory Authority, the Mining Act requires the plan to be submitted to the Cabinet Secretary while the Bill requires a local content plan to be submitted to the local content committee.</p>	Rejected
9.	Clause 9 and 10	Turkana County Government	The Local Content Committee proposed to be established under the Bill should be retained and at an appropriate time, the functions proposed to be conferred on the Authority with respect to proposed to be established under the Petroleum Bill	There are plans to create another entity for the management of local content in the petroleum industry, namely, the Upstream Petroleum Regulatory Authority (herein "Authority") created under clause	Rejected

	CLAUSE	STAKEHOLDER	PROPOSED AMENDMENT	RATIONALE FOR AMENDMENT	COMMITTEE RESOLUTION
			should be withdrawn.	<p>14 of the Petroleum (Exploration, Development and Production) Bill, 2017 (herein “Petroleum Bill”) which is currently pending before the National Assembly.</p> <p>One of the functions of the Authority under Clause 78(1) Petroleum Bill is to “...supervise, co-ordinate, and manage the development of local content.” This local content is specific to the petroleum industry. We thus have two Bills that seek to establish two separate entities to manage local content. The difference is that the one under the Local Content Bill will manage the local content in the entire extractive industry, while the entity under the Petroleum Bill will have authority over the local content in petroleum industry only.</p>	

	CLAUSE	STAKEHOLDER	PROPOSED AMENDMENT	RATIONALE FOR AMENDMENT	COMMITTEE RESOLUTION
				It makes sense to have a one-stop shop for management of local content across the entire extractive industry, instead of have specialized local content authorities for each subsector of the extractive industry. Have one entity for all promotes the ideal of the prudent use of public finance espoused in Article 201(d) and principle of good governance under Article 10(2)(c) of the Constitution.	
10.	Clause 11	Energy Solutions Africa Limited	Impose a requirement on the local content development committee to establish a database which will set out the available opportunities and qualified and certified local suppliers and ensure that this information is accessible to the public.	This will be in line with Article 35 of the Constitution.	Adopted

	CLAUSE	STAKEHOLDER	PROPOSED AMENDMENT	RATIONALE FOR AMENDMENT	COMMITTEE RESOLUTION
11.	Clause 12(1)	Turkana County Government	Amend paragraph (e) to provide for the nomination of seven persons by the Council of Governors, four of whom should be representative of host counties.	The Council of Governors comprises all the forty-seven counties. Being an umbrella body representing the interests of forty-seven counties, it amounts to inadequate representation for the Council to have only two representatives in the Committee. Extractive industries operate in counties. Therefore, county governments need influential presence in critical decision-making organs such as this Committee.	Rejected
		George Mati Mucee	The Committee should include representatives from the Immigration, labour and other relevant departments in Government.	The composition of the Committee should not be restricted to persons who are in the extraction industry as there are other critical stakeholders whose inclusion in the Committee would be important if the Committee is to effectively carry out its functions.	Rejected

CLAUSE	STAKEHOLDER	PROPOSED AMENDMENT	RATIONALE FOR AMENDMENT	COMMITTEE RESOLUTION
	Eastern Africa Extractive Consulting Limited	Provide for the Permanent Secretary responsible for matters relating to education or a representative designated in writing	Committee lacks representation from the Ministry of Education yet such ministry is key in building educational capacity in the extractive industry	Adopted
	Geothermal Association of Kenya	<p>The membership of the Committee should include the Principal Secretary responsible for matters relating to geothermal energy or a representative designated in writing.</p> <p>The persons to be nominated should be categorised into two: one person nominated from the deep well drilling sectors (geothermal, oil and gas); and the other nominee to be drawn from the mining sector.</p>	<p>This will be in line with the proposed amendment to include the geothermal sector in the Bill and further, ensure that the sector is represented on the Committee.</p> <p>This will ensure that all relevant sectors are represented in the Committee.</p>	Rejected
	Ministry of Petroleum	Include representatives from the Ministry of Education and the Ministry of Industrialisation.	These are critical in ensuring that the objectives of local content are met.	Adopted

	CLAUSE	STAKEHOLDER	PROPOSED AMENDMENT	RATIONALE FOR AMENDMENT	COMMITTEE RESOLUTION
12.	Clause 19	Turkana County Government	<p>Sub-clause (1) The word “petroleum” should be replaced by “extractive” so as to read as follows –</p> <p>The Cabinet Secretary shall designate an appropriate administrative unit within the Ministry responsible for matters relating to the extractive industry to serve as the Secretariat of the Committee.</p>	The Committee’s mandate is not limited to petroleum industry. It covers the entire extractive industry. Therefore, it’s secretariat should not be placed under a unit confined to petroleum matters only.	Rejected
		Geothermal Association of Kenya	One of the members to serve in the secretariat designated by the Cabinet Secretary should be drawn from the Ministry responsible for matters relating to geothermal energy.	This will ensure that the geothermal sector is adequately represented.	Rejected
13.	Clause 21	Turkana County Government	<p>Sub-clause (1) The provision should be amended to vest the power to set the minimum local content to be applied by operators under the Act in the Committee.</p>	The Committee is well represented, taking care of various constituencies of interests, and therefore it is expected that their product in the minimum local content will be inclusive.	Rejected

	CLAUSE	STAKEHOLDER	PROPOSED AMENDMENT	RATIONALE FOR AMENDMENT	COMMITTEE RESOLUTION
14.	Clause 22	Kenya Oil and Gas Association	<p>Sub-clause (1) The term “person” should be replaced with the term “applicant”.</p> <p>Sub-clause (2) The term “operator” should be replaced with the term “person”.</p>	<p>The proposed amendment seeks to give clarity so as to distinguish between long term local content plans required to be submitted by an applicant and annual local content plans required to be submitted by an Operator.</p> <p>Without this clarity, there is confusion as to what exactly is being approved before an approval to carry out an extractive activity is granted given that an Operator (as referred to in section 22(2) is already licensed to carry out operations as per the interpretation in section 2.</p> <p>Additionally, given licensing requirements under the Petroleum Act (Also under the proposed Petroleum Bill), to require an Operator to be subject to an additional approval process under</p>	<p>Adopted</p> <p>Rejected</p> <p>Adopted</p> <p>Rejected</p>

	CLAUSE	STAKEHOLDER	PROPOSED AMENDMENT	RATIONALE FOR AMENDMENT	COMMITTEE RESOLUTION
			<p>Sub-clause (2)(b) The sub-clause be delinked from sub-clause (2), renumbered as sub-clause (3) and amended to read as follows –</p> <p>“An operator shall, once approval to carry out the extractive activity is granted, submit an annual local content plan with respect to each year of the programme in relation to the extractive activity.”</p> <p>Sub-clause (3)(b) The words “standards for the remuneration” be replaced with the words “minimum wages applicable for such employees”.</p>	<p>this section introduces unpredictability for the investor.</p> <p>The approval of the long term local content plan submitted by an applicant to the Committee under this section needs to be aligned with approval/bidding processes for a licence under the Petroleum Act (Section 8 as read with 9(1)(h)) Also under the proposed Petroleum Bill (Section 44(1) as read with 46(1)(g))</p> <p>Clarity is needed on what is meant by “standards of remuneration”.</p> <p>In the alternative, this sub-section may be reworded to require an Operator to indicate the minimum wages applicable for employees</p>	

	CLAUSE	STAKEHOLDER	PROPOSED AMENDMENT	RATIONALE FOR AMENDMENT	COMMITTEE RESOLUTION
			<p>Sub-clause (5) The clause be amended to insert the words “long term” immediately after the words include in the to read as follows –</p> <p>“An applicant shall subject to the provisions of this Act and for the purposes of subsection (2), include in the long term local content plan, the following plans.”</p>	<p>engaged in its activities. Ideally, government should advise on standards.</p> <p>The approval of the long term local content plan submitted by an applicant to the Committee under this section needs to be aligned with approval/bidding processes for a licence under the Petroleum Act (Section 8 as read with 9(1)(h)) Also under the proposed Petroleum Bill (Section 44(1) as read with 46(1)(g))</p>	Rejected
		Ministry of Petroleum	<p>Sub-clause (1) Review to provide for the submission of field development plans.</p> <p>Sub-clause (3)(c) It would be important to specify in the Bill</p>	<p>The appropriate plans that should be submitted at the inception stages are field development plans. Local content plans ought to be submitted after discovery of the resource.</p>	Rejected

	CLAUSE	STAKEHOLDER	PROPOSED AMENDMENT	RATIONALE FOR AMENDMENT	COMMITTEE RESOLUTION
			<p>who conducts the skill gaps assessment. This should be carried out by the Committee.</p> <p>Sub-clause (5) The provision should be drafted in a manner that would be facilitative to the operator.</p>	This will ensure clarity with respect to the obligation to carry out a skills gap assessment.	
15.	Clause 23	Kenya Oil and Gas Association	<p>Sub-clause (1), (3), (5) and (6) Sub-clause (1) be amended to make reference to the submission of a long term local content plan</p>	<p>Proposed amendment seeks to give clarity so as to identify the plan that is required to be reviewed in the manner provided under section 23. This is also consistent with the process envisioned under section 23(2)(b).</p> <p>Alignment: The approval of the long term local content plan submitted by an applicant to the Committee under this section needs to be aligned with approval/bidding processes for a licence under the Petroleum Act</p>	Rejected

	CLAUSE	STAKEHOLDER	PROPOSED AMENDMENT	RATIONALE FOR AMENDMENT	COMMITTEE RESOLUTION
				(Section 8 as read with 9(1)(h)). Also under the proposed Petroleum Bill (Section 44(1) as read with 46(1)(g))	
16.	Clause 24	Eastern Africa Extractive Consulting Limited	<p>Sub-clauses (1)(d), (2), (3) and (4) Amend these clauses to assign the role of local content certification to a department at the Secretariat.</p> <p>Further provide for regulations that will govern the certification</p>	The provision for independent certifying agents are unnecessary layers of administration and may inadvertently create an environment for corruption	Adopted
17.	Clause 25	Kenya Oil and Gas Association	<p>Sub-clause (1)(b) Insert the following proviso immediately after paragraph (b) –</p> <p>Provided that said technology transfer strategies conform to applicable intellectual property rights and are based on mutually agreed terms of transfer with the owner of the referenced technology.</p>	<p>There is an imposition of obligations of technology transfer strategies on the Operator.</p> <p>For an upstream oil and gas operations, the Operator is not the holder/ owner of the technology used as it usually sub-contracts to local/international companies for the required services. It is therefore onerous to require the Operator to prepare and implement</p>	Rejected

	CLAUSE	STAKEHOLDER	PROPOSED AMENDMENT	RATIONALE FOR AMENDMENT	COMMITTEE RESOLUTION
				<p>strategies for technology transfer that it does not own or hold any rights and has no capacity to control the transfer.</p> <p>To oblige a Service Provider to transfer its technology without clear guidelines on intellectual property rights, poses the risk of being saddled with old/obsolete technology that will not benefit of the country.</p>	
18.	Clause 26	Turkana County Government	<p>Sub-clause (2)(b) The term “local community” be replaced with the term “host community”. This term should replace the term “local community” where used in other parts and provisions of the Bill. Thus, the provision should read as follows –</p> <p>(2) An employment and skill development plan submitted under subsection (1) shall include—</p>	<p>Although the provision uses the term local community, the Bill does not provide definition of this term. The change is proposed so that the term is aligned to the proposed definition of host community.</p> <p>This will also help to avoid the temptation to try to give the term “local community” a definition that is closer to the definition of</p>	Rejected

	CLAUSE	STAKEHOLDER	PROPOSED AMENDMENT	RATIONALE FOR AMENDMENT	COMMITTEE RESOLUTION
			<p>(a) ...</p> <p>(b) a time frame within which the operator, or other connected entity shall provide employment opportunities for the local workforce for each phase of the extractive activity to enable members of the local community prepare for such opportunities;</p>	<p>the term “local person” in terms of geographical scope. It is noteworthy that in the Bill, “local person” is a person or entity whose principal place of business is Kenya.</p>	
19.	Clause 27	Kenya Oil and Gas Association	<p>Sub-clause (1)(a) The obligation to supply training locally should be imposed on the Ministry responsible for the particular and not the operator, in consultation with the Committee.</p>	<p>Unreasonable Burden: This provision places an unreasonable and undue burden on operators by making them totally responsible for the training of all affected Kenyans.</p> <p>Existing Training Fund: Given that under the various PSCs, the Operator is already paying an annual training levy to the Ministry of Petroleum & Mining sometimes more than Ksh 30</p>	Rejected

	CLAUSE	STAKEHOLDER	PROPOSED AMENDMENT	RATIONALE FOR AMENDMENT	COMMITTEE RESOLUTION
				<p>Million per block, the onus of training as envisioned in this section, should then be passed on to the Ministry and not left to the Operator. Accordingly, this obligation is best placed to be performed by the Ministry responsible for the sector under reference.</p> <p>State Responsibility: The responsibility of the State to organize and administrate training of local persons and public officers is also consistent with the constitutional and legal framework on education and training. (Article 55 (a), Industrial Training Act etc.</p>	
			<p>Sub-clause (3) The term “operator” should be replaced with the term “Ministry”</p>	<p>Onerous Burden: The definition of Public Officer as defined under Article 260 of the Constitution is very wide and presupposes that the Operator should train every Public</p>	-

	CLAUSE	STAKEHOLDER	PROPOSED AMENDMENT	RATIONALE FOR AMENDMENT	COMMITTEE RESOLUTION
				<p>Officer who expresses interests in upstream operations.</p> <p>Existing Training Fund: Given that under the various PSCs, the Operator is already paying a training levy to the Ministry of Petroleum & Mining sometimes more than Ksh 30 Million annually per licence, the onus of training as envisioned in this section, should then be passed on to the Ministry and not left to the Operator.</p> <p>KEPTAP: There exist under the World Bank funded Kenya Petroleum Training Assistance Programme (KEPTAP), resources to train public officials. Accordingly training of public officers should be under MoPM / KEPTAP.</p>	

	CLAUSE	STAKEHOLDER	PROPOSED AMENDMENT	RATIONALE FOR AMENDMENT	COMMITTEE RESOLUTION
				<p>State Responsibility: The responsibility of the State to organize and administrate training of local persons and public officers is also consistent with the constitutional and legal framework on education and training. (Article 55 (a), Fourth Schedule, Part 1 (32)) and Industrial Training Act).</p>	
		Ministry of Petroleum	<p>Sub-clause (1) The provision should be drafted in a manner that is facilitative for the operator.</p>	<p>Given that operators work with sub-contractors, the most appropriate approach to take would be to impose an obligation on the operators to facilitate the local training and implementation of the capacity building strategies.</p> <p>An obligation should also be imposed on the Committee to take part in the capacity building and training of local persons in order to enhance their employability and ability to render services required</p>	Adopted

	CLAUSE	STAKEHOLDER	PROPOSED AMENDMENT	RATIONALE FOR AMENDMENT	COMMITTEE RESOLUTION
				<p>with respect to the operations.</p> <p>The Committee should be forward thinking and pre-empt gaps that exist and training needs and put in place measures to address them in advance.</p> <p>There is also a need to ensure that our training institutions are adequately equipped to handle and address any training needs that may have been identified and offer the relevant trainings.</p>	
20.	Clause 28	Kenya Oil and Gas Association	<p>Sub-clause (2)(a)</p> <p>The local personnel maintained by the operator should not solely be determined by the Committee but should be based on the operator's scope of business and as agreed between the Committee and the operator.</p> <p>In addition, the local personnel to be</p>	<p>Consensus: The Bill to be amended to provide for consensus with the Operator and for recruitment requirements to be based on operations of the project.</p> <p>Scope of Operations: For the avoidance of doubt and to act responsibly with respect to</p>	Rejected

	CLAUSE	STAKEHOLDER	PROPOSED AMENDMENT	RATIONALE FOR AMENDMENT	COMMITTEE RESOLUTION
			maintained should be persons who have the requisite expertise and qualifications.	<p>stakeholder expectations, it is important to state that the recruitment of local personnel is subject to qualification and scope of Operator's operations.</p> <p>Safety: Qualifications and expertise are important in the oil and gas industry to ensure safety of the operations and efficiency.</p>	
21.	Clause 29	Kenya Oil and Gas Association	<p>Sub-clause (2) The Bill to be amended to remove restrictive approach towards succession planning.</p>	<p>Nationalization: It would be best to simply share a plan on how to nationalise the positions held by expatriates as compared to restricting it as proposed.</p> <p>Challenges: Considering the normal attrition within any organization, it would be a challenge to give specific names of persons earmarked to replace expatriates as some of these positions; external recruitment</p>	Rejected

	CLAUSE	STAKEHOLDER	PROPOSED AMENDMENT	RATIONALE FOR AMENDMENT	COMMITTEE RESOLUTION
				may have to be done to replace the expatriate. Furthermore, some jobs are undertaken on a short-term basis and it is therefore difficult to come up with a succession plan for such jobs.	
22.	Clause 30	Kenya Oil and Gas Association	Sub-clause (1)(a) and (b) The formulation and publicizing of the proposed strategic plan on the transfer of technology should be done in collaboration with the owner of the technology.	Ownership; Transfer of technology in the absence of mutually agreed terms with the owner of the technology will amount to expropriation of intellectual property rights and therefore, the owners of technology need to be consulted.	Rejected
23.	Clauses 32(1), 33(1) and 34	Kenya Oil and Gas Association	The Bill to be amended to replace the word “operator” with “owner of technology”.	For the upstream oil and gas sector, the Operator is not the holder/ owner of the technology used as it usually sub-contracts to local/international companies for the required services. It is therefore onerous, if not infeasible to require the Operator to prepare	Rejected

	CLAUSE	STAKEHOLDER	PROPOSED AMENDMENT	RATIONALE FOR AMENDMENT	COMMITTEE RESOLUTION
				<p>and implement strategies for technology transfer that it does not own or hold any rights and has no capacity to influence/control the transfer/ assignment/ deployment of the technology under reference.</p> <p>Further, section 34 as worded requires an Operator to submit an annual report prior to commencement of its activities. It is impractical to expect the Operator to report on activities it has not started.</p>	
24.	Clause 35	Kenya Oil and Gas Association	<p>Sub-clause (1) The section should be amended so as to be applicable to operators that are involved in research and development. It should read as follows –</p> <p>Where an operator is involved in research and development, it shall prepare and submit to the Committee, its research and</p>	<p>Definition Required: Research and Development (R&D) with reference to the petroleum sector needs to be defined. Does it refer to technological research and development etc.?</p> <p>Service Companies and R&D: Generally, most of oil and gas</p>	Rejected

	CLAUSE	STAKEHOLDER	PROPOSED AMENDMENT	RATIONALE FOR AMENDMENT	COMMITTEE RESOLUTION
			development plan.	<p>Operators worldwide are not involved in Research and Development, given their reliance on service companies which offer the specialised services to the Operator and which are more likely to be involved in research and development.</p> <p>Funding: For the oil and gas sector, it is envisioned under the Energy Bill (sec 55), that an agency would be established to carry out research and development in the sector and shall attract private sector funding. Further, the Operator is already required under the Petroleum Training Fund Regulations 2006 to contribute to the training fund for Kenyans in the upstream sector.</p>	
25.	Clause 37	Eastern Africa Extractive Consulting	Sub-clause (1) A statutory formula to inform the	The percentage for the funds set aside for research and	Rejected

	CLAUSE	STAKEHOLDER	PROPOSED AMENDMENT	RATIONALE FOR AMENDMENT	COMMITTEE RESOLUTION
		Limited	percentage to be used be prescribed. This clause should be a clause in the model Production Sharing Contracts in the proposed Petroleum Bill, 2017.	development is not statutory stated nor is it a fixed percentage. This leaves room for discretion to the Cabinet Secretary and gives room for the Operator to manoeuvre out of it.	
		Ministry of Petroleum	We should be clear as to the nature of research that is it to be carried out by an operator and the use to which the monies set aside by an operator to conduct research will be put to.		-
26.	Clause 38	Ministry of Petroleum	Sub-clause (1) The entire clause needs to be reviewed given the fact operators cannot be tied to local financial institutions.	Financial services plans: we should be more prescriptive. We also need to know what kind of financial services that are being referred to.	Adopted
		Kenya Oil and Gas Association	Sub-clause (5) The definition of “indigenous Kenyan Bank” should be amended to provide as follows – For the purpose of this section, "an indigenous Kenyan Bank means a bank	Indigenous Banks & Shareholding: This definition limits the Operator’s ability to open and maintain a bank account with banks in Kenya, cognisant of the changing shareholding within the Banking Sector including local	Rejected

	CLAUSE	STAKEHOLDER	PROPOSED AMENDMENT	RATIONALE FOR AMENDMENT	COMMITTEE RESOLUTION
			that has been duly licensed by the Central Bank of Kenya to carry out banking activities in Kenya.”	banks that have had to allow for foreign investment to improve the service delivery/ensure compliance with CBK thresholds.	Rejected
		Eastern Africa Extractive Consulting Limited	Sub-clause (3) as read with clause 45(2) Provide for the definition of an indigenous Kenyan bank and a non-indigenous Kenyan company	The is no definition of an indigenous Kenyan bank and a non-indigenous Kenyan Company respectively	
27.	Clause 39	Kenya Oil and Gas Association	Sub-clause (2)(b) Deletion of the word “remuneration” from the provision.	Constitutional Right to Privacy: Publication of employee remuneration as envisioned in this section shall be an infringement of Article 31 of the Constitution and section 6 of the Access to information Act (limitation of right to access) Privity of Contract: Additionally, the principles of “privity of contract” come into play with regard to disclosure of employee’s salaries, unless consent is obtained from them.	Rejected

	CLAUSE	STAKEHOLDER	PROPOSED AMENDMENT	RATIONALE FOR AMENDMENT	COMMITTEE RESOLUTION
28.	Clause 40(1)	Kenya Oil and Gas Association	<p>Sub-clause (1) The provision should be amended to ensure that an operator complies with the provisions of the Act while taking into account the findings on the level of local content as set out under clause 11 as follows –</p> <p>The Committee shall within thirty days after receipt of the local content performance report under section 3941, assess and review the report, to ensure compliance with the provisions of this Act taking into consideration the findings made level of local content in the Country as assessed under section 11 of the Act.</p>	For avoidance of doubt and for purposes of predictability, it is important that the assessment is measured against the qualified services and goods assessed to have been available in –country.	Rejected

	CLAUSE	STAKEHOLDER	PROPOSED AMENDMENT	RATIONALE FOR AMENDMENT	COMMITTEE RESOLUTION
			<p>Sub-clause (2) Amend the clause to allow for the submission of a reasonable notice of not less than forty eight hours by the Committee to an operator for access to facilities and documentation that may be required for the conduct of an assessment and verification of the local content performance report.</p> <p>A further clause should be inserted as sub-clause (3) to allow for the observance of confidentiality in the access of documentation as follows –</p> <p>(3) The Committee and any employee or designated agent of the Committee having had access pursuant to subparagraph (2) above shall observe strict confidentiality in respect of all information obtained and not disclose such information to any person except with the explicit prior written approval of the relevant contractor, sub-contractor,</p>	<p>The Bill should be amended to specify that access should be during normal working hours and after issuance of a 48 hours' notice to the operator so as to ensure efficiency.</p> <p>There is need to provide for the confidentiality of information acquired during investigations carried out under this section.</p>	

	CLAUSE	STAKEHOLDER	PROPOSED AMENDMENT	RATIONALE FOR AMENDMENT	COMMITTEE RESOLUTION
			licensee., or other entity.		
29.	Clause 41	Kenya Oil and Association	Sub-clause (3)(c) An additional condition should be imposed that preference to a local person over a foreign entity in the evaluation of bids for the procurement of goods and services should be given if “the goods and services meet the relevant extractive industry standards with regard to quality, quantity and timelines”.	The provision imposes a strict requirement on operators to acquire goods which are locally produced whether or not they meet the quality required by the industry. The Bill should be amended in order to ensure that the quality of goods is considered.	Rejected
		Turkana County Government	A proviso should be included for first preference to be given to local persons from the host county or counties where the resource is found and where the operator is carrying out the extractive activities.	It is necessary to empower the surrounding communities.	Rejected
		Kenya Oil and Association	Sub-clause (4) An additional condition should be imposed that preference to a local person over a foreign entity in the evaluation of	The provision imposes a strict requirement on operators to acquire goods which are locally produced whether or not they meet	Rejected

	CLAUSE	STAKEHOLDER	PROPOSED AMENDMENT	RATIONALE FOR AMENDMENT	COMMITTEE RESOLUTION
			bids for the procurement of goods and services should be given and a tender awarded if “the goods and services meet the relevant extractive industry standards with regard to quality, quantity and timelines”.	the quality required by the industry. NOTE: (This provision to offer contracts to indigenous Kenyan companies even if they do not have the lowest bid is an unfair obligation on the operator and likely to increase project costs up to 10%.)	
30.	Clause 43	Kenya Oil and Association	Sub-clause (2) Impose a requirement for the Cabinet Secretary to take into account the findings made under clause 11 in authorising the importation of the required goods and services where not available locally.	For avoidance of doubt and for purposes of predictability as well as guiding the Cabinet Secretary decision, it is important that the conditions and approvals are well informed by the baseline survey.	Rejected
31.	Clause 44	Kenya Oil and Association	Sub-clause (3) Subject the provision to existing laws, unless exempted by the Committee.	State entities are guided by existing law e.g. Public Procurement and Disposal Act hence cognizance needs to be taken to avoid nullification of the process envisaged under this	Rejected

	CLAUSE	STAKEHOLDER	PROPOSED AMENDMENT	RATIONALE FOR AMENDMENT	COMMITTEE RESOLUTION
				<p>section.</p> <p>Committee needs to be granted discretionary powers to accommodate unique situations or circumstances e.g. where threshold may not be met and yet activity or operation at hand needs to be undertaken expeditiously.</p>	
32.	Clause 47	Kenya Oil and Association	<p>Sub-clause (2) Subject the provision to existing laws, unless excepted by the Committee. Also make provision for consultation with the Operator in addition to the Committee.</p>	<p>Existing Laws: Cognizance needs to be given to existing laws that govern taxation & training and accord a right & privilege to a party as envisaged under section 23 of the Interpretation and General Provisions Act (Cap 2).</p> <p>Consultation: Given that the section targets the Operator's revenue i.e. property, the Operator has a right to be consulted.</p> <p>Existing Training Fund: Under the</p>	Rejected

	CLAUSE	STAKEHOLDER	PROPOSED AMENDMENT	RATIONALE FOR AMENDMENT	COMMITTEE RESOLUTION
				various PSCs, the Operator is already paying a training levy to the Ministry of Petroleum & Mining of up to Ksh 30 Million annually, the imposition of an additional levy is onerous.	
		Turkana County Government	Outline general guiding principles on the areas and scope of the application of the Fund. From these principles, the Cabinet Secretary can then create regulations to implement them.	<p>The original provision establishing the Fund leaves a broad discretion to the Cabinet Secretary to define the areas and scope of application of the Fund.</p> <p>There is a risk that the discretion left to the Cabinet Secretary may be improperly used. Therefore clear boundaries must be set by the general body of principles on the utilization of the Fund.</p>	Rejected
33.	Clause 48	Kenya Oil and Association	Sub-clause (4) The clause be amended to allow for the advertising of tenders in Kenya and where necessary, internationally.	The current wording of the provision is too restrictive. Operators should be allowed to advertise locally at first instance	Rejected

	CLAUSE	STAKEHOLDER	PROPOSED AMENDMENT	RATIONALE FOR AMENDMENT	COMMITTEE RESOLUTION
			<p>Sub-clause (5) Proposed deletion</p>	<p>and internationally where necessary without the need for approval (i.e.) red-tape as is the case currently.</p> <p>The baseline survey/findings under section 11 should also inform and guide the need for the operator to advertise internationally without prior approval.</p>	
34.	Clause 49	Eastern Africa Extractive Consulting Limited	<p>Sub-clause (3)(e) A similar section should be provided to enable the Committee assess how much is paid to foreigners as against the locals</p>	Only applies to expenditure incurred in terms of payments made to the locals	Rejected
35.	Clause 50	Eastern Africa Extractive Consulting Limited	<p>Sub-clause (2) The Committee's report to the Cabinet Secretary should be submitted annually</p>	Makes reference to a report by the Committee to be submitted to the Cabinet Secretary but does not stipulate the frequency for submission of such report.	Adopted

	CLAUSE	STAKEHOLDER	PROPOSED AMENDMENT	RATIONALE FOR AMENDMENT	COMMITTEE RESOLUTION
36.	Clause 51	Kenya Oil and Association	<p>Sub-clause (2) Impose a requirement for a forty eight hour notice prior to access to conduct an assessment and verification of the local content information reported by an operator.</p> <p>Insertion of new sub-clause (3) as follows –</p> <p>(3) The Committee and any employee or designated agent of the Committee having had access pursuant to subparagraph (2) above shall observe strict confidentiality in respect of all information obtained and not disclose such information to any person except with the explicit prior written approval of the relevant contractor, sub-contractor, licensee., or other entity.</p>	<p>The Bill should be amended to specify that access should be during normal working hours and after issuance of a 48 hours' notice to the operator to ensure efficiency.</p> <p>Requiring the Operator to permit an agent to access records should be subject to any other written law i.e. the right to privacy under Article 31 of the Constitution and the limitation of the right to access to information under section 6 of the Access to information Act.</p>	Rejected

	CLAUSE	STAKEHOLDER	PROPOSED AMENDMENT	RATIONALE FOR AMENDMENT	COMMITTEE RESOLUTION
37.	Clause 54	Turkana County Government	Sub-clause (1) and (3) Enhance the fine proposed to ten million shillings from two million shillings.	<p>A maximum fine of two million Kenya shillings set out under sub-clause (1) is not deterrent enough, especially where operators whose worth may be too enormous to feel a penalty of up to two million shillings. A maximum fine of ten million shillings is likely to have a deterrent.</p> <p>It is not fair to subject a local to a higher fine of three million for acting as a front for a foreign entity (see clause 54(2)) while subjecting operators, which are mainly foreign entities to a significantly lower penalty.</p> <p>Considering the economic scale of operators, a fine of up to a maximum of three million shillings proposed under sub-clause (3) may not be felt by, or serve as a deterrent to them. A fine</p>	Adopted

	CLAUSE	STAKEHOLDER	PROPOSED AMENDMENT	RATIONALE FOR AMENDMENT	COMMITTEE RESOLUTION
				of up to ten million Kenya shillings is likely to serve as a deterrent.	
		Eastern Africa Extractive Consulting Limited	The stated maximum penalties be converted into minimum penalties. Clarify whether a breach of any other provision of the Bill constitutes an offence other than those stated in section 54	The offences created under this section attract a maximum penalty and no minimum penalty. This is open to abuse because an offender can actually be found guilty but no penalty is metted on them.	Adopted
38.	Clause 57	Kenya Oil and Association and Eastern Africa Extractive Consulting Limited	Sub-clauses (3)(a) and (4)(a) Delete reference to neglected children and county executive committee member as having the power to make regulations.	To correct an error in the Bill.	Adopted
39.	Clause 58	Geothermal Association of Kenya	Extend the application of the transitional provision to arrangements, agreements, contracts or memoranda of understanding in the geothermal sector.	This is to align it with the proposal for the inclusion of the geothermal sector in the Bill.	Rejected
40.	New clause-transitional provision	Kenya Oil and Association	Insert a new transitional provision as follows– An Operator or a connected entity having	Transitional period is needed for purposes of compliance. If the period is too short, the Operators will be prone to fail and be	Rejected

CLAUSE	STAKEHOLDER	PROPOSED AMENDMENT	RATIONALE FOR AMENDMENT	COMMITTEE RESOLUTION
		obligations under this Act, shall comply with this Act within twenty-four (24) months after the commencement of this Act.	exposed to hefty fines and/or custodial sentences if the transition period is too long, it will likely raise anxiety or discouragement to the stakeholders and the local suppliers/citizens. Accordingly, Industry proposes a reasonable transition period of 24 months.	
	Turkana County Government	Insert a new transitional provision to include all other extractive industry agreements.	This is in line with the proposal and local content covers the entire extractive industry.	Rejected
General submissions	Energy Solutions Africa Limited	Exclude the mining industry from the ambit of the Bill. The bill should put more provisions specifically on strategies to address local ownership. This includes joint ventures and local equity participation. This is in order to make Kenyans not only supplier to the industry but also owners. Local ownership has just been identified but the Bill has not provided the strategies to		Noted

	CLAUSE	STAKEHOLDER	PROPOSED AMENDMENT	RATIONALE FOR AMENDMENT	COMMITTEE RESOLUTION
			<p>realize it as it has done for other measures such as training, research and development , local sourcing of goods and local employment.</p> <p>The bill has devolved the local content bill by bringing in active participation of county governments but it is not clear how county government will implement the bill for locals within the county. It needs to be clear if it intends that locals within the county will get more preference.</p> <p>The local content bill will have conflicts with the Mining Act 2016 and the Petroleum Bill. Senate should consider these to ensure that there is no conflict. This is due to the fact that the Act’s focus keeps referring to the extractive industry to include mining.</p> <p>There should be consideration given as to what exactly is meant by transfer of technology. It should be clear which technology is to be transferred so as to</p>		

	CLAUSE	STAKEHOLDER	PROPOSED AMENDMENT	RATIONALE FOR AMENDMENT	COMMITTEE RESOLUTION
			<p>avoid over burdening of the investors and intellectual property right claims arising in the future.</p> <p>The country should be clear what area of skills development should be properly developed. This will lead to establishment of centers of excellence that will guide in development of capacity required for the identified skills. Therefore we propose that the bill includes the establishment of centers of excellence. This can also call for regional integration through collaboration in these centers for excellence.</p> <p>The level of employment to be developed is very important. The country should not only aim at achieving employment but there should be levels indicated. This is to ensure there are locals participating right from managerial level. This will ensure that the country not only gets to understand the operations of the industry</p>		

	CLAUSE	STAKEHOLDER	PROPOSED AMENDMENT	RATIONALE FOR AMENDMENT	COMMITTEE RESOLUTION
			<p>but also the business.</p> <p>Not only should there be transfer of technology but there should also be provision that encourages innovation. This will enhance creativity in the industry and encourage development.</p>		
33	General comment	George Mati Mucee	<p>There is in place a Kenyanization policy at the Department of Immigration which is required to ensure that only jobs that require skills not readily available in Kenya are held by expatriates with a view to localizing the jobs over time, through the Department of Immigration Services. The Kenyanization function still therefore exists and is considered for all permit applications in line with the localisation policy.</p> <p>The Bill should task the relevant ministries to work with technical schools, universities and companies setting up in the sector to develop a curriculum to train</p>	<p>In terms of human capital, the Bill seems to focus on the role to be played by the government ministries in charge of education and energy. The Government is</p>	Noted

	CLAUSE	STAKEHOLDER	PROPOSED AMENDMENT	RATIONALE FOR AMENDMENT	COMMITTEE RESOLUTION
			<p data-bbox="667 252 1258 338">Kenyans to make them ready for the market when the projects start running.</p> <p data-bbox="667 1082 1258 1343">It would be necessary to determine how to ensure implementation and compliance with the provisions of the Bill. Issues that have hampered implementation include political interference and corruption which make it difficult for implementers to</p>	<p data-bbox="1285 252 1778 434">well aware that Kenya is on its path to being an oil producer yet there are no properly trained professional in this field.</p> <p data-bbox="1285 491 1778 1168">To require that only companies that will be involved in the sector should train and avail skills required is tantamount to the Government absconding its duties. Whereas the operators in the industry will be required to offer tailored skills to their employees to enable them perform, the overall responsibility of training citizens in readiness for the industry should lie with the relevant ministries and universities following a curriculum jointly developed by key stakeholders.</p>	

	CLAUSE	STAKEHOLDER	PROPOSED AMENDMENT	RATIONALE FOR AMENDMENT	COMMITTEE RESOLUTION
			implement legislation. It would therefore be important to ensure that the relevant stakeholders are consulted to get buy-in including Government agencies such as Immigration, KRA, the Police and Labour who are critical players and whose cooperation would be necessary for the implementation of the law.		
	Clauses 9 to 20	Eastern Africa Extractive Consulting Limited	Rearrangement of clauses as follows – <ol style="list-style-type: none"> 1. Establishment of the Legal Content Development Committee, 2. Membership of the Committee, 2. Term of office 3. Qualification for appointment, 4. Disqualification from membership, 5. Functions of the Committee, 6. Assessment of local capabilities, 7. Conduct of the affairs of Committee, 8. Sub-committees of the Committee, 9. Vacation of office of member, 10. Secretariat, 		Noted

	CLAUSE	STAKEHOLDER	PROPOSED AMENDMENT	RATIONALE FOR AMENDMENT	COMMITTEE RESOLUTION
			11. Functions of the Secretariat		
	General submission	Eastern Africa Extractive Consulting Limited	<p>There is need to safe guard other sectors of the Kenyan economy even as we venture into oil exportation to avoid as a nation from being a victim of what in economics is known as the dutch disease. The Dutch disease as defined in Wikipedia is the relationship between the increase in economic development of a specific sector (for example natural resources) and a decline in other sectors (like the manufacturing and agricultural sectors). The putative mechanism is that as revenues increase in the growing sector (or inflows of foreign aid), the given nation's currency becomes stronger (appreciates) compared to currencies of other nations (manifest in an exchange rate). This results in the nation's other exports becoming more expensive for other countries to buy, and imports becoming cheaper, making those sectors less competitive.</p>		Noted

	CLAUSE	STAKEHOLDER	PROPOSED AMENDMENT	RATIONALE FOR AMENDMENT	COMMITTEE RESOLUTION
	General submission	Turkana Natural Resources Governance Hub	<p>Local content policy objectives</p> <p>Local content bill should have the following objective:</p> <p>(a) To maximize the benefits of oil and gas wealth generation on a comprehensive local content platform by:</p> <p>(i) Maximizing the use of expertise, goods and services, job creation for people, businesses and financing in the oil and gas industry value chain and</p> <p>(ii) Retention of the benefit within country</p> <p>(b) To develop local capability in the oil and gas value chain through education, skills and expertise development, transfer of technology and know-how and an active research and development.</p>		Noted

	CLAUSE	STAKEHOLDER	PROPOSED AMENDMENT	RATIONALE AMENDMENT	FOR	COMMITTEE RESOLUTION
			<p>(c) To target some agreed level of local content and local participation in all aspects of oil and gas industry value chain.</p> <p>(d) To increase capabilities and international competitiveness of domestic business and industrial sectors.</p> <p>(e) To create/enhance supportive capabilities and/or industries that can sustain economic development.</p> <p>(f) The county and community should be given opportunity to invest in mid-stream or down-stream activities, including providing transport trucks, buying shares into the pipeline, providing oil tankers etc</p> <p>Knowledge and transfer There should be knowledge transfer from</p>			
			-			

	CLAUSE	STAKEHOLDER	PROPOSED AMENDMENT	RATIONALE FOR AMENDMENT	COMMITTEE RESOLUTION
			<p>(a) Foreign to local county and local community participants to ensure that county locals and community locals are given the opportunity to participate fully at all levels, in all roles and disciplines required for the conduct of the sector's business and operations, so as to build and enhance capacity in people, companies, government or other services, utilities, institutions, infrastructure or facilities to support the oil and gas sector;</p> <p>(b) oil to other sectors by using revenue from oil to increase productivity of other sectors, to produce goods and services that meet international standards, to reduce imports, and to generate export opportunities.</p> <p>To ensure that benefits are shared equitably 70% of all levels of employments and business opportunities (including more lucrative and long-term</p>		

	CLAUSE	STAKEHOLDER	PROPOSED AMENDMENT	RATIONALE FOR AMENDMENT	COMMITTEE RESOLUTION
			<p>contracts) should go to county local and community local while 30% should go to national local.</p> <p>Achievement of local contents should be measured by considering income received by locals, revenues accrued by owners of land and resources, income streams to local shareholders and creditors, and number of county locals and community locals employed into senior and other positions in the company.</p> <p>Local Capacity Building shall be measured in a variety of ways, including number of people trained, number of people certified, number of firms certified, level and value of technology introduced, infrastructure built, capital introduced into local economy.</p> <p>The county government, national government and investor shall improve skills development by identifying demand,</p>		

	CLAUSE	STAKEHOLDER	PROPOSED AMENDMENT	RATIONALE FOR AMENDMENT	COMMITTEE RESOLUTION
			<p>current capability and gaps; developing and implementing strategies for growth, and involving various stakeholders in improving or expanding training, including –</p> <ul style="list-style-type: none"> (a) the industry skills (b) business skills and (c) experience base via: <ul style="list-style-type: none"> (i) education (ii) on the job training (iii) mentoring, coaching and (iv) research <p>The county government, national government and investor shall improve supplier development by –</p> <ul style="list-style-type: none"> (a) Enhancing existing capacities by improving existing supplier capabilities through LC &Cd best practices <ul style="list-style-type: none"> (i) Supplier selection (ii) Long-term contracts 		

	CLAUSE	STAKEHOLDER	PROPOSED AMENDMENT	RATIONALE FOR AMENDMENT	COMMITTEE RESOLUTION
			<ul style="list-style-type: none"> (iii) Contract/KPI management (iv) Supplier skill <p>(b) Investing un new assets/capabilities</p> <p>(c) Creating regional/global centre of excellence</p> <p>Government and investor priorities should be investment in –</p> <p>(a) people by developing</p> <ul style="list-style-type: none"> (i) High valued-added skills, including (ii) Technical (iii) General management (iv) Design engineering (v) Project management (vi) Seismic processing (vii) Human resource development <p>(b) Technology, business know-how, diversification by developing skills in -</p>		
			<ul style="list-style-type: none"> (i) Fabrication (ii) Saismic processing & data (iii) Management 		

	CLAUSE	STAKEHOLDER	PROPOSED AMENDMENT	RATIONALE FOR AMENDMENT	COMMITTEE RESOLUTION
			(iv) Operations & maintenance (v) Maritime services (vi) Business support services <ul style="list-style-type: none"> • Accounting • HR Services • IT support • Consulting • Financing • logistics 		
	General Submission	Ministry of Petroleum	The Bill places onerous obligations on the operator yet we do not know if what is in existence is commercially viable. It would therefore be important to determine what the strategic objectives are in enacting the Bill		Noted

4.1 COMMITTEE AMENDMENTS

Following extensive consultations and discussions, the Committee proposes the following amendments to the Bill-

CLAUSE 3

THAT clause 3 of the Bill be amended by inserting the words “and minerals” immediately after the words “other petroleum resources”.

CLAUSE 4

THAT clause of the Bill be amended –

- (a) by deleting the words “and their retention in the country” appearing at the end of paragraph (a);
- (b) in paragraph (d) by inserting the word “local” immediately after the words “capable and sustainable”; and
- (c) in paragraph (f) by deleting the word “content” appearing immediately after the words “through local” and substituting therefore the word “capacity”.

CLAUSE 6

THAT clause 6 of the Bill be amended in sub-clause (2) by deleting the expression “(2)” and substituting therefor the expression “(1)”.

CLAUSE 7

THAT clause 7 of the Bill be amended –

- (a) in paragraph (b) by –
 - (i) deleting sub-paragraph (i) and substituting the following new paragraph –
 - (i) managing, in collaboration with the relevant State entity, the pace and scheduling of extractive industry programmes in order to enable local

persons to take advantage of the opportunities along the extractive value chain;

- (ii) inserting the words “identified by the Committee” immediately after the words “in-country programmes” in sub-paragraph (ii)
- (iii) deleting the word “capture” appearing immediately after the words “development and wealth” in paragraph (iv) and substituting therefor the word “creation”.

(b) in paragraph (d) by inserting the words “developed by the respective Ministries” immediately after the words “across all policy frameworks”.

CLAUSE 8

THAT clause 8 of the Bill be amended –

(a) by inserting the following new paragraph immediately after paragraph (f) –

(fa) collaborate with the Committee in the identification of goods and services that are available within the respective county and keep a data base of such goods and services;

CLAUSE 10

THAT clause 10 of the Bill be amended in sub-clause (2) by inserting the words “the relevant Ministries and the relevant stakeholders” immediately after the words “the county governments”.

CLAUSE 11

THAT clause 11 of the Bill be amended by –

(a) renumbering the existing provision as sub clause (1);

(b) inserting the following new sub-clause immediately after the new sub-clause (1) –

(2) The Committee shall avail for inspection by members of the public, the register kept by it under subsection (1).

CLAUSE 12

THAT clause 12 of the Bill be amended in sub-clause (1) by–

(a) inserting the following new paragraph immediately after paragraph (d) –

(da) the Principal Secretary responsible for matters relating to education or a representative designated in writing;

(b) in paragraph (e) by inserting the words “from persons residing in a county in which extractive activities are being undertaken”.

CLAUSE 19

THAT clause 19 of the Bill be amended in sub-clause (1) by deleting the words “Ministry responsible for matters relating to the petroleum industry” appearing immediately after the words “unit within the” and substituting therefor the words “respective Ministry”.

CLAUSE 22

THAT clause 22 of the Bill be amended –

(a) in sub-clause (2) by deleting the word “operator” appearing at the beginning of the sub-clause and substituting therefor the word “applicant”;

(b) in sub-clause (3) by–

(i) deleting the word “operator” appearing at the beginning of the introductory clause and substituting therefor the word “applicant”;

(ii) deleting paragraph (c) and substituting therefor the following new paragraph –

(c) workforce development strategies in relation to locals including training plans and projections to address any competency gaps that may have been identified by the Committee and the operator in relation to the local labour force;

(c) by deleting the introductory clause in sub-clause (4) and substituting therefor the following new introductory clause –

An applicant shall set out in the applicant’s local content plan, the strategies through which the applicant shall –

CLAUSE 26

THAT clause 26 of the Bill be amended –

(a) in sub-clause (2) by -

- (i) deleting the word “operator” appearing at the beginning of the sub-clause and substituting therefor the word “applicant”;
- (ii) deleting the word “skills” appearing immediately after the words “specification of the” in paragraph (a)(i) and substituting therefor the word “competencies”;

(b) in sub-clause (3) by deleting the word “operator” appearing at the beginning of the introductory clause and substituting therefor the word “applicant”.

CLAUSE 27

THAT clause 27 of the Bill be amended by inserting the following new sub-clause immediately after sub-clause (4) –

(4a) The Committee shall –

- (a) in consultation with the relevant Ministries, operators and stakeholders, identify existing gaps in competencies and skills in the local workforce;
- (b) develop a common competency system and development plan within the respective sectors and for the various disciplines required in the extractive industry;
- (c) maintain a database of the skills and competencies available locally; and

- (d) collaborate with the relevant Ministries in building the capacity of local training institutions to administer the trainings necessary to develop the skills and competencies identified under paragraph (a).

CLAUSE 38

THAT clause 38 of the Bill be amended by –

- (a) deleting sub-clause (3); and
- (b) deleting sub-clause (5).

CLAUSE 42

THAT clause 42 of the Bill be amended by deleting the words “grant of a licence” appearing immediately after the words “company in the”.

CLAUSE 50

THAT clause 50 of the Bill be amended in sub-clause (2) by deleting the word “a” appearing immediately after the words “the Cabinet Secretary” and substituting therefor the words “an annual”.

CLAUSE 54

THAT clause 54 of the Bill be amended –

- (a) in sub-clause (1) by deleting the words “not more than two million shillings or to imprisonment for at term of not more than three years” appearing immediately after the words “a fine of” and substituting therefor the words “at least ten million shillings or to imprisonment for a term of at least three years”;
- (b) in sub-clause (2) by deleting the words “not more than three million shillings or to imprisonment for at term of not more than five years” appearing immediately after the words “a fine of” and substituting therefor the words “at least five million shillings or to imprisonment for a term of at least five years”;
- (c) in sub-clause (3) by deleting the words “not more than three million shillings or to imprisonment for at term of not more than five years” appearing immediately after

the words “a fine of” and substituting therefor the words “at least ten million shillings or to imprisonment for a term of at least five years”;

- (d) in sub-clause (5) by deleting the words “not exceeding eight hundred thousand shillings or to imprisonment for at term not exceeding twelve months” appearing immediately after the words “liable to a fine” and substituting therefor the words “of at least five million shillings or to imprisonment for a term of at least three years”.

CLAUSE 57

THAT clause 57 of the Bill be amended –

- (a) in sub-clause (3) by deleting the words “neglected children” appearing immediately after the words “in relation to” in paragraph (a) and substituting therefor the words “the extractive industry”;
- (b) in sub-clause (4) by deleting the words “county executive committee member” appearing immediately after the words “authority of the” in paragraph (a) and substituting therefor the words “Cabinet Secretary”.

5.1 COMMITTEE GENERAL OBSERVATIONS

In its consideration of the Bill, the Committee made the following observations-

1. The success of any Local Content legislation is measured by the in-country value accruing to all citizens during the life of the project and after it winding done;
2. There is discrepancy in the provisions for local content provisions for different natural resources, moreover, local content requirements do not extend to large infrastructure projects;
3. There is a need to access the nations capacity to participate actively in the various natural resources extraction value chains;
4. In- country value cannot be measured in the form of employment, consideration must be given to the caliber of employment, the improved capacity and enterprise development;
5. Continuous, monitoring and evaluation will be critical to ensuring compliance with the local content requirements; and
6. Whereas the target is to achieve maximum participation in the extractives value chain of local employees and companies, the achievement of this goal will be gradual.

6.1 COMMITTEE RECOMMENDATIONS AND CONSLUSIONS

6.1 Recommendations

The Committee hereby makes the following general recommendations-

1. Value accruing from local content should be measured as against benefits the whole country and not be localized to specific counties of communities;
2. There is a need to harmonize the various provision on Local content through an overarching national Local Content Policy;
3. The government should embark on an assessment of the nation's capacity to actively participate in the extractives value chain by developing and maintaining a register of the in-country capabilities;
4. Local content should contribute not only to employment but also to the development of local enterprises; and
5. The Government should empower the Local Content Development Committee to continuously monitor, evaluate and advise on the development of local content in Kenya

6.2 Conclusion

The value of Local Content on the African continent cannot be gain said. Across the content there are numerous examples or resource exploitation whose impact did not affect the lives of the local communities. The objective here then is to learn from our mistakes. This is the rationale behind the Local Content Bill, 2018

While the Bill is primarily focused at ensuring local communities and Kenyans at large reap their due rewards from the extraction of their own resources, it also carefully recognizes the role of multinational firms. It fosters stakeholder collaboration, the goal we seek to achieve cannot be reached without collaboration between public, private, civil society and community stakeholders. The Bill provides an opportunity for Kenya to develop new and dynamic comparative advantages around the extractives industry. This is directed at developing globally competitive supplementary industries across the value chain of the various extractive sectors. This will go a long way in ensuring that Kenya

continues to benefit from natural resources long after we have run out of our own to exploit.

7.1 APPENDICES

7.1 Minutes

7.2 Advertisement

7.3 Memoranda received

7.4 List of participants at Public hearing