

Players support Moi Bill that gives locals big say in natural resources

Proposed law by Baringo senator will ensure that benefits trickle down to local communities

By WILFRED AYAGA

Stakeholders yesterday backed a proposed law that seeks to give locals a greater say in the management of their natural resources.

The Local Content Bill 2016 sponsored by Baringo Senator Gideon Moi received support from various interested parties who also made proposals to improve the Bill, which has far-reaching recommendations to ensure that resource benefits trickle down to the local communities.

Among those at the public hearings yesterday were the Kenya Private Sector Alliance (Kepsa), Tullow Oil, World Wildlife Fund (WWF), Jomo Kenyatta University of Agriculture and Technology (JKUAT) and the Kenya Oil and Gas Working Group.

Kepsa is pushing for the definition of penalties and consequences for companies that do not comply with specified regulations.

It also wants the Energy Committee of the House to champion policy initiatives that would bring on board other sub-sectors whose work directly impacts local communities.

"This will cure the multiplicity of legislation and regulations prescribing different provisions with regard to local content. It will also create certainty in determining and establishing a legislative framework that supports the growth of extractive industries," Kepsa said in its presentation.

The Kenya Oil and Gas Working Group called for provisions that would give companies already operating in the country adequate time to comply with the proposed regulations.

It also wants the proposed Local Content Committee converted into an authority "as issues in the industry cut across ministries".

Ashiva Biko from the Working Group said the Bill would streamline the country's extractive industry, which is currently skewed in favour of large multinationals at the expense of locals.

"...We appreciate the efforts of the drafters of the Bill in seeking to inject sanity in the industry in conformity with a people-driven development



Chairman of Senate Committee on Energy Gideon Moi (right) and his deputy Danson Mwazo during the committee's public hearing at Parliament Buildings yesterday. (PHOTO: MOSES OMUSULA/STANDARD)

agenda," he said.

Gideon, who also chairs the Senate Energy Committee, said the legislation determined the benefits for local communities and Kenyans from the extraction of their own resources..

"...The Bill is one of the most important to be passed through the Senate. It will crucially determine the benefits that local communities and Kenyans at large receive from the extraction of their own resources. But it also provides the extracting companies with clear guidelines to follow and ensure that both the investor and the host nation reap their due rewards," Gideon said.

"The Bill has been the subject of much debate and analysis. It is important to adequately it and its elements. It will determine the benefit received by Kenyans from their own resources and provide companies with clear guidelines."

LAUDED BILL

Taita Taveta Senator Danson Mwazo, the committee's vice chairman, lauded the new Bill, arguing that it allowed local communities to feel included in the management of their resources.

"This is one of the most important Bills now that we have discovered oil. We represent the counties. If you

UNPACKING THE LOCAL CONTENT BILL 2016

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- The Bill promises to give local communities more control over ownership, and the control and financing of resources such as oil and gas among other minerals

go to the counties, people are agitated that they are not taking part in the activities taking place in their regions. The Bill is well thought out so that we can address these issues in a more structured way," said Mr Mwazo. We want Kenyans to have a stake."

The Bill promises to give local communities more control of ownership, and the control and financing of resources such as oil and gas among other minerals.

It also introduces conditions that include a requirement that miners should provide plans showing how their activities will benefit local communities through incentives such as employment and utilisation of local resources in their operations.

"An operator shall, before applying for, or bidding for a licence, permit or interest and before engaging in any extractive activity, prepare and submit to the committee a local content plan with respect to the extractive activity in the prescribed form," read the Bill.

The Energy committee is expected to visit other counties to receive input from members of the public before the Bill comes up for debate in the Senate.

Among the counties on the committee's itinerary are Taita Taveta, Mombasa, Kilifi, Tana River, Turkana, Nakuru, Kakamega, Kisumu, Kisii, Nyamira, Kitui, Makueni, Garissa and Wajir.

The visits will run until December 7.