



MINISTRY OF ENERGY AND PETROLEUM

NATIONAL PETROLEUM POLICY

FEBRUARY, 2025

Foreword

The Executive Order No. 2 of 3rd November 2023 gave the Ministry of Energy and Petroleum with various functions pertaining to both the energy and petroleum operations. One of the functions of the State Department for Petroleum is Petroleum Policy. The Petroleum Act, 2019 Section 5(1) tasks the Cabinet Secretary responsible for petroleum operations with the role of development and publishing of a National Petroleum Policy.

Over the years, Sessional Paper No. 4 of 2004 on Energy has been guiding policy direction in the oil and gas sector. The Sessional Paper provides legal, regulatory and institutional frameworks supporting operations of the Upstream, Midstream and Downstream Sub-Sectors. Overtime, this Sector has evolved and is faced with emerging issues that cannot be addressed through the Sessional Paper. These include the discovery of crude oil and gas in some parts of the country, which presents an opportunity for; employment creation, generation of revenues to support other sectors of the economy, poverty reduction and subsequently sustainable development. This therefore necessitates the development of this Policy.

The Government's Bottom-Up Transformation Agenda (BETA) is to stimulate economic recovery and bolster resilience. BETA is being implemented across five priority areas namely: Agricultural Transformation, Micro, Small and Medium Enterprises (MSME) Economy, Healthcare, Housing and Settlement, Digital Superhighway and Creative Industry. The infrastructure sector, in which oil and gas is domiciled remains a critical enabler to the five pillars.

This National Petroleum Policy covers the entire petroleum industry, establishes checks and balances necessary to ensure that oil and gas sector supports the country's sustainable growth, while addressing the negative consequences of petroleum development include environmental degradation. It applies to all petroleum operations in the country and cross border operations that impact the country, and provides guidance to all the sector stakeholders. It also forms the basis for development and implementation of the Oil and Gas Sector's legal, regulatory and institutional framework.

I believe this Policy will go a long way to address the challenges facing the Oil and Gas Sector. I call upon all stakeholders in the Sector to work together to ensure that the proposals contained in this Policy are implemented for the benefit of the country.

Government commits to jointly work with all the stakeholders to ensure successful implementation of the Policy.

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Preface

The National Petroleum Policy provides guidance in oil and gas operations in the country. The oil and gas sector plays a critical role in socio-economic development of the country, through contribution to increased export earnings, development of infrastructure, employment creation and improved social welfare of the people. Petroleum remains a critical source of energy in the transport, commercial, industrial and domestic sectors. The sector's long-term goal is to be a regional leader in the exploration, exploitation and supply of petroleum products for sustainable development. Notably, the sector has evolved over time with new developments presenting new challenges and opportunities, necessitating the development of a Policy document that would ensure effective management and regulation of the sector.

Development of this Petroleum Policy commenced in October 2023, with establishment of a Multi-Agency Technical Working Committee tasked to spearhead the review and finalization of a draft Policy developed in 2021 with the support from World Bank. The team undertook a comprehensive review in close consultation with the industry players and other stakeholders. The revised draft policy was then subjected to internal and external stakeholders, wider stakeholders who included the County Executive Committee Members responsible for Energy matters, Council of Governors Committee on Energy, Senate Standing Committee on Energy, and Parliamentary Committee on Energy. Further, a countrywide public participation was also undertaken at the eight regions in the Country which informed the finalization the document. All the comments emanating from these engagements were reviewed and incorporated in the revised draft Policy.

The Policy draws from stakeholders' inputs; 2021 draft petroleum policy; prevailing government agenda documents including Vision 2030, BETA; the Long-term Petroleum Development Plan; 2023-2027 Ministry of Energy and Petroleum Strategic Plan; as well as other policy and administrative documents.

The Policy focuses on: promotion of the petroleum potential of Kenya with a view of attracting investment to discover, produce and commercialize the petroleum resources. The ultimate goal is to appropriately harness the oil and gas sector in generating revenue, and ensure security of supply of petroleum products and guarantee their quality. This will in turn contribute to the country's socio-economic development for the benefit of the present and future generations.

This Policy has identified the challenges impacting in the sector and proposed the probable mitigation measures. Several intervening strategies have been proposed towards: the protection of public health, promotion of environmental sustainability and foster responsible industry practices. Local content development in the sector is a pivotal aspect among proposed intervention measures.

Effective implementation of this Policy will require development of an appropriate legal, regulatory and institutional framework. In addition, it requires all stakeholders to undertake their respective roles as outlined in the Policy. Towards this, the Government will endeavor to

provide overall leadership, oversight guidance and direction to ensure effective and efficient implementation of the Policy.

I would like to acknowledge the Multi-Agency Technical Working Committee for tirelessly putting the document together, all the stakeholders and industry players and the entire public for their collaboration in providing invaluable input throughout the process of developing this Policy, including during the public participation forums.

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DRAFT

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Definition of Terms

Best Petroleum Industry Practices	Means such practices, methods, standards, and procedures generally accepted and followed internationally by prudent, diligent, skilled and experienced operators in the petroleum operations
Common user facility	Petroleum infrastructure owned and maintained by any person which may be used by third parties
Compulsory acquisition	Has the same meaning as assigned to it under the Land Act, 2012
Conservation	Includes preservation, maintenance, sustainable use and restoration of natural and cultural environment
Consumer	Means any person supplied or entitled to be supplied with petroleum products
Contractor	A Firm that has a contractual agreement with the Government
Decommissioning	Is a process consisting of the removal of industrial installations and any relevant structures that have come to the end of their productive life and the subsequent restoration of the site to its previous status or near to its original state as reasonably possible
Development Plan	Means a plan which the contractor presents to the Regulatory Authority for the placement, construction and installation of facilities needed for production of petroleum
Downstream	Is the segment of the value chain comprising of distribution, and marketing of petroleum products derived from processing of crude oil and natural gas. Downstream activities also involve the distribution and sale of these products to consumers through retail outlets, such as gas stations, and wholesale channels
International Oil Companies (IOCs)	Are oil and gas companies with global upstream operations spanning the entire oil and gas value chain
Investor	A Firm/Company that has the financial, technical and professional capacity to undertake oil and gas exploration activities
Local community	Means a people living in a sub-county within which Petroleum operations are undertaken and who are affected by such operations
Local Content	Means the use of Kenyan local expertise, goods and services, people, businesses and financing for the systematic development of national capacity and capabilities for the enhancement of the Kenyan economy
Midstream	Is the segment of the value chain comprising of transportation, trading, storage, and processing of crude oil and natural gas after they have been extracted. It includes the construction and operation of pipelines, tankers, storage facilities, and processing plants
Offshore	Means petroleum operations that occur in bodies of water, such as seas, oceans, and large lakes.
Oil and Gas Sector	Means the sector in which hydrocarbons are explored, extracted and refined; and petroleum products are marketed and distributed
Onshore	Means petroleum operations that take place on land.
Open Tender System (OTS)	Is the means by which petroleum products are imported via a monthly public tender.
Petroleum	Means all hydrocarbons and includes crude oil and natural gas, whether capable of being produced from conventional and unconventional reservoirs,
Petroleum Block	Means acreage as defined by specific geographic coordinates for purposes of upstream petroleum operations

Petroleum Data	Means all qualitative or quantitative data, associated information, documents, reports and images including: raw data; edited or composite data; Analyzed, interpreted or processed data; Reprocessed data; and Samples: whether in physical, digital or other format, obtained through or relating to petroleum operations
Petroleum Operations	Means all or any of the operations related to the exploration, development, production, processing, storage, transportation and sale of petroleum
Petroleum Products	Means the products yielded from the refining of petroleum
Petroleum Resources	Means all naturally occurring hydrocarbons, including crude oil, natural gas, and condensates, that are found in geological formations within Kenya's territorial boundaries.
Public Participation	Refers to the process by which citizens, as individuals, groups or communities, also known as stakeholders, take part in the conduct of public affairs, interact with the state and other non-state actors to influence decisions, policies, programs, legislation and provide oversight in service delivery, development and other matters concerning their governance and public interest, either directly or indirectly through freely chosen representatives
Resource Curse	Also referred to as the "paradox of plenty" and refers to the fact that countries rich in natural resources, particularly minerals and fuels, perform less well economically than countries with fewer natural resources
Retail	(a) selling or offering to sell petroleum products to a consumer; (b) acting as agent or broker for a retailer with respect to the sale or offering for sale of petroleum or gas; and (c) acting or offering to act as an agent or broker for a consumer with respect to the sale or offering for sale of petroleum or gas
Reticulation	Planning or construction of a network system through which a consumer gets a continuous supply of gas at the turn of a tap through a piping network or from a centralized storage system
Seed Gas	The initial/first gas used to fill LPG bullets after construction of LPG infrastructure in public learning Institutions to be used as fuel under the Clean Cooking Gas (CCG) initiative
Upstream	Is the segment of the value chain comprising of activities related to the exploration, development and production of crude oil and natural gas

Abbreviation and Acronyms

AGO	Automotive Gas Oil
BP	British Petroleum
COSSOP	Cost-of-Service Study of Petroleum
EOPS	Early Oil Pilot Scheme
EPRA	Energy and Petroleum Regulatory Authority
FDP	Field Development Plan
HFO	Heavy Fuel Oil
IK	Illuminating Kerosene
IOC	International Oil Companies
Jet A-1	Jet Fuel
KEBS	Kenya Bureau of Standards
km	Kilometers
KPC	Kenya Pipeline Company
KPRL	Kenya Petroleum Refineries Limited
LLCOP	Lokichar-Lamu Crude Oil Pipeline
LPG	Liquified Petroleum Gas
M	Meters
M ³	Cubic Meters
M&E	Monitoring and Evaluation
MLPWHUD	Ministry of Lands, Public Works, Housing and Urban Development
MOINA	Ministry of Interior and National Administration
MT	Metric Tonnes
NEMA	National Environmental Management Authority
NOCK	National Oil Corporation of Kenya
NUPAC	National Upstream Petroleum Advisory Committee
OMCs	Oil Marketing Companies
OTS	Open Tender System
PMS	Premium Motor Spirit
PPP	Public Private Partnerships
PSC	Production Sharing Contract
SDP	State Department for Petroleum
TNT	The National Treasury

CHAPTER ONE: INTRODUCTION

1.0 Overview

This Chapter presents background information on the Oil and Gas Sector, which comprises of Upstream, Midstream and Downstream sub-sectors. It also highlights the rationale for development of the Policy; the scope; the structure; and the goals, objectives, and guiding principles of the Policy.

1.1 Background

Oil and Gas Sector is one of the largest industries in the world. It has an influence in the global economy as the world's primary source of fuel for the transport, industrial, commercial and domestic sectors. The sector is an enabler of all other sectors of the economy and contributes about 3% of the global economic growth.

The sector plays a critical role in Kenya's socio-economic development, with a potential to boost the country's economic growth and development through increased export earnings, development of infrastructure, employment creation and improvement of social welfare. Notably, petroleum is one of the main drivers of the Kenyan economy and is a critical source of energy in all sectors.

A large percentage of the petroleum products provide fuel for transportation and industrial use as well as for heating, cooking and lighting in homes, institutions and businesses. Some of the oil and gas products are used in the Petrochemical Industry where they are refined into chemicals. They are used as inputs for various products used in everyday life such as rubber, plastics, paints, nylon, vinyl, polyester cosmetics, food additives and medicines.

The Oil and Gas Sector value chain consists of Upstream, Midstream, and Downstream sub-sectors. Upstream involves exploration, appraisal, development, production of oil and gas, and decommissioning of oil fields and facilities. Midstream involves transportation of crude oil and natural gas from production facilities, storage, and marketing. It also includes refining crude oil, treating and processing of natural gas, and decommissioning of facilities. Downstream entails storage, transportation, marketing, and distribution of petroleum products.

In Kenya, the Upstream sub-sector is under development, the Downstream sub-sector is well established and depends on importation of petroleum products, while the Midstream sub-sector remains undeveloped following the cessation of KPRL. Notably, development of the Oil and Gas Sector is capital intensive, and the processes and systems involved in producing and distributing oil and gas are highly complex. The operating expenses for investors in the sector are also high, and it would require longer time to recoup the returns factored in the project.

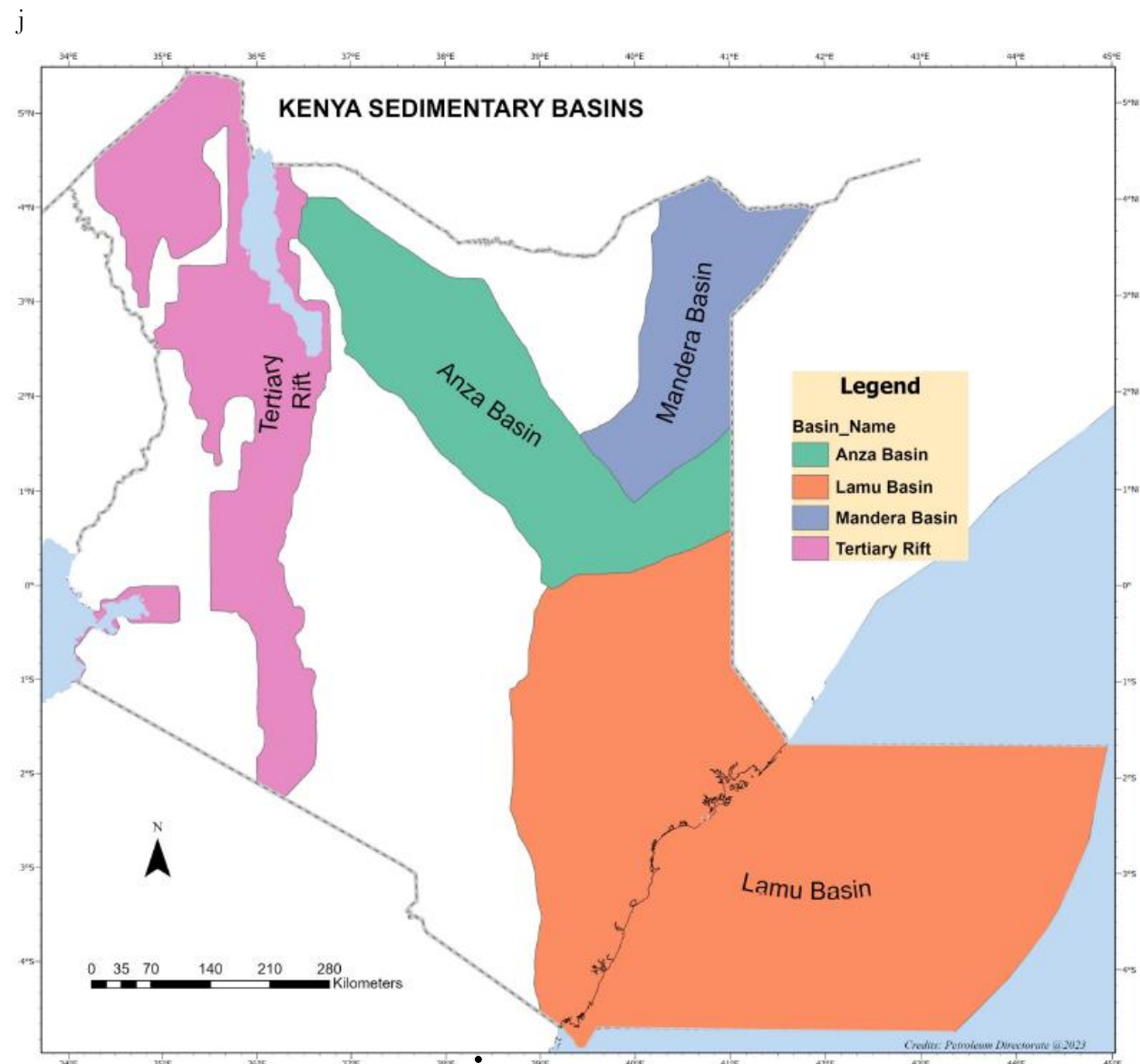
1.1.1 Upstream Sub-Sector

The Upstream Sub-sector involves exploration of petroleum resources, crude oil and natural gas, both onshore and offshore within Kenya's four sedimentary basins. These basins, covering approximately 490,000km², are: Lamu, Anza, Manderu and Tertiary Rift. Table 1 presents details on basins coverage and sediment thickness.

Table 1: Sedimentary Basins in Kenya

Basin	Area Covered (km ²)	Sediment Thickness (Meters)
Lamu (onshore and offshore)	261,000	12,000
Anza	81,391	10,000
Mandera	43,404	10,000
Tertiary Rift	105,673	4,000

Figure 1: Kenya Sedimentary Basins



The sedimentary basins are sub-divided into Petroleum Blocks which are licensed to investors, for exploration, appraisal, development and production of oil and gas resources. The sub-division of the basins enhances data collection coverage per square unit, and is geared towards facilitating mapping of petroleum resources accurately, thus increasing the chances for successful exploration.

In 2002, the country had 21 Petroleum Blocks, seven (7) of which were offshore while 14 were onshore. These Blocks were reviewed in 2006 and increased to 37 as a strategy to increase investor interest. The discovery of petroleum resources in the country in 2012 led to increased investment interests, which prompted a review of the Blocks to 46 and a further review in 2016 to the current 63 Blocks.

1.1.1.1 Oil and Gas Exploration in Kenyan Sedimentary Basins

Lamu Basin

British Petroleum (BP) Plc and Shell Oil Company Kenya Ltd began exploring hydrocarbons in 1954 in the Lamu Embayment, which resulted in the drilling of ten wells between 1960-1971. None of the wells drilled were fully evaluated or completed for production despite several indications of oil staining and untested zones with gas shows in some wells.

Texas Pacific drilled Hargaso-1 in 1975 that encountered oil and gas shows. Between 1985 and 1996, American Oil Company (Amoco) and Total Kenya drilled another ten exploration wells with no significant success though minor oil and gas shows were encountered in some of the wells.

Investor interest in the offshore Lamu Basin in 1970s and 1980s resulted in the drilling of three wells; Simba-1, Maridadi-1 and Kofia-1. Simba-1 was unsuccessful while the latter two encountered hydrocarbon shows. A Lamu basin study by National Oil Corporation of Kenya (NOCK) between 1991-1995 led to the sub-division of the basin (both onshore and offshore) into 10 exploration Blocks, with a further two created by 2001. This, followed by massive gas discoveries in Mozambique in 2003, renewed exploration interest within the region. The gazettment of new Blocks in 2003 allowed Woodside Petroleum Ltd to farm into seven offshore blocks, acquiring 11,449.6 km of 2D seismic and drill Pomboo-1 well (dry) in 2007. Additional wells drilled in the basin include; Mbawa-1 (gas discovery), Kubwa-1 (dry), Kiboko-1 (dry), Sunbird-1 (oil and gas discovery) and Mlima-1 (dry)

Tertiary Rift Basin

Before the 1980s, the tertiary rift was considered inferior exploration-wise with little activity. Shell drilled Eliye Springs-1 (dry) in 1992 and Loperot-1 (oil shows) in 1993 within the Lokichar sub-basin. This was followed by a period of exploration break that lasted up to 2006 when oil was discovered in the Albertine graben in Uganda. Tullow Oil Plc and Africa Oil Corporation acquired additional 2D seismic in the region and drilled Ngamia-1 well in 2012. The first oil discovery in the basin encountering over 100m net oil pay zones. 3D seismic data acquisition programmes have been carried out to date with over 40 exploration and appraisal wells drilled opening up the Lokichar sub-basin.

The National Oil Corporation of Kenya is currently the operator Block 14T which is located within the Tertiary Rift Basin in the South, where gravity (FTG), magnetotellurics (MT), aeromagnetic and seismic data have been acquired. Additional acquisition of 2D seismic was carried out in 2017 with two stratigraphic wells drilled by the early 2018.

Mandera Basin

Between 1960s and 1970s, Frobisher Ltd and Burmah Oil Company conducted photo geological field geology, gravity, aeromagnetic and seismic surveys that did not materialize into drilling

programmes. Elgal 1 & 2 wells were drilled in 1987 by American Oil Company Amoco but were both dry. In 1990, Total Exploration and Production (Total E&P) Company acquired 707 km of 2D seismics within this region. Between 2008 and 2013, Afren East African Exploration (EAX) and Lion Petroleum Corporation acquired additional 2D seismic in the basin and drilled Badada-1 well (dry) in 2015.

Anza Basin

Acquisition of seismic data within the Anza Basin commenced in 1975 when Whitestone acquired 2D seismic data, with further acquisition surveys carried out by the Ministry of Energy, Chevron Corporation, Total E&P, Amoco & Shell over time. On acquiring seismics, Chevron later drilled Anza-1 and Bahati-1 (both dry), Total E&P drilled Ndovu-1 (oil and gas shows), Duma-1 (gas shows) and Kaisut-1 (dry) while Amoco drilled Sirius-1, Bellatrix-1, Chalbi-3, Hothori-1 (all three had oil and gas shows) and Endela-1 (gas shows).

Additional 2D and 3D seismic was acquired by Vanoil Energy Ltd, Lion Petroleum, China National Offshore oil Corporation (CNOOC), Africa Oil and Tullow in this basin from 2007. The first hydrocarbon discovery was made in 2009 by CNOOC in Bogal-1 well, that encountered gas with a gross best estimate of 2500 Bcf. Tullow later drilled Paipai-1 well that encountered light hydrocarbon shows. Another gas discovery was made in the Sala-1 well in 2014 by Africa Oil within three distinct zones of interest over a 1000-meter gross interval. However, the subsequent Sala-2 well drilled to test the up-dip extent of this main reservoir sand in the Sala-1 gas discovery failed to find any significant hydrocarbons.

1.1.2 Midstream Sub-Sector

The Midstream sub-sector operations involve transportation, storage, trading and refining of crude oil and Natural Gas into finished petroleum products.

Midstream operations in Kenya started in 1960s and involved importation and refining of Crude Oil through the East African Oil Refineries Limited. The Company was set up in 1960 by Shell and the BP Companies, each with 50% shareholding to serve the East African region in supplying petroleum products. The first refinery complex, with distillation, hydrotreating, catalytic reforming, and bitumen production units was commissioned in 1963.

In 1971, the Government acquired 50% Shareholding of the East African Oil Refineries Limited and the second complex of the refineries was completed and commissioned in 1974 to enhance the company's capacity. The Company name changed to Kenya Petroleum Refineries Limited (KPRL) in 1983, while Shell and BP Companies sold their shareholding to Essar Company in 2009. The Government acquired 100% shareholding of KPRL in 2016.

Importation of crude oil was done through an Open Tender System (OTS) since 2003 where it was mandatory for all Oil Marketing Companies (OMCs) to process crude oil at the Kenya Petroleum Refineries Limited. The Company has a storage capacity of **481,257M³**. During its operations, KPRL processed 20 Crude Oil Cargos annually with a daily feedstock ranging from

5,000-9,000MT. The refinery ceased processing crude oil in 2013 and is presently used as a storage facility for petroleum products.

In 2023, KPRL became a 100% subsidiary of KPC thus enhancing KPC operational efficiency by increasing the storage capacity of petroleum fuels.

1.1.3 Downstream

Downstream operations involve importation, storage, transportation and distribution of petroleum products. These operations are carried out by; the State Department for Petroleum, Kenya Pipeline Company (KPC), National Oil Corporation of Kenya (NOCKK) and the Oil Marketing Companies (OMCs), and regulated by the Energy and Petroleum Regulatory Authority (EPRA).

The importation of petroleum products in Kenya began in the early 1900s. The country relies fully on imported petroleum products to meet its demand, which has significantly increased since the country’s independence. As at June 2024, the monthly imports were approximately 675,000 Metric Tonnes (MT) translating to an annual import volume of approximately 8.1 million Metric Tonnes.

Kenya Pipeline Company

The Kenya Pipeline Company (KPC) Limited which is wholly owned by the Government, commenced its commercial operations in February 1978. The Company is mandated to transport, store and deliver petroleum products from Mombasa to the hinterland through the pipeline system and oil depot network. The imported petroleum products are received through the Kipevu Oil Terminals (KOT) 1 and 2, and Shimanzi Oil Terminal in Mombasa, which are owned by the Government. The products are transported through the pipelines to the five Depots in Mombasa, Nairobi, Nakuru, Eldoret and Kisumu.

The pipeline system consists of a network of **1,342km** petroleum products pipelines running from Mombasa through Nairobi to the Western Kenya region (Nakuru, Eldoret and Kisumu), and distributed as follows:

Table 2: Kenya Petroleum Pipeline

PIPELINE	LENGTH	YEAR OF COMMISSION	STATUS
Mombasa-Nairobi	450km	1978	Decommissioned in 2020 having outlived its design and economic life of 30 years and was no longer safe to operate
Nairobi-Nakuru-Sinendet-Eldoret	325km	1994	Operational

Sinendet-Kisumu	121km	1994	Operational
Nairobi-Eldoret	325km	2011	Operational
Sinendet-Kisumu	121km	2016	Operational
Mombasa-Nairobi	450km	2018	Operational

Concurrent with the development of petroleum pipelines, KPC constructed petroleum products storage facilities in its five Depots with a total capacity of **417,980M³**. The Company owns and operates Truck Loading Facilities in Nakuru, Eldoret, and Kisumu Depots; and facilitates exportation of petroleum products to the neighboring countries namely; Rwanda, Eastern Democratic Republic of Congo (DRC) and South Sudan.

National Oil Corporation of Kenya

National Oil Corporation of Kenya Limited started downstream activities in March 1988 with the importation of its first crude oil cargo for refining at Kenya Petroleum Refineries Limited. This was in fulfilment of the Government of Kenya mandate for NOCK to supply 30% of the country's petroleum requirements. These supplies were sold to major oil marketers at a small margin in bulk prior to processing. During this time, NOCK acted as the Government advisor on pricing and other related oil policies.

In 1997, NOCK set up its first three (3) flagship fuel retailing stations in the country, while in 2005, it set up six (6) modern stations complete with spacious forecourts, service bays, shops and restaurant facilities. NOCK has since grown its retail business to over 110 service stations by June 2024. Alongside retail network expansion, NOCK has over the years invested heavily in new products development, and has since launched its Supa brands of LPG and Lubricants as well as convenient retailing business segments.

Energy and Petroleum Regulatory Authority

Energy and Petroleum Regulatory Authority (EPRA) is established under the Energy Act 2019, to undertake Technical and Economic Regulation of the electricity, renewable energy, downstream coal, coal bed methane gas and petroleum sectors. The functions of the Authority that relate to oil and gas include: regulate, monitor and supervise upstream petroleum operations; collect, maintain and manage upstream petroleum data; co-ordinate the development of upstream petroleum infrastructure; regulate importation, refining, exportation, transportation, storage and sale of petroleum and petroleum products; and regulation of the Oil and Gas Sector across the entire value chain.

In the Upstream sub-sector, the Authority is responsible for licensing and permitting of exploration, development and production of crude oil; advising the Ministry in charge of petroleum on the viability of proposed petroleum agreements and the technical and commercial viability of proposed Field Development Plans; and development of Regulations and guidelines on local content and environment, health & safety to ensure oil and gas exploitation is undertaken in a sustainable manner. In the Midstream sub-sector, the Authority is responsible for licensing

and permitting crude oil refining, crude oil storage facilities and the transportation pipeline to ensure conformity to local and international standards as ratified by the Kenya Bureau of Standards. In the Downstream sub-sector, the Authority is involved in licensing and permitting of refined petroleum products importation, storage, transportation, exportation and sale.

Oil Marketing Companies

The Oil Marketing Companies (OMCs) are involved in the importation, distribution, and retailing of petroleum products. Importation of petroleum products into the country is conducted through Open Tender System (OTS), where the products are imported collectively by the importer on behalf of other importers. The petroleum products imported under OTS are Automotive Gas Oil (AGO) (Diesel), Premium Motor Spirit (PMS) (Super Petrol) and Illuminating Kerosine (IK). Petroleum products imported outside OTS are Jet Fuel (Jet A-1), Liquefied Petroleum Gas (LPG) and Heavy Fuel Oil (HFO). OMCs distribute petroleum products through road tankers or rail from KPC Depots to their respective dispensing sites.

1.2 Rationale

Exploitation of country's petroleum resources in an efficient and sustainable manner will contribute to the realization of the Country's long term development agenda. To achieve this, the country requires a comprehensive policy, legal and institutional framework to guide petroleum operations. This will ensure that the country benefits from these resources, and is able to deal with the challenges associated with their exploitation.

The Policy direction of the Oil and Gas Sector is provided by the Sessional Paper No. 4 of 2004 on Energy, 2004-2023, while the legal, regulatory and institutional framework for Upstream, Midstream and Downstream Sub-Sectors was developed based on this Sessional Paper. However, the oil and gas landscape rapidly evolved with new developments presenting new challenges and opportunities. The discovery of commercial oil reserves in 2012 led to increased investors' interest thereby resulting in increased investment in geoscientific data acquisition, seismic surveys, and exploration and appraisal drilling in the country. The discovery also provided potential for; employment creation, generation of revenues to support other sectors of the economy, development of infrastructure, and subsequently fast-tracking social transformation of the country through poverty reduction and enhanced sustainable development. This has necessitated the development of a comprehensive policy framework to ensure effective management and regulation of petroleum operations in the country.

In addition, discovery of petroleum resources by neighboring countries and increased demand for petroleum products in the East African Region has led to enhanced collaboration in development of necessary infrastructure for storage, transportation and distribution of petroleum products. There is therefore need for a well-coordinated local and regional approach in provision of such infrastructure facilities.

This Policy, takes cognizance of the prevailing and emerging issues impacting on the Oil and Gas Sector, and seeks to address them comprehensively to ensure that the Sector supports the country's sustainable growth and development, whilst mitigating the potential negative consequences that may arise while exploiting the petroleum resources.

1.3 Scope

This Policy applies to all petroleum operations within and relating to Kenya. It provides policy guidance and will be the basis for the development and implementation of the Oil and Gas Sector legal, regulatory, institutional and fiscal frameworks.

1.4 Policy Goal, Objectives and Guiding Principles

1.4.1 Policy Goal

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

1.4.2 Policy Objectives

The objectives of this Policy are:

1. To promote sustainable petroleum resource exploration, development and production
2. To enhance storage and transportation capacity of petroleum products
3. To promote value addition of petroleum resources for local and regional petroleum product demand
4. To ensure security of supply of petroleum products
5. To enhance LPG uptake in the country
6. To promote environmental protection and conservation of biodiversity
7. To facilitate capacity development and technology transfer
8. To promote equitable sharing of benefits from exploitation of petroleum resources
9. To enhance management of revenues from the Oil and Gas Sector

1.4.3 Guiding Principles

The guiding principles of this Policy are premised on Kenya's Constitution and laws, relevant regional and international laws and principles. The Constitution recognizes that all petroleum resources belong to the people of Kenya and are held in trust by the National Government. In order to have a balance between economic development, environmental sustainability, and social responsibility, there is need to create a resilient Oil and Gas Sector. This Policy will be guided by the following principles:

a) Good Governance

The Constitution declares that Kenya is a sovereign Republic founded on the national values and principles of governance. These principles and values include integrity, transparency, accountability and sustainable development as outlined under Article 10 of the Constitution. This Policy espouses the Constitutional requirements towards sustainable exploitation, utilization and management of natural resources, management and conservation of the environment, and equitable sharing of the accruing benefits.

The Policy emphasizes adherence to the Constitution, applicable laws and regulations governing the Oil and Gas Sector. The stakeholders in the sector are required to adhere to, and promote fair competition, ethical business practices and respect for human rights particularly for the vulnerable members of the society.

b) Efficient Resource Management and Revenue Transparency

Oil and gas are non-renewable finite resources, thus the need for sustainable utilization. This necessitates efficient and sustainable management of oil and gas resources for inter-generational benefits. This Policy promotes implementation of sustainable, efficient, transparent and accountable mechanisms for the exploration, extraction, and management of petroleum reserves. It proposes establishment of a revenue-sharing framework that allocates funds for economic diversification, social development, and environmental protection.

c) Local Content Development

Local content plays a significant role in national development by leveraging the Oil and Gas Sector as a catalyst for broader economic development. The development of local content in the sector involves growth and promotion of active participation of Kenyan businesses and workforce in the utilization of local resources. It aims at retaining petroleum revenues within the country, transferring technology and growing the national economy as a whole.

This Policy prioritizes local content in the sector as an avenue for ensuring that a substantial portion of the value generated from exploitation of petroleum resources remains within Kenya. It seeks to maximize the socio-economic benefits for local communities and businesses while striking a balance between attracting foreign investments and ensuring that Kenyan citizens and businesses actively participate and benefit from the sector. It promotes the development of local capacities and skills, promote the use of local goods, works, and services. It establishes and proposes quotas and related incentives for local employment, training, and business ownership within the sector.

d) Protection of the Environment and Conservation of Biodiversity

Mitigation of the environmental and social impacts of oil and gas activities is critical in achieving sustainable resource development. Resource exploration and exploitation should therefore be done in a manner that is environmentally responsible where any adverse effects are promptly remedied to conserve biodiversity. This Policy provides mechanisms for monitoring, evaluation and remedial action for resultant environmental impacts. It further encourages integration of

sustainable practices into all facets of the oil and gas sector to mitigate environmental impacts and fight climate change.

e) Diversification of the Economy

This Policy encourages investments in non-oil sectors, such as agriculture, manufacturing, and technology to reduce dependency on oil and gas revenues by fostering economic diversification. This Policy will therefore promote the integration of the Oil and Gas sector with other sectors in order to accelerate growth of a diverse and resilient economy, reducing vulnerability to fluctuations in global oil prices.

f) Public Participation and Stakeholder Engagement

Public participation enhances legitimacy of decisions, promotes transparency, and helps address diverse perspectives and interests within the society and is therefore critical in preservation of local community rights. On the other hand, stakeholder engagement fosters optimum contribution, informed decision making and project ownership by various players in the Oil and Gas sector.

This Policy considers public participation a fundamental aspect of good governance and a critical part of Oil and Gas operations. It requires that public participation is undertaken in all petroleum operations and that the input of the Public is considered for inclusive, transparent, and accountable decision-making.

Additionally, this Policy promotes continuous dialogue between the Government and stakeholders in the Oil and Gas Sector to gather insights, perspectives, and feedback from the stakeholders to inform decision-making, build long terms relationships, and address expectations for the sector.

g) Regulatory Framework and Compliance Enforcement

A robust regulatory framework is crucial for the effective and responsible operation of the oil and gas sector and provides the necessary guidelines, standards, and procedures to ensure safety, environmental protection, and fair business practices. Compliance enforcement mechanisms are essential to guarantee that industry participants adhere to existing legislation.

This Policy promotes the development of robust frameworks or enhancement of existing frameworks to ensure, among others: clear regulatory objectives; independent regulation of the oil and gas sector; transparent and efficient licensing and permitting; development of adoption of standards for safety, environmental impact, and operational efficiency; robust monitoring system to track compliance with regulatory requirements; and emergency response planning.

1.5 Structure of the Policy

The Policy is organized into six chapters. Chapter 1 covers the introduction, which provides the background information on the oil and gas sector, the rationale for development of the Policy,

the scope, policy goals, objectives, principles. Chapter 2 discusses the situational analysis of the country's oil and gas sector including the performance of the sector and the existing policy and legislative frameworks. Chapter 3 provides the emerging issues and challenges, while Chapter 4 provides the Policy strategies that will be used to address these challenges. Chapter 5 presents the Policy strategies for the cross-cutting issues in the sector. Chapter 6 outlines policy implementation, and monitoring and evaluation, and reporting frameworks. An implementation matrix for the operations in the sector is annexed in the Policy.

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CHAPTER TWO: SITUATION ANALYSIS

2.0 Overview

This Chapter provides an overview of the performance of oil and gas sector in Kenya, where the key achievements in the three oil and gas sub-sectors namely; Upstream, Midstream and Downstream are highlighted. The Chapter also presents the policy, legislative frameworks that guide petroleum operations in the country.

2.1 Performance of Oil and Gas Sector

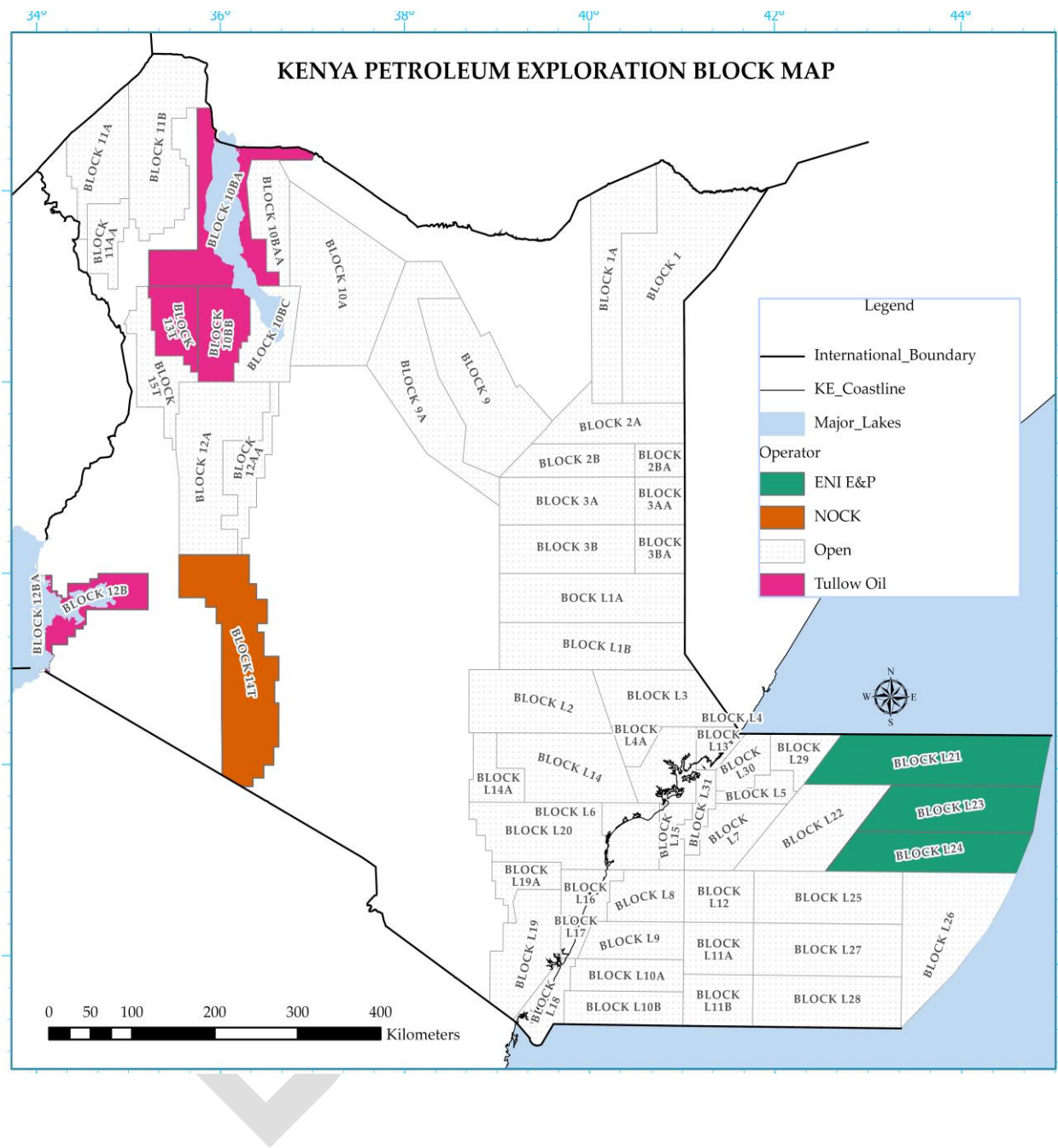
2.1.1 Upstream Sub-sector

The four sedimentary basins in Kenya are sub-divided into 63 Petroleum Blocks as follows:

Table 3: Petroleum Blocks

Basin	Number of Petroleum Blocks
Lamu (onshore & offshore)	37
Mandera	5
Anza	7
Tertiary	14
Total	63

Figure 2: Kenya Petroleum Exploration Block Map



2.1.1.1 Licensing of Petroleum Blocks

By June 2024, nine (9) Petroleum Blocks had been licensed to four (4) Investors for petroleum operations, while the remaining 54 Blocks were open for investment. The licensed Blocks and the respective Investors are outlined in Table 4.

Table 4: Licensed Petroleum Blocks

	Licensed Blocks	Investor/Licensee
1.	14T	National Oil Corporation of Kenya
2.	12B, 13T, 10BA, 10BB	Tullow Oil plc
3.	L19	Rift Energy Company
4.	L21, L23, L24	ENI Company
	9 Blocks	4 Investors

The licenses for blocks L21, L23 and L24 PSCs are set to expire in December 2024. No petroleum operations were on-going in the three (3) Blocks following the international maritime dispute between Kenya and Somalia in the region where the Blocks are situated.

2.1.1.2 Exploration

The Government, and in collaboration with investors in the oil and gas sector, has continuously undertaken exploratory activities in the sedimentary basins. These activities involve collection of geoscientific data from the petroleum blocks. The collected data, which includes; seismic data, well logs, well reports, aeromagnetic and gravity data, and exploration related reports, is analyzed and stored in the National Data Centre. This data is used by the Government to market the open Petroleum Blocks while the investors use it to make decisions on viability, development and production of petroleum resources.

Comprehensive preliminary geoscientific data collection has been done in 28 Petroleum Blocks. This data is critical in development of Block Atlases that are used in marketing of the open Petroleum Blocks. Further exploration in some of these Blocks by investors has led to collection more geoscientific data from seismic surveys and drilled wells. A total of 95 wells have been drilled in the country, 42 of which had hydrocarbon discoveries while 53 were dry.

Table 5: Hydrocarbon Discoveries in Kenya

Basin	Dry Wells	Gas Only	Oil Only	Oil & Gas	Total Wells Drilled
Anza	8	2	0	2	12
Lamu	23	1	0	1	25
Mandera	8	0	0	0	8
Tertiary Rift	14	0	32	4	50
Total	53	3	32	7	95

Kenya discovered its petroleum resources in 2012 with the discovery of oil deposits in the Tertiary Rift Basin. The discoveries were made in Blocks 10BB and 13T, in Ngamia-1 Well and Twiga South-1 Well respectively. The Government jointly with the Turkana County Government and Kenya Joint Venture (KJV) Partners implemented the Early Oil Pilot Scheme (EOPS) Project between 2018-2022. The main objective of the Project was to test the

performance of the reservoirs for sustained productivity, and the marketability of the Kenyan crude oil in the international market. Through the Project, 415,032 barrels of crude oil were produced from Ngamia and Amosing oil fields and exported with an aim of setting the country as an oil exporter. In addition, the Government, with support from the World Bank implemented the Kenya Petroleum Technical Assistance Project (KEPTAP) between 2014-2021 to strengthen the capacity of the Government to manage the Oil and Gas Sector.

The Sector is in the process of finalizing the development of a 25-year Field Development Plan (FDP) for Blocks 10BB and 13T to facilitate development of the licensed oil fields and production of the petroleum resources. The Plan provides a roadmap for the development of resources within Blocks, as well as additional appraisal and exploration activities aimed at optimizing resource extraction within the designated development zone.

2.1.2 Midstream Sub-Sector

The cessation of refining of crude oil by KPRL in Mombasa in 2013 resulted in a non-operational Midstream Sub-Sector of the Oil and Gas Sector in Kenya. The development of this sub-sector is dependent on the development of the petroleum resources in the Upstream Sub-Sector, following discovery of oil and gas resources. To facilitate transportation of the produced crude oil from Blocks 10BB and 13T in South-Lokichar to Lamu, the Policy proposes the construction of **824km** Lokichar-Lamu Crude Oil Pipeline (LLCOP). The pipeline capacity is 130,000 barrels of crude oil per day and traverses through six counties, and the pipeline route has been identified, surveyed and gazetted.

2.1.3 Downstream Sub-Sector

Kenya imports petroleum products to meet all the demand locally and regionally. The imported petroleum products include: Automotive Gas Oil (AGO) (Diesel); Premium Motor Spirit (PMS) (Super Petrol); Jet Fuel (Jet A-1); Liquefied Petroleum Gas (LPG); Illuminating Kerosene (IK); Heavy Fuel Oil (HFO); lubricating oils, grease; Bitumen; and Bio-Fuels.

2.1.3.1 Importation of Petroleum Fuels

The petroleum products are received through the Port of Mombasa, stored, transported via pipelines, trucks, barges and railway, and distributed to the end users through the retail stations. In ensuring security of supply of oil and gas, the downstream infrastructure network consists of **1,342km** of petroleum pipelines and approximately **1,601,010M³** storage capacities for petroleum fuels, of which, **1,228,422M³** is owned by the Government while **372,588M³** is owned by private Oil Marketing Companies.

The country has a regulated price regime for Automotive Gas Oil, Premium Motor Spirit and Illuminating Kerosene. Regulation of the maximum prices of retailing petroleum products is guided by the Petroleum (Pricing) Regulations, 2022.

Distribution of the petroleum products in Kenya is done through the retail fueling stations by the Oil Marketing Companies (OMCs), which comprise of private companies and the National Oil Corporation of Kenya (NOCK). The OMCs operate a total of **4,934** retail fueling stations, with NOCK owning and operating **110** retailing stations across the country while the privately owned OMCs have a network of **4,824** retail fueling stations.

The Government is promoting Liquefied Petroleum Gas (LPG) consumption in the Country to enhance LPG penetration from 24% in 2019 currently to 70% by 2028 and to further increase LPG consumption per capita from 7.5kg/yr in 2021 to 15kg/yr by 2030. Towards this, the Government has developed an LPG Growth Strategy that articulates strategies for enhancement of LPG Growth. These strategies include: provision of clean cooking gas infrastructure and seed gas to public learning institutions; provision of affordable clean cooking gas to low-income households through distribution of 6kg Gas cylinders and seed gas; and reticulation of LPG into housing units and commercial entities and use of smart meters to enhance consumer convenience. In addition, the Government will use competitive sourcing of LPG to facilitate competitive retail pricing and, through its entities, develop a 30,000 Metric Tonnes bulk LPG common user facility in Mombasa, while facilitating development of LPG facilities by the private sector.

2.2 Policy and Legislative Framework

2.2.1 Existing Policy Framework

The Sessional Paper No. 4 of 2004 on Energy provided a policy framework for provision of cost-effective, affordable and adequate quality energy services for the domestic economy for the period 2004–2023. The Sessional Paper considered petroleum to be part of the Energy Sector, while oil and gas operations and the institutional framework were fragmented and regulated under separate legislations. The Ministry of Energy was charged with regulating the Upstream sub-sector operations while a Regulatory Agency was charged with regulating the Downstream Sector operations.

2.2.2 Existing Legislative Framework

The Constitution provides that, general rules of international law and any treaty or convention, ratified by Kenya shall form part of the law of Kenya. The Constitution under *Article 10* provide for the national values and principles of governance that bind all State organs, State officers, public officers and all persons. *Article 260* of the Constitution defines land as including natural resources completely contained on or under the surface, which is inclusive of the surface of the earth and the subsurface rock, any body of water on or under the surface and marine waters in the territorial sea and exclusive economic zone. It also defines natural resources as the physical non-human factors and components, whether renewable or non-renewable, including rocks, minerals, fossil fuels and other sources of energy.

The Constitution has also established principles of governance and management of natural resources under Chapter V. *Article 60(1)* provides for the principles of land policy including the

sustainable and productive management of land resources; *Article 61* classifies land as either public, community or private land; *Articles 62* classifies all minerals and mineral oils as defined by law as public land owned by the National Government in trust for the people of Kenya; *Article 69* provides that the State has an obligation to ensure sustainable exploitation, utilization, management and conservation of the environment and natural resources, and ensure the equitable sharing of the accruing benefits. Every person is required to cooperate with State organs and other persons to protect and conserve the environment and ensure ecologically sustainable development and use of natural resources. *Article 71* requires that a transaction involving the grant of a right or concession by or on behalf of any person, including the national government, to another person for the exploitation of any natural resource of Kenya is subject to ratification by Parliament.

The current legal and regulatory framework governing petroleum operations in the country include: the *Petroleum Development Fund Act, 1991*, which establishes the Petroleum Development Fund and the imposition of a Petroleum Development Levy; the *Petroleum Act, 2019* which provides a framework for the contracting, exploration, development and production of petroleum; cessation of upstream petroleum operations; and gives effect to relevant articles of the Constitution relate to Upstream petroleum operations, regulation of midstream and downstream petroleum operations; and for connected purposes; and the *Energy Act, 2019* which consolidates the laws relating to energy, to provide for the establishment of the Energy and Petroleum Regulatory Authority; and for connected purposes. Regulations have been developed to operationalize the Petroleum Act, 2019.

Other legislations that impact the Oil and Gas Sector include: the Standards Act, Chapter 496; Environmental Management and Co-ordination Act, 1999; Physical Planning Act, Chapter 286; Weights and Measures Act, Chapter 513; Public Procurement and Asset Disposal Act, 2015 (rev. 2022); Anti-Corruption and Economic Crimes Act, 2003; the Public Officer Ethics Act, 2003; Land Act, 2012 revised; Land Registration Act, 2012 revised; Income Tax Act, CAP 470, especially the Ninth Schedule Consumer Protection Act, 2016; County Government Act, CAP 265; and Public Finance Management Act, 2012.

CHAPTER THREE: EMERGING ISSUES AND CHALLENGES

3.0 Overview

This Chapter presents the emerging issues and challenges facing the oil and gas sector in Kenya and discusses the critical issues, which impact on progress in exploration and exploitation of petroleum resources and supply of petroleum products for sustainable development. Kenya's Upstream sub-sector is in its initial stage of exploration and development. The country relies on imports to meet the local and regional demand for petroleum products, which are the primary sources of energy for the economy. An increase in global oil prices adversely affects the economy and contributes to the rise in the cost of living as the crude oil prices are driven by global supply and demand.

3.1 Emerging Issues

The emerging issues facing the country are:

3.1.1 Geopolitical Factors

Geopolitical tensions and conflicts remain critical in shaping the oil and gas market. The Russia-Ukraine war led to significant disruptions in global oil supplies and exposed the vulnerability of energy markets to geopolitical risks. Political sanctions imposed by certain countries on others and diplomatic tensions involving major oil-producing countries, influences production, distribution, and pricing of oil globally.

3.1.2 Environmental and Regulatory Concerns

In order to combat climate change and reduce carbon emissions globally, most jurisdictions are applying and implementing strict regulations. The oil and gas industry faces increasing scrutiny to adopt sustainable practices and reduce its environmental impact. Initiatives like the European Union's Green Deal and the United States of America's climate policies exemplify the growing regulatory focus on environmental sustainability. As a result, there is a shift in the sector towards environmentally responsible practices to minimize the sector's environmental footprint and contribute to sustainable development.

3.1.3 Technological Advancements

The continued technological advancements are driving efficiency and innovation in the oil and gas sector. The adoption of digital technologies, such as Artificial Intelligence (AI), Internet of Things (IoT), robotics, and big data analytics, is enhancing exploration, production, and general operational efficiency across the whole oil and gas value chain. However, the integration of these technologies into the sector can be capital intensive and requires investment in cybersecurity as well as workforce training.

3.1.4 Market Dynamics and Energy Transition

The transition to renewable energy sources is a defining trend in the current global energy landscape. The increasing adoption of electric vehicles, advancements in battery storage, and the development of green hydrogen are reducing reliance on fossil fuels. This shift is forcing traditional oil and gas companies to diversify their portfolios and invest in renewable energy projects to stay competitive and align with global decarbonization goals.

3.1.5 Biofuels

Biofuels represents a significant advancement in renewable energy technology and a viable alternative to fossil fuels. Continued innovation supportive policies and legislative frameworks will be key to unlocking their full potential and integrating them into the global energy mix.

3.2 Challenges

The major challenges facing the oil and gas sector in Kenya include:

3.2.1 Inadequate Local Technical and Financial Capacity

The country's Oil and Gas Sector has inadequate skills for: interpretation of geoscientific data; appraisal and development of petroleum resources; decommission the oil fields and facilities. This hinders active participation in Upstream petroleum operations.

3.2.2 Inadequate Data on Exploration Potential

The country has inadequate comprehensive geoscientific data on all the 63 Petroleum Blocks. This limits the marketing of the open Petroleum Blocks, and identification and exploitation of new petroleum resources. It also hinders attraction of investment in the Upstream sub-sector.

3.2.3 Data Management

The sector lacks a robust data management and reporting framework, which hinders realization of optimal benefits derived from petroleum operations. Establishment of a data management system will result in improved efficiency in management of revenue generated from oil and gas sector, enhance data security and lead to effectiveness in use of the digital platforms in marketing the open petroleum blocks.

3.2.4 Fluctuations in Global Crude Oil Prices

Fluctuations in global crude oil prices impact on petroleum consumption, and exchange rates affecting profit margins and investment decisions by extension. This in turn impacts on the prices of petroleum products locally.

3.2.5 Inadequate Infrastructure

The country has a constrained capacity for storage of petroleum fuels to meet the growing demand in the country and the region. This has led to delays in offloading of petroleum products resulting in high demurrage charges. In addition, the country lacks spare capacity to hold strategic stocks for petroleum products thus exposing the country to shortage risks in the event of supply disruptions.

3.2.6 Low LPG Uptake in the Country

The country has insufficient common user import facilities for handling bulk LPG in Mombasa and hinterland. The existing bulk LPG import facilities are largely owned and operated by private companies. In addition, the country lacks a framework to guide importation of LPG, which has led to low competitiveness in the process thereby increasing retail prices. Consequently, the high retail prices have led to low penetration of LPG in the country. However, the government is in the process of finalizing the development of LPG importation framework.

3.2.7 Inadequate Legal and Regulatory Framework for the Sector

In 2019, Kenya reformed its petroleum legal framework and subsequently enacted attendant regulations. However, emerging issues and challenges in the country's oil and gas sector require review of the petroleum laws and regulations to enhance efficiency of petroleum operations and increase investment in the sector. There is also a need for enactment of regulations to effectively implement the Petroleum Act, 2019 in order to enable the country to compete with other emerging jurisdictions in efficient harnessing of its hydrocarbons, increase LPG uptake and promote distribution and access to petroleum products.

3.2.8 High Capital Investment in Exploration and Development

Petroleum operations are capital-intensive and technical in nature, with high-risk investments. This has led to low investments in the Kenyan upstream as a result low appetite for Reserve Based Lending (RBL).

CHAPTER FOUR: POLICY STATEMENTS

4.0 Overview

This Chapter presents policies that will be implemented towards sustainable management of the Kenyan petroleum resources and provision of petroleum products. It covers the Upstream, Midstream, and Downstream sub-sectors of the Oil and Gas Sector. Priority will be given to strengthening the fiscal, legal and regulatory framework for petroleum to facilitate investment and coordinated development and management of the Sector.

4.1 Upstream Sub-Sector

Development of the Upstream Sub-sector involves exploration of petroleum resources, crude oil and natural gas, both onshore and offshore within the Country's four sedimentary basins. This is guided by the Constitution provision requiring the State to ensure sustainable exploitation, utilization, management and conservation of the natural resources, and equitable sharing of the accruing benefits. This Policy provides a framework for promotion of the country's petroleum potential with a view of attracting investment to discover, produce and commercialize the petroleum resources, with an aim of generating revenue.

The policy seeks to address the prevailing challenges/issues in the sub-sector in regard to: low investment, licensing, inadequate technical and financial capacity and unexplored potential in natural gas. The Policy will focus on creating an enabling environment for investments, improving data availability, strengthening local capacity, and ensuring a clear and efficient regulatory framework that promotes sustainable and efficient operation in the sub-sector. This will in turn contribute to the socio-economic development of the country for present and future generations.

4.1.1 Ownership of the Resources

All petroleum and associated resources existing in their natural condition in strata, lying within the Country and its continental shelf, is vested in the National Government in trust for the people of Kenya.

Policy Statement

The Government will hold, use, and manage petroleum resources in a manner that is equitable, efficient, productive, and sustainable.

4.1.2 Promotion of Oil and Gas Investments

Promotion of oil and gas potential entails collection, processing, and analysis of geoscientific and engineering data, packaging the information, and using it for marketing the blocks. This policy recognizes that promotion of oil and gas investments is crucial as it will drive economic growth,

generate revenue, create jobs, and attract foreign investment. Showcasing petroleum potential will enhance resource exploration and exploitation, improve energy security, and stimulate infrastructure development, contributing significantly to national development and prosperity.

Policy Statements

The Government will:

- a. Create a conducive environment for investments in petroleum operations and infrastructure development.
- b. Market open petroleum blocks to investors.
- c. Enhance access to petroleum data and information for commercial consideration

4.1.3 Licensing of Petroleum Blocks

This Policy seeks to streamline licensing of petroleum blocks to enable the Government to enter into petroleum agreements with investors for exploration, development and production activities. This will ensure the utilization of competitive bidding approach to achieve optimal returns for the country and to attract well-qualified investors for blocks with existing data.

Policy Statements

The Government will:

- a) Ensure the licensing process is responsive in attracting investment.
- b) Reconstitute the petroleum blocks for effective exploration and production of petroleum resources.
- c) Evaluate investors' technical expertise and financial capability for effective exploration, development, and production of petroleum resources.

4.1.4 Exploration, Development and Production Operations

The Government is mandated with ensuring that all petroleum exploration, appraisal, development, and production activities are conducted in a manner that safeguards data ownership, promotes sustainable practices, maximizes economic returns, and enhances social and environmental welfare. This Policy will provide a framework for the necessary legal and operational guidelines to uphold the principles of sustainable development, equitable resource distribution, and long-term socio-economic benefits for all.

Policy Statements

The Government will:

- a) Participate in exploration, development and production and facilitate investments in petroleum operations.
- b) Ensure adherence to terms and conditions of petroleum agreements

- c) Ensure prudent management of confidential information acquired in the course of petroleum operations.
- d) Facilitate land access for petroleum operations.
- e) Promote application of best available technology in petroleum operations.
- f) Promote adoption of technologies that support decarbonization in upstream operations.
- g) Facilitate third-party access to infrastructure in exchange for fair compensation to the owner.
- h) Collaborate with neighbouring governments for joint development of any petroleum discovery which straddles national boundaries.

4.1.5 Exploration and Exploitation of Natural Gas

Natural Gas plays a key role in the clean energy transition. It has various uses including thermal applications in industries, transportation, institutional, and households use; electric power generation and gas to liquids (GTL) conversions; and as a raw material for other products i.e. fertilizer, methanol and ethanol. The 'Kenya Exploration Potential Play based Resource Assessment Report' shows that the country has a huge potential for natural gas, especially in the Lamu Basin. As the world transitions to clean energy, there is need to explore and exploit Natural Gas, which forms a crucial part of the journey towards a low carbon footprint, for utilization in the domestic market and for exportation.

Policy statements

The Government will:

- a. Strengthen the legal and regulatory framework for the oil and gas sector to include the natural gas industry.
- b. Facilitate development and utilization of natural gas and associated infrastructure

4.1.6 Decommissioning

Decommissioning of upstream, midstream and downstream petroleum infrastructure will be planned for at the early phase of the project, and updated throughout the project cycle. Decommissioning will be performed in an environmentally sustainable manner to ensure that the environment is restored to its original state.

Policy Statements

The Government will:

- a. Develop a framework to guide decommissioning of petroleum operations.
- b. Ensure investors provide financial assurances for restoration of the environment at the end of their petroleum operations.
- c. Ensure stakeholder involvement in decommissioning petroleum operations.

4.2 Midstream Sub-Sector

The midstream sub-sector comprises of operations regarding trading in crude oil and natural gas, transportation, storage and refining of crude oil and natural gas. The sub-sector operations halted in 2013, when KPRL ceased refining of crude oil. Further, the sub-sector has remained inactive due to inadequate infrastructure developments and low investments. As the Country progresses in its pursuit to exploit its oil and gas resources, this policy seeks to establish a framework for development of the Midstream sub-sector.

Policy Statements

The Government:

- a) Will promote investment in midstream infrastructure, petrochemicals and natural gas processing facilities.
- b) Will promote development, ownership and operation of petroleum infrastructure
- c) May own and operate midstream infrastructure.
- d) Will facilitate third party access to infrastructure in exchange for fair compensation to the owner, where there is spare capacity
- e) Will be responsible for setting, reviewing and adjusting tariffs and charges for all petroleum infrastructure to ensure a fair return.
- f) May facilitate land access for midstream infrastructure development.
- g) Will facilitate access to transport and storage infrastructure.
- h) May use the produced oil and gas to enhance energy security in the country.

4.3 Downstream Sub-Sector

The downstream sub-sector involves storage, transportation and distribution of petroleum products. The operations of the retailing industry are well established in the country. The government acknowledges the issues currently facing the downstream petroleum sub-sector, including: inadequate strategic stocks for refined products, inadequate infrastructure especially in the hinterland, delayed responsiveness of petroleum pricing components to shifts in the economic factors, non-compliance of refined products with statutory requirements and low LPG uptake. The Government is committed to addressing these challenges to enhance efficiency in downstream operations.

4.3.1 Supply of Petroleum Products

By 2023, the country's imports of petroleum products averaged 5.1 million MT annually. The quantity of monthly imports of petroleum fuel required to meet the country's demand is determined through consultations between the Government and the Oil marketers, and imported through the Open Tender System (OTS), which is a competitive process. The other petroleum products are imported on need-basis by private sector players. To ensure security of supply of

petroleum products and guarantee their quality, the Government is committed to delivering on the following strategies.

Policy Statements

The Government will:

- a) Establish and maintain strategic stocks of petroleum products in the Country.
- b) Ensure compliance of supplied petroleum products to statutory requirements on quality and standards.
- c) Ensure access to competitive, reliable and secure supply of petroleum products.

4.3.2 Infrastructure Development

The country lacks adequate storage and distribution facilities for petroleum products. The available transport and storage capacity in the country is not sufficient to cater for the demand for petroleum products locally and regionally. This has led to importation of petroleum products on monthly basis and in quantities commensurate with the available storage capacity. The country also lacks a framework for optimal utilization of available petroleum facilities. Further, the Mombasa Port cannot handle large vessels due to the shallow draft. The large vessels have a draft of 16 meters while the Port has a channel depth of 13.75 meters. This limits the quantity of products imported thus impacting on their prices.

Policy Statements

The Government:

- a) Will enhance efficiency in Licensing of the Downstream sub-sector
- b) Will facilitate development of infrastructure for importation, storage, transportation and distribution of petroleum products.
- c) May invest in, own and operate infrastructure in downstream petroleum operations either directly or indirectly.
- d) Will collaborate with neighboring countries to undertake integrated petroleum infrastructure projects.

4.3.3 Pricing of Petroleum Products

The prices of petroleum products are determined by various factors including; the pace of economic growth of a country, consumer demand, geo-politics, policy changes, international oil prices, foreign exchange, and the supply of the products. In Kenya, these prices are regulated by the Government and reviewed on monthly basis to cater for the economic changes locally and in the exporting country.

Policy Statements

The Government will:

- a) Ensure fair pricing and market stability of petroleum products
- b) Enhance the flexibility in response to economic factors that influence pricing of petroleum products.
- c) Harmonize fees and levies for licenses and permits.

4.3.4 Liquefied Petroleum Gas

Kenya imports Liquefied Petroleum Gas (LPG) to meet all its domestic and commercial demand. The prices of LPG in the country are unregulated and high thus hindering LPG uptake by consumers. Lack of sufficient storage facilities lead to increased demurrage costs due to lengthy periods of offloading LPG from the importing vessels, thus impacting on LPG retail prices. Development of bulk storage and handling facilities for LPG, transportation systems and gas reticulation infrastructure will enhance LPG utilization and effectively lower its cost.

Policy Statements

The Government will:

- a) Ensure compliance of LPG and related facilities to statutory requirements on safety, quality and standards.
- b) Promote development of adequate LPG infrastructure for importation, storage and filling.
- c) Promote investment in LPG in the country
- d) Promote competitive importation of LPG
- e) Ensure fair pricing of LPG
- f) Promote the use of LPG for domestic, automotive and commercial purposes.

4.4 Revenue from Petroleum Operations

The discovery of petroleum resources and subsequent production provides an opportunity for Kenya to generate revenue to support its economic growth. In order to fully benefit from the exploitation of the Country's oil and gas resource, this Policy will ensure effective management and equitable distribution of the accruing revenue. In addition, it will ensure that the oil and gas sector does not develop at the expense of other sectors, leading to over-reliance on petroleum production and its associated tax and export revenues. This will protect the economy from economic shocks arising from fluctuating global petroleum prices.

4.4.1 Management of Revenues from Petroleum Operations

Petroleum revenues are from operations of upstream, midstream and downstream subsectors. Revenue from upstream is generated from: licence and permit fees, sale of petroleum data, crude and Natural Gas, signature bonus, surface fees and training fees from investors to support human

capacity development for the sector; while revenue from Downstream is generated from levies collected from sale of petroleum products and licence fees. Expected revenue streams from Midstream sub-sector, once developed, will include tariffs, licence and permit fees. The generated revenue will be used to support development of the Oil and Gas Sector as well as various sectors of the economy.

Policy Statements

The Government will:

- a) Facilitate collection, administration and management of revenues from petroleum operations
- b) Ensure equitable sharing of benefits from the exploitation of petroleum resources.
- c) Ensure application of arms-length principles in petroleum operations.
- d) Ensure revenues from petroleum operations are collected and utilized to develop the oil and gas sector and support various sectors of the economy.

CHAPTER FIVE: CROSS-CUTTING ISSUES

5.0 Overview

This Chapter presents the cross-cutting issues affecting the operations in the oil and gas sector. These include: safety of the petroleum products and operations, and the environment; security of petroleum infrastructure; public participation; land; local content; private sector participation.

5.1 Health and Safety

Health and safety are critical in oil and gas sector operations. Upholding health and safety in the sector involve implementing a range of strategies aimed at protecting the public and workers from ailments and injuries resulting from petroleum operations. The inherent hazards in petroleum operations and products include: health and safety risks, oil spills, fires and explosions. Their occurrence may erode the gains and sustainability from investments in the sector.

Policy Statement

The Government will Ensure compliance with health and safety laws related to the oil and gas sector.

5.2 Security

Oil and gas resources, infrastructure and operations are prone to insecurity as some span large geographical areas and are often in remote locations. Security challenges facing the sector include: theft, terrorism, vandalism, maritime piracy, border disputes and cyber-attacks. These incidents may result in disruptions in petroleum operations and slow down investment in the sector.

Policy Statements

The Government will:

- a) Ensure security for oil and gas infrastructure and operations in accordance with the applicable security frameworks.
- b) Enhance security in implementation of cross-border oil and gas projects

5.3 Public Participation

The Government recognizes public participation as a necessary component of people-centered development and democracy. Public participation in petroleum operations provides citizens with an opportunity to influence decisions and oversight in the sector.

Policy Statement

The Government will facilitate public participation in petroleum operations in accordance with the applicable policy and legal frameworks.

5.4 Land

Land is one of the factors of production and a critical resource for economic development of the country. The land issues, related to oil and gas operations, to be addressed include: land access and rights, land ownership, land-use planning, environmental management, and land use conflicts.

Policy Statements

The Government will:

- a) Facilitate land access, acquisition and resettlement for oil and gas operations.

5.5 Host Community Rights

Host communities in Kenya play a crucial role in petroleum operations as they hold the social license to operate, which is essential for the success of any project. Host community rights to be observed include: safeguarding of community livelihoods; direct benefit from petroleum operations; effective consultation on petroleum activities; just compensation for project-affected persons; and participation in Corporate Social Value (CSV).

Policy Statements

The Government will:

- a) Ensure that all stakeholders actively promote and protect the rights and interests of host communities.
- b) Strengthen the legal and regulatory framework governing host community rights in petroleum operations.

5.6 Environment, Social and Governance (ESG)

The Government is responsible for ensuring sustainable exploitation, utilization, management and conservation of the environment and petroleum resources. Notably, Petroleum operations have the potential to have significant negative environment, social and economic impacts which if not addressed can erode the benefits. Addressing ESG issues in petroleum operations, can improve operational efficiency, reduce environmental impact, support local communities, and strengthen transparency and accountability across all levels of operation.

Policy Statements

The Government will:

- a) Ensure petroleum operations comply with environmental management legislation.
- b) Strengthen the legal and regulatory framework governing the environment, social and governance of petroleum operations.
- c) Promote sustainable environmental management in petroleum operations.
- d) Strengthen capacity on the environment, social and governance in petroleum operations.

5.6.1 Climate Change Mitigation and Adaptation

Globally, the Oil and Gas Sector faces a challenge of minimizing greenhouse gas emissions while meeting increasing energy demands. Recognizing that a complete energy transition may not be achievable in the short to medium term, Kenya remains committed to developing its petroleum resources while ensuring climate change mitigation and adaptation.

Policy Statement

The Government will promote climate change mitigation and adaptation in petroleum operations.

5.7 Local Content

The Government takes cognizance that Kenyans have the right to benefit economically from the oil and gas sector. This includes access to local employment, business opportunities, training, capacity building, provision of local goods and services, value addition and retention and technology transfer within the economy. The Policy therefore provides for local content development in the sector.

Policy Statements

The Government will:

- a) Develop a legal and regulatory framework on local content for the Oil and Gas sector.
- b) Ensure investors collaborate with Kenyan people, agencies and enterprises in local content development.
- c) Promote integration of other sectors in the economy to support the Oil and Gas sector development.

5.8 Petroleum Data Management

All data derived from petroleum operations belongs to the Government. Petroleum data exists in both raw and processed form and includes exploration, production, operational, financial, regulatory and market data. Petroleum data is a national resource which has the potential to generate substantial revenue for the sector.

Policy Statements

The Government will:

- a) Strengthen petroleum data governance.
- b) Ensure security of petroleum data.

5.9 Conflict Management and Dispute Resolution

Conflict management and dispute resolution within the oil and gas sector is necessary to foster stability and smooth implementation of petroleum operations. This Policy seeks to ensure that all stakeholders engage in a transparent and accountable manner in order to minimize disruptions to petroleum operations.

Policy strategies

The Government will strengthen conflict management and dispute resolution mechanisms in the oil and gas sector

CHAPTER SIX: POLICY IMPLEMENTATION, MONITORING AND EVALUATION, AND REPORTING

6.0 Overview

This Chapter focuses on resource mobilization and institutional framework for implementation of the Policy. Assessment of progress made in the implementation of this Policy will be carried out through Monitoring, Evaluation and Reporting, which will be critical in determining if the country is on track in realization of the set policy goals and objectives. These frameworks will ensure that the implementation of this Policy is undertaken according to scope, time and available resources, and enable for tracking of strategies and activities outlined in the Implementation Plan.

6.1 Policy Implementation

6.1.1 Resource mobilization

The successful implementation of this Policy requires adequate financial, human and technical resources to achieve the intended objectives. The Ministry responsible for petroleum will provide the requisite leadership and encourage partnership in the exploration, exploitation and supply of oil and gas in a sustainable manner. Exploitation of oil and gas resources will be carried out in a manner that will enhance environmental conservation. This will ensure improvement of the quality of life of Kenyans without compromising that of future generation.

The various strategies that will be used in the mobilization of funds for the Sector are:

- a) Budgetary allocation by the National Treasury
The Oil and Gas Sector will actively participate in the national budgeting process and lobby for additional resources from the National Treasury.
- b) Resources from Oil and Gas investors
The Oil and Gas Sector will provide a conducive environment for oil and gas investors to invest in the exploration, development of its oil and gas resources and the supply of its petroleum products.
- c) Resources from the development partners
The Oil and Gas Sector will strengthen its collaboration with development partners in ensuring support for specific areas of interest.
- d) Revenue generation from scientific data.
The Oil and Gas Sector will enhance timely and accurate geo-scientific data collection to generate revenue and attract investment in exploration.
- e) Public Private Partnerships (PPP).
The Oil and Gas Sector will work create a conducive environment and partner with the PPPs for enhanced projects implementation.

To ensure effective and efficient utilization of the funding, the Ministry responsible for petroleum will exercise transparency and accountability, adoption of cost-effective operations, adaptability and flexibility in particular to change dynamics and above all will ensure implementation of this policy interventions lead to impact.

6.1.2 Institutional Framework

The institutions identified will facilitate exploration, exploitation and supply of oil and gas for sustainable development. Implementation of the policy will thus take a multi-sectoral approach cutting across both the Government and industry players. The Ministry in charge of Petroleum will take the leading role of coordinating the sector operations.

Table 6 outlines the various government and private institutions and stakeholders involved in oil and gas sector and their roles.

Table 6: Role of Institutions in Implementation of the Policy

INSTITUTIONS	ROLES IN IMPLEMENTATION OF THE POLICY
Ministry of Energy and Petroleum	<ul style="list-style-type: none"> • Spearhead formulation and implementation of the Petroleum Policy; • Ensure Security of Supply of petroleum products; • Petroleum Resource Management; • Assessment of Oil and Gas Potential in Kenya's Exploration Blocks; • Management of Upstream Petroleum Products Marketing; • Oil and Gas Sector Capacity Development;
Energy and Petroleum Regulatory Authority	<ul style="list-style-type: none"> • Economic and technical regulation of the upstream, midstream and downstream petroleum operations • Licensing and regulation of the oil and gas sector • Review of field development plans • Quality control of petroleum products.
National Oil Corporation of Kenya	<ul style="list-style-type: none"> • Provide security of supply of petroleum products in the country • Involved in upstream exploration, development and production of petroleum products • Management of geoscientific data from exploration activities • Expand LPG infrastructure and demand under the cylinder/appliance subsidy programme
Kenya Pipeline Company/Kenya Petroleum Refinery Ltd	<ul style="list-style-type: none"> • Storage, transportation and handling of refined petroleum products and LPG in the country.
Energy and Petroleum Tribunal	<ul style="list-style-type: none"> • Adjudication of matters referred to it relating to the oil and gas sector.
National Upstream Petroleum Advisory Committee (NUPAC)	<ul style="list-style-type: none"> • To advise the Cabinet Secretary responsible for Petroleum on Upstream petroleum operations
Kenya Revenue Authority	<ul style="list-style-type: none"> • KRA is responsible for collection of taxes from petroleum related transactions in line with relevant laws and regulations.
NEMA	<ul style="list-style-type: none"> • Responsible for enforcement of environmental laws and regulations.

INSTITUTIONS	ROLES IN IMPLEMENTATION OF THE POLICY
KEBS	<ul style="list-style-type: none"> Responsible for the development of standards, metrology, conformity assessment, training and certification services and is to coordinate with the Regulatory Authority in areas related to the oil and gas sector.
County Governments	<ul style="list-style-type: none"> Collaborate with national Government in implementation of the applicable policy provisions Issue licenses, permits and approvals Responsible for county legislation
Parliament	<ul style="list-style-type: none"> Oversight, representation and enactment of laws and regulations for the sector Approval and appropriation of budget
Judiciary	<ul style="list-style-type: none"> Resolution of disputes
Cabinet	<ul style="list-style-type: none"> Approval of the National Petroleum Policy
Office of Attorney General and Department of Justice	<ul style="list-style-type: none"> Advise on all legal matters
National Treasury and Economic Planning	<ul style="list-style-type: none"> Provision of adequate budgetary resources Approval of programmes and projects
Other Government Institutions and Agencies	<ul style="list-style-type: none"> Collaboration in policy formulation and development Cross-cutting policies
Research and academic institutions	<ul style="list-style-type: none"> Research and development
Industry players	<ul style="list-style-type: none"> Licensed to undertake petroleum operations Collaborate in the implementation of the policy
Media	<ul style="list-style-type: none"> Dissemination of information
Development Partners	<ul style="list-style-type: none"> Provide financial and technical support towards implementation of the Policy
Other players/Community	<ul style="list-style-type: none"> Participation in policy formulation and implementation Support sector initiatives

6.2 Monitoring and Evaluation Framework

Effective implementation of this Policy requires establishment of a robust Monitoring and Evaluation (M&E) Framework. Monitoring and Evaluation helps in improving policy design and implementation, as well as in promoting accountability and dialogue among policy makers and stakeholders. It is also at the heart of evidence-based policy making and as such forms an integral part of the development and implementation of this Policy. M&E will provide a core set of tools that stakeholders will use to verify and improve the relevance, quality, efficiency, effectiveness impact and sustainability of this Policy.

6.2.1 Monitoring and Evaluation Process

- Monitoring will be a continuous function entailing systematic collection and analysis of data on the specified indicators to establish the extent of progress on achievement of the objectives outlined in this Policy.
- Evaluation process will entail a systematic and objective assessment of design, implementation and results of the stated Policy actions.
- The M&E process will be guided by the M&E implementation framework that will be reviewed periodically to adjust to emerging issues. The Framework shall specify the indicators, indicator definition, baseline, target, data source, frequency and responsibility for data collection.
- The M&E process will adopt a nine-step approach: agreeing on outcomes to monitor and evaluate; selection of key indicators to monitor outcomes; establishment of baseline data on indicators; setting results targets; monitoring the results; evaluation of results; reporting of findings; using findings/lessons learned & knowledge management; and sustaining the M&E System within the Oil and Gas sector.
- Quarterly and annual progress reports will be prepared based on the National M&E reporting system and Oil and Gas management database updated regularly.
- A mid-term and an end-term evaluation of policy shall be based on both national and international accepted norms and standards.

6.2.2 Monitoring and Evaluation Institutional Framework

The Ministry responsible for petroleum will coordinate the monitoring of implementation of this Policy. The Ministry will work in collaboration with the key stakeholders including the Ministry responsible for planning, industry players and development partners in providing technical support and facilitating capacity building on monitoring and evaluation of petroleum operations.

6.3 Policy Review

This Policy will be reviewed after every five years or any such other period as may be determined by the Ministry responsible for petroleum.

ANNEX I: IMPLEMENTATION MATRIX FOR OIL AND GAS SECTOR OPERATIONS

Strategies	Outputs	KPI	TIMEFRAME 2024-2034	Est. Cost (Kshs. Millions)	Source	Responsibilities	
						Lead	Support
Policy Objective	Policy, Legal, Institutional, and Regulatory Framework for the Sector						
Policy Statement	Oil and Gas sector policy, legal, institutional and regulatory framework						
Strengthen the fiscal, legal and regulatory framework for the oil and gas sector	Regulations under the petroleum legislation developed/reviewed	No. of Regulations under the petroleum legislations developed/reviewed (10)	2024-2027	200	GoK	SDP	EPRA
	Petroleum Act, 2019 Reviewed	Revised / Amended Petroleum Act, 2019 (1)	2024-2025	150	GoK	SDP	EPRA
	Petroleum Development Fund Act, 1991 Reviewed	Revised/Amended the Petroleum Development Fund Act, 1991 (1)	2025-2026	130	GoK	SDP	EPRA
	Petroleum agreements reviewed	No. of petroleum agreements reviewed (TBD)	2025-2027	110	GoK	SDP	EPRA
	Guidelines and standards for the oil and gas sector developed	No. of guidelines and standards developed and published	2024-2027	120	GoK	EPRA	
	The National Petroleum Master Plan developed	A National Petroleum Master Plan	2024-2026	130	GoK	SDP	EPRA
	Oil and gas sector policies and strategic plans developed/reviewed and published	No. of oil and gas sector policies/strategic plans developed/reviewed and published.	2024-2034	180	GoK	SDP	EPRA, NOCK
Strengthening cooperation with	Develop/sign cooperation instruments (MoUs, bilateral and multilateral	No. of Cooperation instruments developed/signed	2024-2034	1100	GoK	SDP	

Strategies	Outputs	KPI	TIMEFRAME 2024-2034	Est. Cost (Kshs. Millions)	Source	Responsibilities	
						Lead	Support
Government Agencies and other Governments	agreements) with government agencies in the oil and gas sector in other countries						
	Regionally and international Policies and legislations developed/reviewed	No. of regional/international policies and legislations developed/reviewed	2024-2034	150	GoK	SDP	EPRA
	Frameworks for cooperation in response to regional and global emerging issues in the oil and gas sector developed	No. of frameworks developed	2024-2034	170	GoK	SDP	
	Partnerships between petroleum regulatory and statutory institutions with other countries established	No. of partnerships established	2024-2034	160	GoK	SDP	EPRA, NOCK
	Centers of excellence for oil and gas developed	No. of centers of excellence established and operationalized.	2024-2034	TBD	PPP	SDP	IOCs
	Cooperation in carbon credit trading in the petroleum sector	No. of carbon credit trading in the oil and gas sector	2024-2034	TBD	PPP	SDP	IOCa
	Bilateral agreements, multilateral forums, MOU developed and implemented	No. of bilateral agreements, multilateral forums, MOU developed and implemented	2025-2034	100	GoK	SDP	EPRA
	Technology and knowledge sharing with other governments Partnerships	No. of technology and knowledge-sharing partnerships agreements developed and signed.	2024-2034	160	GoK/ PPP	SDP	
	Framework for collaboration with Government Agencies in development of the Oil and Gas Sector	Collaboration framework	2026-2028	120	GoK	SDP	

Strategies	Outputs	KPI	TIMEFRAME 2024-2034	Est. Cost (Kshs. Millions)	Source	Responsibilities	
						Lead	Support
Policy Objective	UPSTREAM SUB-SECTOR						
Policy Statement	Promotion of oil and gas investments						
Create a conducive environment for investments in petroleum operations and infrastructure development	Periodic reviews of the terms and conditions in petroleum arrangements to sustain interests in exploration and production undertaken.	No. of periodic reviews on terms and conditions in petroleum arrangements	2025-2034	235	GoK	SDP	
	Roadmap on structuring, governing and regulating the oil and gas sector developed	Roadmap on structuring, governing and regulating the oil and gas sector	2026-2027	50	GoK	SDP	
Marketing of open petroleum blocks	Marketing and promotion strategy for investment in the Upstream sub-sector sector developed	Marketing and promotion strategy	2024-2026	130	GoK	SDP	
	Geoscientific data collected from the petroleum blocks repackaged	No. of petroleum blocks with Geoscientific data repackaged	2024-2034	150	GoK	SDP,	NOCK
	Regional and international oil and gas forums organized and participated	No. of forums organized / participated in	2024-2034	200	GoK	SDP,	NOCK, EPRA
	Roadshows organized	No. of roadshows organized/conducted	2024-2027	110		SDP,	NOCK, EPRA
	Multi-Client data acquired	Acreage (km²) for which multi-client data is acquired	2024-2029	220		SDP,	EPRA, NOCK
	Bid-rounds conducted	No. of bid-rounds conducted	2025-2034	115		SDP	
Enhance access to petroleum data and information for	An Online Petroleum Exploration Information Management System (PEIMS) for petroleum technical data and information in the sector developed	Petroleum Exploration Information Management System	2026-2028	155		SDP	

Strategies	Outputs	KPI	TIMEFRAME 2024-2034	Est. Cost (Kshs. Millions)	Source	Responsibilities	
						Lead	Support
commercial consideration	Guidelines on use and access of petroleum data and information developed	Guidelines on use and access of petroleum data and information	2026-2028	TBD		SDP	
	Capacity building for Information Management System undertaken	No. of staff trained on information management system	2026-2034	120		SDP	
Policy Statement	Licensing of Petroleum Blocks						
Ensure the licensing process is responsive to attracting investment in the sector	An efficient licensing system developed	Efficient licensing system	2024-2027	130		SDP, EPRA	
	Bidding rounds and direct negotiations conducted	No. of bidding rounds and direct negotiation conducted	2025-2034	310		SDP	
	Petroleum licenses and permits issued	No. of petroleum licenses and permits issued	2024-2034	110		SDP	EPRA
Reconstitute petroleum blocks for effective exploration and production of petroleum resources	Petroleum exploration and production areas demarcated into blocks based on official geological and geophysical data.	No. of Petroleum exploration and production areas demarcated into blocks No. of blocks of which petroleum exploration and production areas have been demarcated into.	2024-2034	130		SDP	NUPAC
	Nomenclature for classification and naming of blocks developed	A Nomenclature for classification and naming of blocks	2024-2034	110		SDP	
	Petroleum blocks gazetted	Gazettement of petroleum blocks	2024-2034	TBD		SDP	

Strategies	Outputs	KPI	TIMEFRAME 2024-2034	Est. Cost (Kshs. Millions)	Source	Responsibilities	
						Lead	Support
	Petroleum block map reviewed	No of petroleum block maps revised	2024-2034	115		SDP	
		Revised petroleum block map					
Evaluate investors' technical expertise and financial capability for effective exploration, development, and production of petroleum resources.	Technical competence assessed	technical competence assessment report	2024-2029	60		SDP	
	Financial competence evaluated	Financial competence evaluation report	2024-2029	30		SDP	
	Regulatory compliance evaluated	Regulatory compliance evaluation report	2024-2029	30		SDP	
Policy Statement	Exploration, Development and Production Operations						
Participate in exploration, development and production and facilitate investments in petroleum operations	Geoscientific data collected, processed, stored, evaluated and interpreted	Acreage for which geoscientific data is collected, processed and stored	2024-2034	6000	GoK	SDP,	NOCK, Investors
	Geoscientific surveys, exploration and appraisal drillings of petroleum resources undertaken	No. of geoscientific surveys, exploratory and appraisal drilling reports prepared	2024-2034	2000	GoK	SDP,	NOCK, Investors
	Development and production of petroleum resources undertaken	Production facilities developed for extraction	2028-2034	TBD		SDP,	NOCK, Investors
		Quantities of petroleum resources produced					

Strategies	Outputs	KPI	TIMEFRAME 2024-2034	Est. Cost (Kshs. Millions)	Source	Responsibilities	
						Lead	Support
	Participation agreements reviewed	No. of participation agreements reviewed	2024-2034	215	GoK	SDP	
	Resource mobilization strategy to facilitate participation in petroleum operations developed	A Resource mobilization strategy	2026-2027	15	GoK	SDP	
	Research in exploration of petroleum resources undertaken	No. of research studies in exploration	2025-2034	200	GoK	NOC K	Scholarly institutions
	Operational permits and licenses issued	No. of operational permits and licenses issued	2024-2034	TBD		EPRA	
Ensure adherence to terms and conditions of petroleum agreements	Interest in petroleum agreements reviewed, transferred and assigned	No. of petroleum agreements whose interests are revised, transferred and assigned	2024-2034	160	GoK	SDP	
	Petroleum permits issued	No. of petroleum permits issued	2024-2034	TBD		EPRA	
	Work Programs and Budgets submitted by IOCs reviewed and approved	No. of IOCs work programs and budgets reviewed and approved	2024-2034	110	GoK	SDP	
	Compliance monitored and enforced	No. of compliance monitoring exercise conducted	2024-2034	170	GoK	EPRA	
	Field Development Plans developed, reviewed and approved	No. of Field Development Plans developed, reviewed and approved	2024-2034	1000	Gok	SDP	Investors EPRA
	Production Sharing Contracts (PSCs) administered and managed	No. of PSCs administered and managed	2024-2034	130	GoK	SDP	

Strategies	Outputs	KPI	TIMEFRAME 2024-2034	Est. Cost (Kshs. Millions)	Source	Responsibilities	
						Lead	Support
Ensure prudent management of confidential information acquired in the course of petroleum operations	Information Management System for administrative data and information collected from investors and stakeholders developed	Information Management System developed	2026-2028	125	GoK	SDP	
	Guidelines on access of confidential data and information developed	Guidelines on access to confidential data and information	2026-2028	110	GoK	SDP	
	Capacity building on the Information Management System undertaken	No. of officers trained in information management systems	2026-2034	120	GoK	SDP	
Facilitate land access for petroleum operations	Collaboration with relevant agencies to facilitate land access and acquisition	No. of collaboration to facilitate land access and acquisition	2024-2034	TBD		NLC,	MLPWH UD, SDP
	Investors' requests for land access reviewed	No. of investors' requests for land access reviewed	2024-2034	125	GoK	SDP	
Promote application of best petroleum industry practice	Guidelines and regulations on use of best practices in petroleum operations developed	Guidelines and regulations on use of best practices in petroleum operations	2025-2026	110	GoK	SDP,	EPRA
	Monitoring of operations to ensure application of best practices undertaken	No. of monitoring exercises undertaken Monitoring framework	2026-2034	180	GoK	SDP	
	Studies to establish the best practices used in petroleum operations undertaken	No. of studies undertaken	2026-2034	140	GoK	SDP	

Strategies	Outputs	KPI	TIMEFRAME 2024-2034	Est. Cost (Kshs. Millions)	Source	Responsibilities	
						Lead	Support
Promote adoption of technologies that support decarbonization in upstream operations	Regulations and standards on use of low-carbon technologies in petroleum operations developed	No. of regulations and standards developed	2026-2027	110	GoK	SDP	
	Investment in Research and Development to develop and improve decarbonization technologies, such as carbon capture and storage (CCS) and renewable energy integration	Increased funding allocated to R&D for decarbonization technologies / Amount of funding allocated	2026-2034	150	GoK	SDP,	NOCK
Facilitate third party access to infrastructure in exchange for fair compensation to the owner	Tariff regulations for third party access to infrastructure for fair compensation to the owner developed	No. of tariff regulations for third party access to infrastructure developed	2025-2027	TBD		SDP,	EPRA
	Guidelines on third party access to infrastructure for ease of monitoring and managing capacity allocation developed	Guidelines on third party access developed	2025-2027	TBD		SDP,	EPRA
	Continuous assessment to determine available spare capacity in the existing infrastructure undertaken	No. of capacity assessments undertaken	2025-2027	TBD		SDP,	EPRA
	Standard Operating Procedures for the implementation and management of third-party access developed	No. of Standard Operating Procedures developed	2024-2027	130	GoK	SDP,	EPRA
	Permits for third-party access issued	No. of permits for third-party issued	2025-2034	TBD		EPRA	
	Common user transport and storage agreements approved	No. of common user transport and storage agreements approved	2025-2034	TBD		SDP,	EPRA

Strategies	Outputs	KPI	TIMEFRAME 2024-2034	Est. Cost (Kshs. Millions)	Source	Responsibilities	
						Lead	Support
Collaborate with neighbouring governments for joint development of any petroleum discovery, which straddles national boundaries	Legal, institutional and regulatory frameworks for cooperation in the petroleum sector developed	No. of the legal, institutional, and regulatory frameworks developed	2024-2029	125	GoK	SDP	
	Regional petroleum infrastructure jointly developed	No. of regional infrastructures jointly developed	2024-2034	TBD		SDP, KPC	
Policy Statement	Exploration and Exploitation of Natural Gas						
Strengthen the legal and regulatory framework for oil and gas sector	Legal and regulatory framework for petroleum to include the Natural Gas industry developed/reviewed	legal and regulatory framework on Natural Gas	2028-2030	250	GoK	SDP	
	Capacity building for petroleum regulatory and enforcement agencies in management of the natural gas industry undertaken	No. of persons trained/programmes undertaken	2025-2028	140	GoK	SDP	
	Guidelines on Natural Gas use and management and Standard Operating Procedures developed	Guidelines on Natural Gas use and management and Standard Operating Procedures	2028-2030	115	GoK	SDP,	EPRA
Facilitate development and utilization of natural gas and associated infrastructure	feasibility studies on the viability and utilization of natural gas undertaken	No. of feasibility studies undertaken	2025-2027	220	GoK	NOC K,	SDP
	Infrastructure for natural gas developed	Natural gas infrastructure	2025-2034	TBD		SDP,	NOCK, Investors

Strategies	Outputs	KPI	TIMEFRAME 2024-2034	Est. Cost (Kshs. Millions)	Source	Responsibilities	
						Lead	Support
	Framework for cooperation with other countries producing natural gas developed	Cooperation framework	2024-2029	130	GoK	SDP	
	Domestic market analysis and regional demand forecasting for natural gas undertaken	Domestic market analysis and regional demand forecasting for natural gas report	2024-2027	150	GoK	SDP	
	Infrastructure development zones with enhanced support service and streamlined regulatory approvals designated	No. of zones designated for infrastructure development	2026-2034	TBD		SDP	
	Strategy on utilization of natural gas in the country developed	A strategy on utilization of natural gas	2025-2027	140	GoK	SDP	
	System to monitor the performance of the natural gas industry developed	System to monitor the performance of the natural gas industry	2026-2028	110	GoK	SDP	
	Public awareness campaigns to sensitize the public on natural gas conducted	No. of people reached through public awareness campaigns conducted No. of public awareness campaigns conducted	2024-2034	200	GoK	SDP	
	Regulations on natural gas importation developed	No. of regulations on natural gas importation developed	2024-2026	120	GoK	SDP,	EPRA
Policy Statement	Decommissioning						
Develop a framework to guide decommissioning of	Decommissioning plans developed	No. of decommissioning plans developed	2028-2034	TBD		Contractors	

Strategies	Outputs	KPI	TIMEFRAME 2024-2034	Est. Cost (Kshs. Millions)	Source	Responsibilities	
						Lead	Support
petroleum operations	Decommissioning plans reviewed and approved	No. of decommissioning plans reviewed and approved	2028-2034	TBD		EPRA ,	SDP
	Decommissioning fund established	Operational decommissioning fund	2029-2031	TBD		SDP	
	Mechanisms for the management and administration of the Decommissioning Fund developed	Mechanism for management and administration of decommissioning fund	2029-2031	TBD		SDP,	Contractors
	A Framework for monitoring decommissioning processes developed	A framework for monitoring decommissioning processes	2027-2029	TBD		SDP,	EPRA
	Efficient and environmentally friendly decommissioning technologies developed/adopted	No. of efficient and environmentally friendly decommissioning technologies developed/adopted	2024-2034	TBD		Contractors	
	Financial assurances for restoration of the environment at the end of petroleum operations provided	Financial assurances provided	2024-2034	TBD		Contractors	
Ensure stakeholder involvement in decommissioning of petroleum operations.	Stakeholder engagement in decommissioning of petroleum projects undertaken	No. of stakeholder engagements in decommissioning of petroleum projects undertaken	2024-2034	TBD		SDP	
	Capacity building of project implementors on decommissioning Undertaken	No. of project implementors trained on decommissioning	2024-2034	TBD		SDP,	Contractors

Strategies	Outputs	KPI	TIMEFRAME 2024-2034	Est. Cost (Kshs. Millions)	Source	Responsibilities	
						Lead	Support
	Collaboration and knowledge exchange among stakeholders involved in decommissioning facilitated	Reports on knowledge-sharing among stakeholders	2024-2034	TBD		SDP,	EPRA, Contract ors
Policy Objective	MIDSTREAM SUB-SECTOR						
Policy Statement	Midstream						
Promote investment in midstream infrastructure, petrochemicals and natural gas processing facilities	A framework for investment in midstream infrastructure developed and implemented	A framework for investment in midstream infrastructure	2024-2029	150	GoK	SDP	EPRA & KPC
	Best practices in petroleum operations developed	No. of Standards best practices developed	2024-2034	100	GoK	SDP	KEBS
	Technical support for the adoption of advanced technologies and innovative processes provided	Reports on provision of technical support for the adoption of advanced technologies and innovative processes		TBD			
	Infrastructural development zones with enhanced support service and streamlined regulatory approvals to attract investment in oil and gas sector designated	No. of Infrastructure zones designated	2026-2034	TBD		SDP	EPRA, CG
Own and operate Mid-stream infrastructure	Permits and Licenses issued to investors	No. of permits and licenses issued to investors	2028-2034	-	-	EPRA	KPC, OMC's
	Mid-stream infrastructure developed	No. of midstream infrastructure developed	2030-2034	260,000	PPP	SDP,	KPC, Midstream

Strategies	Outputs	KPI	TIMEFRAME 2024-2034	Est. Cost (Kshs. Millions)	Source	Responsibilities	
						Lead	Support
							Contractors
	Standard Operating Procedures guidelines developed	No. of Standard Operating Procedures developed	2028-2034	100	GoK	SDP	EPRA, KPC
	Monitoring framework for Mid-stream operations developed	M&E framework for midstream operations	2030-2034	120	GoK	SDP	
Facilitate third party access to infrastructure where there is spare capacity in exchange for fair compensation to the owner	Framework for third party access developed	Framework for third party access					
	Tariff regulations for third party access to infrastructure developed	No. of tariff regulations developed	2026-2027	20	GoK	SDP	EPRA
	Guidelines on third party access to infrastructure for ease of monitoring developed	No. of guidelines developed	2026-2027	20	GoK	SDP	EPRA
	Continuous monitoring assessment undertaken	No. of M&E quarterly reports (4)	2026-2027	10	GoK	SDP,	EPRA
	Standard Operating Procedures developed	No. of SOPs developed	2026-2027	20	GoK	SDP,	EPRA
	Permits for third-party access issued.	No. of permits for third-party access issued	2028-2034	-	-	EPRA	
	Common user transport and storage agreements approved	No. of common user transport and storage agreements approved	2028-2034	120	GoK	EPRA	SDP
Policy Objective	DOWNSTREAM SUB-SECTOR						
Policy Statement	Supply of petroleum products						

Strategies	Outputs	KPI	TIMEFRAME 2024-2034	Est. Cost (Kshs. Millions)	Source	Responsibilities	
						Lead	Support
Establish and maintain strategic stocks of petroleum products in the country	Regulations for Consolidated Petroleum Fund developed	Consolidated Petroleum Fund regulations developed	2026-2028	30	GoK	SDP,	TNT, EPRA
	Consolidated Petroleum Fund operationalized.	% operationalization of Consolidated Petroleum Fund Operational Consolidated Petroleum Fund	2026-2027	-	GoK, PPP	SDP	TNT
	Strategic Stocks maintained	Average stock days	2024-2034	200	GoK	SDP	EPRA
Ensure compliance of supplied petroleum products to statutory requirements on quality and standards	Spot checks at randomly selected petroleum products dispensing sites undertaken	No. of spot checks undertaken	2024-2034	1,500	GoK	EPRA	SDP,
	Standards and specifications for petroleum products developed	No. of standards developed	2024-2034	100	GoK	KEBS	SDP
	Quality checks of petroleum products at point of vessel discharge undertaken	Compliance level with quality standards	2024-2034	300	GoK	KPC	SDP
Ensure access to competitive, reliable and secure supply of petroleum products	Framework to facilitate competitive importation of petroleum products developed/reviewed	framework to facilitate competitive importation of petroleum products	2024-2026	100	GoK	SDP	EPRA
	Framework for third party access to facilities developed	Framework for third party access to facilities	2025-2027	40	GoK	SDP	KPC
	Petroleum products storage and distribution facilities expanded to the hinterland	Additional Storage Capacity (Cubic metres) / and pipeline Length in Km	2024-2034			KPC	SDP
	Alternative entry points for refined petroleum products established	No. of alternative entry points for refined petroleum products established	2027-2029	60, 000	GoK	SDP,	KPC, KPA

Strategies	Outputs	KPI	TIMEFRAME 2024-2034	Est. Cost (Kshs. Millions)	Source	Responsibilities	
						Lead	Support
	Petroleum Regulations developed	No. of Petroleum regulations developed	2024-2026	15	GoK	SDP,	EPRA, State Law Office
	Petroleum operation of common user petroleum facilities regulations developed	No. of regulations developed	2024-2026	30	GoK	SDP	EPRA, State Laws Office
Policy Statement	Infrastructure development						
Enhance efficiency in Licensing of the Downstream sub-sector	Licenses and permits issued	No. of licenses and permits issued	2024-2034	100	GoK	EPRA	SDP
	One-Government-Approach in regulating the Downstream Sub-Sector adopted	No. of processes transitioned to One – Government - Approach	2026-2029	100	GoK	SDP	EPRA
Facilitate development of infrastructure for importation, transportation, storage and distribution of petroleum products	Draft at the port periodically dredged to increase the channel depth	Draft maintained at 15m	2026-2030	150	GoK	KPA	SDP
	Jetty(s) capacity increased	Increase draft in Metres from 15m to 20m	2027-2030	500	GoK	KPA	SDP, KPC, Private Investors
	Pipeline throughput increased	No. of additional pumps commissioned Increase in pipeline throughput (m ³ /hr)	2024-2030		GoK	KPC	SDP
	Pipeline network extended	Km of pipeline constructed	2025-2030			KPC	SDP
	Storage and distribution facilities expanded	Additional Storage Capacity (Cubic metres)	2024-2034		GoK	KPC	SDP

Strategies	Outputs	KPI	TIMEFRAME 2024-2034	Est. Cost (Kshs. Millions)	Source	Responsibilities	
						Lead	Support
	Invest in retail stations	No. of new retail stations constructed	2026-2034		PPP	NOC K	PPP
	Pipelines retail stations for bulk storage facilities developed	No. of new retail stations developed	2025-2034			SDP, NOC K, OMC	
Collaborate with neighboring countries to undertake integrated petroleum infrastructure projects	Joint research on petroleum development conducted	No. of research conducted	2025-2034			SDP	KPC
	Cross-border petroleum infrastructure constructed through partnerships with neighbouring countries	No. of Petroleum infrastructure developed	2025-2034	TBD		SDP	KPC, Neighboring countries
Policy Statement	Pricing of petroleum products						
Ensure fair pricing and market stability of petroleum products	Study to achieve fair pricing of petroleum products undertaken	No. of studies undertaken	2025-2027	TBD	GoK	EPRA	SDP, KPC, OMCs
	Periodic review of petroleum prices to incorporate the economic changes that influence the prices undertaken	No. of monthly review undertaken	2024-2034	80		EPRA	
Enhance the flexibility in response to economic factors that influence the	Cost-of-Service Study of Petroleum (COSSOP) undertaken.	COSSOP undertaken (1)	2025-2029	50	GoK	EPRA	SDP, KPC, OMCs

Strategies	Outputs	KPI	TIMEFRAME 2024-2034	Est. Cost (Kshs. Millions)	Source	Responsibilities	
						Lead	Support
pricing of petroleum products							
Policy Statement	Liquefied Petroleum Gas						
Ensure compliance of LPG and related facilities to statutory requirements on safety, quality and standards	LPG quality and safety standards developed/reviewed	No. of Quality and safety standards developed/reviewed	2024-2026	100	GoK	KEBS	SDP
	Inspections of LPG facilities undertaken	No. of inspections undertaken	2024-2034	500	GoK	EPRA	SDP
	Quality checks on LPG at the point of vessel discharge undertaken	No. of quality checks at the point of discharge	2024-2034	300	GoK	KPC	SDP
Promote development of adequate LPG infrastructure for importation, storage and filling	LPG infrastructure established	No. of LPG facilities established	2024-2030			KPC	SDP, NOCK, CG
	Framework for third party access to LPG facilities developed	Framework for third party access to LPG infrastructure	2025-2027	20	GoK	SDP	EPRA
Promote investment in LPG in the country	LPG framework for collaboration and partnership developed	Collaboration framework	2025-2027	30	GoK	SDP	EPRA, KPC
	Licensing for LPG market players streamlined	No. of LPG licenses streamlined	2024-2034	100	GoK	SDP	EPRA
Promote competitive importation of LPG	Develop a framework for competitive importation of LPG	Framework for competitive LPG importation	2024-2026	100	GoK	SDP	
Ensure fair pricing of LPG	Collaboration with LPG producing states on importation	No. of MOUs signed with LPG producing states	2024-2034	100	GoK	SDP	

Strategies	Outputs	KPI	TIMEFRAME 2024-2034	Est. Cost (Kshs. Millions)	Source	Responsibilities	
						Lead	Support
	Periodic review of LPG prices to incorporate the economic changes that influence the prices undertaken	Monthly reviews undertaken	2025-2034			EPRA	
Promote the use of LPG for domestic, automotive and commercial purpose	Frameworks for LPG reticulation, Autogas, institutional and industrial use developed,	No. of Frameworks for LPG reticulation, Autogas, institutional and industrial use	2024-2025	50	GoK	SDP	EPRA, DOSH, CG
	Public awareness and sensitization campaigns conducted	No. of awareness/sensitization campaigns conducted	2024-2026	100	GoK	SDP	EPRA
	LPG infrastructure installed in public institutions	No. of public institutions where LPG infrastructure has been installed	2024-2028	5,000	GoK	SDP	MOE, NEMA,
	Subsidized LPG cylinders and accessories provided to low-income households	No. of low-income households provided with subsidized LPG cylinders and accessories	2024-2030	10,000	GoK	SDP	
Policy Objective	MANAGEMENT OF REVENUES FROM PETROLEUM OPERATIONS						
Policy Statement	Management of Revenue						
Facilitate collection, administration and management of revenues from petroleum operations	Mechanism for revenue collection, management and distribution developed and implemented	Framework for revenue collection, management and distribution developed	2027-2029	50	GoK	SDP	
Ensure equitable sharing of benefits from the	A framework for revenue-sharing of government profit share developed	Framework for Revenue sharing of government profit share	2024-2027	15	GoK	SDP	TNT

Strategies	Outputs	KPI	TIMEFRAME 2024-2034	Est. Cost (Kshs. Millions)	Source	Responsibilities	
						Lead	Support
exploitation of petroleum resources							
Ensure revenues from petroleum operations are utilized to develop the oil and gas sector and support various sectors of the economy	A strategy on utilization of revenues from petroleum operations developed	Strategy on utilization of revenues from petroleum operations	2027-2029	20	GoK	SDP	TNT
	CROSS-CUTTING ISSUES						
Policy Statement	Health and safety						
Ensure compliance with health and safety laws related to the oil and gas sector	Monitoring, inspection and surveillance of petroleum operations undertaken	No. of Monitoring, inspection and surveillance of petroleum operations exercises undertaken	2024-2034			EPRA	
	Civic education and public awareness creation on health and safety in the oil and gas sector undertaken	No. of civic education and public awareness programmes undertaken	2024-2034			SDP, EPRA	
	Disaster risk management strategy for the oil and gas sector developed and implemented	Disaster Risk Management Strategy developed and implemented	2025-2026			SDP, EPRA	
	Security						
Ensure security for oil and gas infrastructure and	Risk management strategy for petroleum infrastructure and operations developed and implemented	Risk Management Strategy for petroleum infrastructure and	2024-2026			EPRA	

Strategies	Outputs	KPI	TIMEFRAME 2024-2034	Est. Cost (Kshs. Millions)	Source	Responsibilities	
						Lead	Support
operations in accordance with the applicable security frameworks		operations developed and implemented				MOI NA	
	A regulatory framework for security of critical petroleum infrastructure developed	A regulatory framework for security of critical petroleum infrastructure	2026-2027			SDP, EPRA	
	Physical security for critical oil and gas infrastructure and resources in accordance with the applicable security frameworks provided	No. of oil and gas infrastructure and resources secured Police unit Established	2024-2034			EPRA , MOI NA	
	Collaborate with relevant agencies to safeguard petroleum infrastructure and operations	Framework for Collaboration with relevant agencies to safeguard petroleum infrastructure and operations	2024-2034			EPRA , MOI NA	
	A mechanism for provision of information, including plans and locations of oil and gas operations and infrastructure established	A mechanism for provision of information on oil and gas operations and infrastructure	2024-2027			EPRA , MOI NA	
	Oil and gas infrastructure and risks in operations insured	Insurance cover for Oil and gas infrastructure and risks in operations	2024-2034			Invest ors	
Enhance security in implementation of cross-border oil and gas projects	Mechanism to ensure cross-border integrity for security of oil and gas projects Established	A Mechanism to ensure cross-border integrity for security of oil and gas projects	2026-2028			SDP, EPRA	
Public Participation							

Strategies	Outputs	KPI	TIMEFRAME 2024-2034	Est. Cost (Kshs. Millions)	Source	Responsibilities	
						Lead	Support
Facilitate public participation in petroleum operations in accordance with the applicable policy and legal frameworks	Civic education on the oil and gas sector related matters conducted	No. of civic education forums on oil and gas	2025-2034	TBD		SDP/EPRA	
	Public participation in petroleum operations when required undertaken	No. of public participation engagements in petroleum operations	2025-2034	TBD		SDP/EPRA	
	Appropriate platforms to facilitate timely sharing of oil and gas information developed	No. of platforms for timely sharing of oil and gas information	2025-2026	TBD		SDP	
	Land						
Facilitate land access, acquisition and resettlement for oil and gas operations	A framework to facilitate land access and acquisition for petroleum operations developed	A Framework for facilitating land access and acquisition	2024-2034			SDP	
	Collaborate with other sectors on optimal land use in development of petroleum infrastructure (Collaboration Framework)	A Framework for Collaboration with other Sectors	2024-2034			SDP, EPRA	
	Host Community Rights						
Ensure that all stakeholders actively promote and protect the rights and interests of host communities.	Support and build on the community's existing capacities	Reports on capacity building of communities	2027-2034	TBD		SDP	
	A strategy to address the needs of host community and the effects of petroleum operations on the community developed	A strategy for addressing the needs of host community and the effects of petroleum operations on the community	2027-2034	TBD		SDP	
	A Mechanism for grievance management and conflict resolution developed	A mechanism for grievance management and conflict resolution	2026-2028	TBD		SDP	

Strategies	Outputs	KPI	TIMEFRAME 2024-2034	Est. Cost (Kshs. Millions)	Source	Responsibilities	
						Lead	Support
Strengthen the legal and regulatory framework governing host community rights in petroleum operations	Guidelines on what specific assets and infrastructure, environmental and geographical considerations constitute a host community established	Guidelines on what specific assets and infrastructure, environmental and geographical considerations constitute a host community	2024-2034				
Environment, Social and Governance (ESG)							
Ensure petroleum operations comply with environmental management legislation	Environmental compliance and monitoring frameworks developed	No. of Environmental compliance and monitoring frameworks	2025-2027	TBD		SDP	
	Disaster preparedness, prevention and response mechanisms in collaboration with Investors and contractors established	A disaster preparedness, prevention and response mechanism	2027-2029	TBD		SDP	
Strengthen the legal and regulatory framework governing the environment, social and governance of	Regulations and guidelines for ESG developed and implemented	No. of ESG regulations and guidelines developed and implemented	2027-2029	TBD		SDP,	EPRA

Strategies	Outputs	KPI	TIMEFRAME 2024-2034	Est. Cost (Kshs. Millions)	Source	Responsibilities	
						Lead	Support
petroleum operations.							
Promote sustainable environmental management in petroleum operations	Circular Economy Principles on waste reduction, recycling and reuse of materials in oil and gas operations adopted	No. of Circular economy principles on waste reduction, recycling and reuse of materials adopted	2027-2029	TBD		SDP	
	Environmental, Social and Governance Disclosure Manual to guide listed oil and gas companies in Kenya on ESG reporting developed	An ESG Disclosure Manual	2027-2029	TBD		SDP	
	an assessment of a merger or an acquisition's ESG profile undertaken	ESG profile acquisition undertaken	2028-2030	TBD		SDP	
	Communication strategy on environmental management developed	A Communication strategy	2026-2027	TBD		SDP	
	Climate Change Mitigation and Adaptation						
Promote climate change mitigation and adaptation in petroleum operations	New technologies and products to reduce greenhouse gas emissions developed and tested	No. of new technologies and products developed and tested to reduce greenhouse gas emissions.	2024-2034	TBD		SDP,	Investors
	Afforestation and reforestation programmes undertaken in designated areas	No. of trees planted and grown	2024-2034	TBD		SDP,	Investors
	Risk assessments in petroleum operations undertaken	No. of risk assessments on petroleum operations undertaken	2024-2034	TBD		SDP,	Investors

Strategies	Outputs	KPI	TIMEFRAME 2024-2034	Est. Cost (Kshs. Millions)	Source	Responsibilities	
						Lead	Support
	Climate resilience strategies in the oil and gas sector developed and implemented	No. of climate resilience strategies developed and implemented	2024-2034	TBD		SDP,	Investors
	Framework for carbon credit trading developed and implemented	A Framework for carbon credit trading	2025-2027	TBD		SDP	
	Local Content						
Ensure investors collaborate with Kenyan people, agencies and enterprises in local content development	A framework for prioritization of employment of Kenyans in investments in the petroleum sector value chain developed and implemented	A Framework developed and implemented	2026-2028	TBD		SDP	
	Capacity development of Kenyans, and Kenyan agencies and enterprises	No. of Kenyans and Kenyan agencies and enterprises trained	2026-2032	TBD		SDP	
	A framework to facilitate collaboration with international partners, organizations and experts to exchange best practices, experiences and expertise developed	A Collaboration Framework	2027-2028	TBD		SDP	
	Local content plans to progressively grow opportunities for Kenyans and Kenyan entities developed	No. of local content plans developed	2026-2028	TBD		SDP	
	Research on areas of collaboration under local content undertaken	No. of research on collaboration areas under local content undertaken	2028-2032	TBD		Investors	
	A framework on procurement of local goods and services in the petroleum sector developed	A framework on procurement of local goods and services	2026-2028	TBD		SDP	

Strategies	Outputs	KPI	TIMEFR AME 2024- 2034	Est. Cost (Kshs. Millions)	Source	Responsibilities	
						Lead	Support
	Programmes for Technology and Knowledge Transfer Developed And Implemented	No. of programmes developed and implemented for technology and knowledge transfer	2028-2032	TBD		SDP,	Investors
	Innovation hubs and entrepreneurship programmes to support local businesses in the oil and gas value chain established	No. of innovative hubs and entrepreneurship programmes established	2028-2032	TBD		SDP,	Investors
Promote integration of other sectors of the economy to support the Oil and Gas sector development	Strategy for collaboration and mutual benefits between oil and gas sector and other sectors of the economy developed	A Strategy collaboration	2028-2030	TBD		SDP	
	Mechanisms to monitor the progress of integration efforts and evaluate their impact on the Oil and Gas Sector's development established	M&E mechanisms established.	2028-2030	TBD		SDP	
	Petroleum Data Management						
Strengthen petroleum data governance.	Petroleum data governance framework Developed	A Framework for Petroleum Data Governance	2025-2027	TBD		SDP	
	Petroleum Data Metrics: (define and monitor metrics for data accuracy, completeness, consistency, timelines and reliability) developed/reviewed	Petroleum Data Metrics developed	2024-2032	TBD		SDP	
	Regular Audits conducted to ensure data integrity and compliance with standards	No. of data audits conducted	2026-2034	TBD		SDP,	EPRA NOCK
	National Petroleum Data Management System developed and maintained	A National Petroleum Data Management System	2025-2027	TBD		SDP	

Strategies	Outputs	KPI	TIMEFRAME 2024-2034	Est. Cost (Kshs. Millions)	Source	Responsibilities	
						Lead	Support
Ensure security of petroleum data	Data Security Protocols Developed (Robust cybersecurity measures to protect data from unauthorized access and breaches implemented)	No. of Data Security Protocols developed	2024-2034	TBD		SDP	
	Secure Storage Solutions (use of modern, scalable and secure storage technologies to handle large volumes of data) developed and implemented	Secure storage solutions	2024-2034	TBD		SDP	
	Conflict Management and Dispute Resolution						
Facilitate conflict management and dispute resolution	Mechanism for conflict management and dispute resolution established	A mechanism for conflict management and dispute resolution	2026-2027	110		SDP	
	Communication strategy developed	A communication strategy	2025-2026	115		SDP	
	Capacity building on conflict management and dispute resolution undertaken	No. of training sessions conducted	2026-2030	135		SDP	
	Database for petroleum agreements and commitments developed	A database for petroleum agreements and commitments	2024-2025	115		SDP	