



REPUBLIC OF KENYA

**MINISTRY OF MINING, BLUE ECONOMY, AND MARITIME AFFAIRS
STATE DEPARTMENT FOR MINING**

Regulatory Impact Assessment for

Commercial Explosives (Licence and Permit Fees) Regulation, (2026)

*This Regulatory Impact Assessment has been prepared by the State Department for
Mining pursuant to
Sections 6 and 7 of the Statutory Instruments Act (Cap. 2A)*

April, 2026

ABBREVIATIONS

BETA	Bottom Economic Transformation Agenda
RIA	Regulatory Impact Assessment
GDP	Gross Domestic Product
SDG	Sustainable Development Goals
UNEP	United Nations Environment Programme

EXECUTIVE SUMMARY

This Regulatory Impact Statement (RIS) has been prepared by the Ministry of Mining, Blue Economy, And Maritime Affairs is pleased to present the Regulatory Impact statement for the development of Commercial Explosives (Licence and permit fees) Regulations of pursuant to Sections 6 and 7 of the Statutory Instruments Act (Cap. 2A) to support the transition from the existing explosives control regime under Cap. 115 to a modern, structured framework under the proposed new explosives legislation. The Regulations establish a comprehensive fee schedule for licensing, permits, inspections, and related regulatory services administered by the Directorate of Commercial Explosives and Inspections.

This Regulatory Impact Statement (RIS) is a policy tool prepared pursuant to Sections 6 & 7 of the Statutory Instruments Act, Cap. 2A. The purpose of this assessment is to examine and measure the probable benefits, costs and effects of a proposed regulation, both on the public and private sectors. By evaluating the most feasible alternatives of intended regulatory measures and other practical administrative options, this RIS has assisted the State Department take on the most appropriate option.

Over the years, the Directorate has played a critical role in safeguarding public safety, regulating the manufacture, storage, transport, and use of explosives, and supports key sectors of the Kenyan economy. Explosives are indispensable to economic activity in mining, quarrying, infrastructure development, creative arts and construction, all of which are central to national growth, industrialisation, and the delivery of large-scale public projects. The Directorate's oversight function has therefore not only been a matter of safety and security, but also a foundational element in enabling productive economic activity.

However, the expansion and increasing complexity of the explosives sector have significantly outpaced the existing regulatory and financing framework. Historically, the absence of a structured and cost-reflective fee regime has constrained the Directorate's capacity to effectively carry out inspections, enforce compliance, maintain accurate records and respond to emerging risks such as illegal diversion, unsafe handling, and evolving security threats. This has created both regulatory inefficiencies and heightened risks to public safety and economic stability.

The proposed Regulations address these gaps by introducing a transparent, standardised and proportionate fee structure aligned with the Directorate's expanded mandate. The fee framework is designed to achieve cost recovery for regulatory services while remaining sensitive to the operational realities of industry participants. Higher fees are applied to high-risk and capital-intensive activities such as manufacturing and dealing in explosives, while routine operational permits such as transport, purchase, and use are maintained at relatively low levels to avoid disruption to day-to-day business activities.

From a fiscal perspective, the Regulations will generate sustainable non-tax revenue to support the Directorate's operations, thereby reducing reliance on exchequer funding and enhancing institutional efficiency. From an economic perspective, while the Regulations introduce additional

compliance costs, these are proportionate and are outweighed by the benefits of improved safety, reduced accident-related losses, enhanced investor confidence, and greater predictability in the regulatory environment.

Importantly, the Regulations are expected to strengthen governance and accountability within the explosives sector by promoting formalisation, improving traceability, and reducing opportunities for illegal activity. This will have positive spillover effects on national security, environmental protection, and community safety.

In conclusion, the Explosives Fees Regulations are a necessary and timely intervention to ensure that the Directorate of Commercial Explosives and Inspections is adequately resourced to discharge its mandate effectively. By aligning regulatory financing with operational demands, the Regulations will support a safer, more efficient, and economically resilient explosives sector, which remains a critical enabler of Kenya's development agenda.

This RIS is divided into 6 parts.

Part 1 is the introduction which outlines the Regulation Making Authority, legal mandate of the State Department and the Statutory requirements for conducting a Regulatory Impact Assessment and preparation of the RIS. It also captures a statement of the objectives of the proposed Regulation and the grounds for having it.

Part 2 provides a background and context of the proposed Regulation including the policy and legal background and local, regional and international contexts on commercial explosives regulatory framework and outlines commitments from Vision 2030, Bottom-Up Economic Transformation Agenda and other strategies and plans adopted by the country.

Part 3 precisely states the problem to be solved, giving evidence of its nature, rationale and justification for the solution proposed in the Regulations and weighing in on the likely impacts of implementing the Regulations and a cost-benefit analysis that weighs the costs of implementing the proposed regulation against the benefits of what the proposed regulation is anticipated to generate.

Part 4 provides for the regulatory and non-regulatory options available and the appropriateness of each option. It also justifies why the regulatory option is appropriate.

Part 5 outlines the consultative process adopted to develop the Regulation and RIS. It states the initial consultative process and other engagements with experts, partner agencies, stakeholders and the general public.

Part 6 is the conclusion and recommendations on the option to adopt and also charts compliance and implementation of the proposed Regulation.

1 INTRODUCTION

1.1 The Regulation Making Authority

The State Department for Mining under the Ministry of Mining, Blue Economy and Maritime Affairs draws its broad mandates from the Presidential Executive Order No. 1 of 2025 and the Explosives Act, Cap. 115. The Explosives Bill, 2026 seeks to grant the Cabinet Secretary responsible for commercial explosives, powers to prescribe subsidiary legislation to give effect to the various provisions in the Bill.

The Cabinet Secretary has the collective responsibility of contributing to the Government's Bottom-Up Economic Transformation Agenda (BETA) by leveraging on Kenya's extractives, infrastructure and creative arts sectors to bring about the increased contribution of the commercial explosives sector to the Gross Domestic Product and ultimately improve the livelihoods of Kenyans at large.

1.2 Statement of the Objectives and Purpose of the Proposed Regulation

The proposed development of the Commercial Explosives (Licence and permit fees) Regulations aim to promote transparency, efficiency, and sustainability in Kenya's extractives, infrastructure and creative arts sectors. It seeks to create a more structured and predictable regulatory environment that benefits both the government and stakeholders. The key objectives and purposes are outlined as follows:

- 1.2.1 **Streamlined Application Processes:** The development of the proposed Regulations introduces application fees and specify the associated fees for different types of licenses and permits. This provides clarity and predictability to applicants, making the process more efficient and financially transparent. It also reduces the administrative burden on regulation of commercial explosives.
- 1.2.2 **Fees Structure:** The Regulations establish a structured framework for application fees, granting fees, renewal fees, and transfer fees, which is categorized based on the type of license or permit. This helps in creating a fair and consistent financial framework for commercial explosives stakeholders, making the system more equitable and sustainable.
- 1.2.3 **Cost Recovery and Transparency:** Set user fees that recover a fair share of the government's administrative costs of licensing, permitting, inspection, and oversight. This ensures the fee schedule is clear, published, and consistently applied.
- 1.2.4 **Regulatory Strengthening:** Provide the Directorate with sustainable funding for staffing (inspectors, administrators), IT systems (digital applications, databases), vehicles and equipment for inspections, and training. In doing so, ensure robust enforcement of standards.
- 1.2.5 **Safety and Security:** By funding regular inspections and compliance checks, reduce accidents, theft, and illegal use of explosives. Promote adherence to safety rules (proper

storage, handling). Protect communities and environment from explosives-related hazards.

- 1.2.6 **Encourage Compliance:** A predictable fee system encourages entities to regularize their status (in obtaining licences and permits). It reduces the incentive to evade regulation. The regulations will balance fee levels with deterrence (e.g. higher fees for high-risk activities) to promote lawful behaviour.
- 1.2.7 **Equity and Proportionality:** Ensure fees are proportionate to the risk and resource requirements of each category (e.g. large manufacturing firms pay more than small fireworks dealers). Protect smaller operators by scaling fees or offering phased payment, where justified, to avoid undue burden.
- 1.2.8 **Alignment with Legal Mandates:** Reflect the government's user-pays principles and existing legal provisions. For example, Section 30(1)(l) of Cap.115 explicitly allows fees to be prescribed. The draft Bill similarly empowers the Cabinet Secretary to make regulations. The policy aligns with Cabinet directives on cost recovery and efficient public service delivery.
- 1.2.9 **Economic Efficiency:** Facilitate the growth of the mining and explosives sector by providing certainty. Well-funded oversight can reduce costs of accidents and delays, benefiting industries like mining and construction, which rely on explosives for development projects.

These objectives are derived from constitutional and sectoral priorities (public safety, economic development, accountability) and will guide the design of the fees regulations.

2 BACKGROUND AND CONTEXT OF THE PROPOSED REGULATION

2.1 Background of Kenya’s commercial explosives sector

The commercial explosives sector dates back to the colonial period where the sector was operated for a long time under the Explosives Act, Cap 115 enacted in 1931. The Act administers and regulates all matters related to commercial explosives, and has been revised over the years through legal notices. The last substantive review was done in 1986. However, the reviews did not place the explosives licenses and permits fees in tandem with current economic situation. The proposed Regulations aim to improve compliance and enhance service delivery while also enhancing revenue collection. In addition, the proposed Regulation is expected to operationalize the proposed Explosives Bill, 2026.

2.2 International and Regional Context of Commercial Explosives

2.2.1 Sustainable Development Goal (SDG)

The United Nations Member States in 2015 adopted 17 Sustainable Development Goals (SDGs) that are to guide poverty eradication, improve health and education, reduce inequality, and spur economic growth – strategies all while tackling climate change and working to preserve oceans and forests. Out of the 17 sustainable development goals, number 3, 6, 9, 11, 12 and 16 have been identified as those relating to the commercial explosives sector. Good health and well-being, clean water and sanitation, industrial innovation and infrastructure, Sustainable Cities and Communities, and Peace and Justice Strong Institutions. All these relate to the sustainability of the commercial explosives sector.

2.3 Context of the Commercial Explosives Sector

2.3.1 Legal and Policy Framework

Kenya’s current Explosives Act (Cap. 115) consolidates laws on manufacture, storage, sale, transport, import, export and use of explosives. Under Cap.115, the Cabinet Secretary may make regulations, including “prescribing the fees payable for licences or permits, and any renewals or duplicates or amendments thereof”. However, Cap.115 is outdated: its administrative framework (under the Commissioner being the designated Director of Mines) and licensing categories do not reflect modern industry needs. Licensing is administered through mining inspectors and outdated rules (e.g. Blasting Explosives Rules and Fireworks Rules).

The draft Bill seeks to repeal Cap.115 and establishes a modern, institutionalised regime. Key features include: a dedicated *Directorate of Commercial Explosives and Inspections* under the State Department for Mining; new licences (manufacturers, dealers, pyrotechnicians, factory and magazine licences); various permits (import/export, transport, blasting, use/possession); certification and registration requirements; mandatory training; and stricter safety standards.

The Bill empowers the Cabinet Secretary on matters relating to explosives to make regulations, including prescribing fees for all licences, permits, renewals, inspections, and related services. This reflects the established practice under Cap.115. (For example, the Mining Act 2016 explicitly places explosives oversight with the Director of Mines, underscoring alignment with mining-sector regulation.)

Thus, both Cap.115 and the draft Bill envisage a regulations-making power for fees. In practice, however, Cap.115 regulations on fees are sparse or outdated, and enforcement capacity has been under-resourced. The draft Bill significantly expands regulatory functions without an inherent financing mechanism, creating a funding gap unless fees are formalized. The Explosives Fees Regulations will fill this gap by providing a comprehensive fee schedule, as authorized by the Bill once its enacted.

2.3.2 Bottom-up Economic Transformation Agenda (BETA)

Commercial explosives used in Mining, infrastructure and housing, creative arts sectors, contributes to job creation, infrastructural development and youth empowerment. Under the BETA approach, the government has earmarked the construction of affordable housing, dams and roads which directly employs over 500,000 people.

2.3.3 Kenya Vision 2030

The various sectors enabled by the application of commercial explosives include Mining, infrastructural development, housing and creative arts economy, among others, which are anchored in the Economic and Social pillars, of the Vision 2030.

Through the development of the commercial explosives Regulation, this will lead to enhanced contribution to the Economic and Social pillars.

3 RATIONALE AND JUSTIFICATION FOR THE PROPOSED REGULATION

3.1 Policy Issue

The proposed Commercial Explosives (Licence and permit Fees) Regulations, (2026) in Kenya's commercial explosives sector warrants a comprehensive Regulatory Impact Assessment (RIA). These policy changes address critical aspects of the sector that require attention to foster sustainable development and economic growth.

The need for updated and streamlined commercial explosives sector policies is necessitated by the dynamics that have evolved over time. The existing framework does not adequately meet the evolving needs of the sector.

Under the current regulatory regime, several problems have emerged:

- **Outdated Fee Structure:** Cap.115 contains no modern fee schedule. Existing fees (if any) were set decades ago and are not standardized. This leads to unpredictable revenue and undermines cost recovery for regulatory activities.
- **Under-funded Regulation:** The explosives sector has grown (mining/quarrying expansion, infrastructure projects, creative industry (fireworks) markets), but inspection and enforcement capacity has not kept pace. Without adequate funding, the Directorate and inspectors cannot perform timely inspections, audits, or oversight (especially for remote sites).
- **Expanded Mandate of Draft Bill:** The draft Bill envisages many new licences and permits (dealers, pyrotechnicians, factories, magazines, transport permits, etc.) as well as new obligations (training certificates, reporting, digital record-keeping). Each activity will require processing, review and monitoring by the Directorate. In absence of a fees framework, these services would lack sustainable financing, risking delays and regulatory shortfalls.
- **Public Safety and Security Risks:** Inadequate regulation and enforcement can lead to accumulation of unregulated explosives, illegal manufacture, trafficking or misuse. Accidents in mining/quarrying, illicit use (including terrorism risk), and environmental harms (improper storage, blasting accidents) are more likely when oversight is weak. Ensuring a funded regulatory system is therefore critical to protect lives and property.
- **Uncertainty for Industry:** Without clear fees, businesses face uncertainty in planning. Ad hoc charges discourage compliance and may push activities into informal channels. A transparent fee regime ensures that companies can budget for compliance costs and encourages formal licensing.

In sum, the problem is that the new regulatory regime will *lack the necessary funding and clarity* to function effectively unless a formal fees structure is put in place. This threatens regulatory efficiency, public safety, and industry confidence.

3.2 Impact Analysis of the Commercial Explosives (Licence and Permit Fees) Regulations

The realization of the full potential in commercial explosives sector, will be achieved through streamlining the proper management of the sector. The proposed changes create an environment that better supports responsible and sustainable use of commercial explosives in the country.

The benefits of developing and implementing the proposed Regulations outweigh the identified costs and setbacks. Among the findings of this analysis include increased efficiency in service delivery and timely decision-making, improved regulation and ease of doing business among others.

For licensing and permits, streamlining and simplification attract more investments by reducing bureaucratic obstacles. This RIS uncovers opportunities to make the process more efficient, ensuring that it remains compliant with environmental and safety standards.

The proposed regulation creates a conducive environment for growth of the Mining, infrastructural development and housing, creative arts sectors among others, thereby contributing to broader economic development.

3.2.1 Economic Impact

- **Industry Compliance Costs:** The fees represent an additional compliance cost for firms. For example, a mining company might pay a combined licensing fee (factory and magazine) plus yearly renewals. For small contractors, a single blasting permit is relatively modest. Overall, fee levels are low relative to industry turnover. The fees are comparable to those in other jurisdictions' regulatory fees for hazardous materials (for instance, South African explosives regulations impose similar licensing charges, scaled by risk and volume).
- **Government Budget:** The regulations would shift much of the cost of regulation from the general budget to users, which is fiscally prudent. The increased revenue improves the Directorate's financial sustainability. The additional administrative cost of managing fee collection (IT systems, accounts) is small compared to the revenue gained.
- **Broader Economy:** Improved safety and compliance may reduce accident-related losses in mining and construction. Accidents or unauthorized blasts can halt projects and incur environmental remediation. By making oversight self-financing, the regulations enhance investor confidence in the mining sector. Potential negative impact on small operators is mitigated by the risk-based fee design.

3.2.2 Distributional Impacts by Sector

- **Mining and Quarrying:** Large mining firms will pay higher aggregate fees (factory and magazine licenses). However, these companies usually have substantial operations, and the

cost is a fraction of project budgets. The Mining sector will benefit from safer operations and clearer rules. Any impact on profitability is marginal.

- **Construction (Blasting Contractors):** The proposed cost is small relative to the cost of construction, and encourages proper licensing. Overall, while the compliance burden is set to increase, it enhances contractor reputation and safety.
- **Fireworks and Pyrotechnics:** Fireworks importers or dealers will need an explosives dealer's licence and permits for sale and use. Given the seasonal nature of fireworks (holiday seasons), these entities pay fees when active. Small-scale display teams (pyrotechnicians) pay only the pyrotechnician license (low fee) and per-show permits. The clear and determinate fees will ensure that cultural events (national celebrations) are not unduly impeded, perhaps through simplified permits, while still enforcing safety.
- **Explosives Dealers:** Authorized dealers (e.g. companies selling blasting gelignite) hold dealer's licences and pay fees similar to wholesalers. They already register stock, so the fee is integrated into business costs. Dealers benefit from a transparent market – all competitors operate under the same rules.

In sum, while fees raise costs for all sectors using explosives, these are scaled by scale and risk. Lower-tier operators pay minimal fees, while larger operators contribute more. This distribution is equitable. Broad compliance ensures a safer environment, which benefits all sectors.

3.2.3 Administrative and Institutional Impacts

The Explosives Fees Regulations will have significant administrative implications:

Directorate Capacity: The Directorate of Commercial Explosives and Inspections (to be established by the Act) will need to expand. Key needs include:

- **Staffing:** Additional inspectors (blasting experts, pyrotechnic specialists, etc.), licensing officers, and data analysts may be needed.
- **Training:** New staff will require training in regulatory procedures, ICT systems, and technical explosives handling. The fees collected can fund these training programs.
- **IT and Digital Systems:** Licensing and permit applications will be managed via an online portal (as is the mining cadastre) to streamline processing. The fees system itself may be integrated with digital payment and accounting modules.
- **Inspection and Enforcement:** Funds will support inspection vehicles, protective gear, sampling/testing equipment, and fuel. For example, each mobile inspection team might cost KES 3M per year; covering several teams will be feasible with projected fee revenue.
- **Inter-agency Coordination:** The Directorate will coordinate with NTSA (transport permits), county governments (community safety), and security agencies. Clear protocols (e.g. National Counter-Terrorism Centre advisory on high-risk materials) should be

established.

- **Procedure Simplification:** With proper fee structures, the Directorate can simplify procedures. For example, categorized forms and fee schedules published in Gazette ensure applicants know costs upfront.
- **Rule-making Efficiency:** Clause 55 of the draft Bill specifically authorizes the Cabinet Secretary to make detailed rules on fees and procedures. The Regulations can adopt best practices: e.g. allowing online submission, setting due dates for payment, and detailing refund procedures if applications are withdrawn.
- **Transition and Licensing:** Current licences under Cap.115 will remain valid for the duration avoid legal gaps. The Directorate will need to convert existing licences into new categories.

Overall, the fees enable an institutional strengthening. Revenue from fees essentially reinvests into the regulatory agency, improving effectiveness. In terms of costs, there is some upfront investment (IT systems, recruitment, public awareness), but these are offset by long-term gains in compliance and self-sufficiency.

3.2.4 Safety, Security and Environmental Impacts

A principal justification for the fees regime is enhanced public safety and national security:

- **Accident Reduction:** Regular inspections funded by fees mean that unsafe facilities or practices are identified and corrected. Research globally shows that comprehensive explosives regulation (with regular audits) greatly reduces the incidence of industrial blasts and accidents. By mandating that every explosives factory and magazine is licensed and subject to review, the Regulations will help prevent catastrophic mishaps.
- **Public Security:** Explosives are dual-use: they pose terrorism risks if diverted. The fees-supported regulatory regime will enable better tracking of explosives movements (via permit records) and swifter enforcement against theft or smuggling. For example, transport permits (with tracking of origin/destination) will deter illicit trafficking. Coordination with security agencies will ensure high-risk materials (e.g. detonators) are tightly controlled.
- **Environmental Protection:** Improper use of explosives can harm the environment (e.g. blasting near water bodies, unsecured detonation waste). Fees make it possible for inspectors to monitor compliance with environmental guidelines. Additionally, imposing fees on unauthorized disposal helps discourage such activities.
- **Community Health and Livelihoods:** Residents near mines or quarries will benefit from safer blasting (e.g. dust controls, vibration limits). Clear rules and enforcement will mitigate property damage and health complaints. Over time, this supports social license for mining and infrastructure projects.

Overall, the comprehensive fee regime underpins a culture of safety. Although the Regulations are a compliance cost, the avoided costs of accidents and injuries are far greater. The fees themselves send a signal that any violation carries both fines and the implicit cost of forfeiting the licence or permit.

3.3 Overview of the proposed fees Regulations

The proposed Commercial Explosives Fees Regulations introduce a structured and transparent fee regime to underpin effective regulation of the explosives sector in Kenya. By prescribing fees across the entire value chain, that is, manufacture, importation, storage, transport, use and fireworks, the Regulations address critical gaps in cost recovery and institutional financing, thereby strengthening the operational capacity of the Directorate. The framework aligns higher fees with high-risk, capital-intensive activities while maintaining low, facilitative charges for routine permits, ensuring proportionality and minimizing disruption to legitimate business operations.

It enhances regulatory certainty, improves compliance and traceability and reduces opportunities for misuse and diversion of explosives. Overall, the Regulations provide a sustainable financing model for a modern, accountable and safety-oriented regulatory system that is essential to supporting economic activity, protecting public safety and safeguarding national security.

4 CONSIDERATION OF ALTERNATIVES TO THE PROPOSED REGULATION

The Explosives Act was enacted in 1931. The Act administers and regulates all matters related to commercial explosives, and has been revised over the years through legal notices where the last revision was done in 1989. However, those revisions have not addressed the explosives licenses and permits fees to be in tandem with current economic situation. The proposed Regulation aims to enhance revenue collection, improve compliance and enhance service delivery. In addition, the proposed Regulation is expected to operationalize the proposed Explosives Bill, 2026.

4.1 Consideration of policy Alternatives

4.1.1 Option One: The Status Quo

Under this option, no regulatory action would be taken and the existing nominal fees would continue to be charged. While this option involves no immediate regulatory or administrative cost, it creates an anomaly as the Directorate will continue charging outdated fees under Explosives Act, Cap 115 which do not reflect the current economic situation. This means the Directorate would rely on nominal and outdated fees (if any), or on general budget allocations will continue offering free services for licenses and permits which do not have prescribed charges.

4.1.2 Option Two: Application of Administrative Measures

A policy document on commercial explosives would be act as the basis for use of administrative measures though the policy statements would not be enforceable.

4.1.3 Option Three: Adopting the proposed Fees Regulations

This Regulation targets to support fully implementation of Explosives Bill, 2026 by prescribing fees to all the licenses and permits under the Bill. Fees would be risk-based and proportionate, designed to recover costs of each category of regulation. This option means every regulated activity has a defined fee, replacing the current ambiguity.

Assessment: Option 1 is not viable: it fails to meet cost-recovery and safety needs. Option 2 is a partial fix but leaves many gaps in funding and coverage. Option 3, while requiring more effort, delivers the greatest overall benefit by fully operationalizing the Bill, once enacted and ensuring sustainability. The comprehensive approach is therefore recommended.

4.2 The Preferred option

The State Department for Mining prefers the adoption of the proposed regulation in order to align all the fees payable under each license and permits to the provisions of the Explosives Bill, 2026. This will enable proper regulation of commercial explosives to bring order in the sector.

It will also be in conformity to the legal obligations of developing regulations proposed in Section 55(2)(m) of the proposed Explosives Bill, 2026 grants powers to the Cabinet Secretary responsible for commercial explosives to make regulations on prescription of fees to give effect to the Act's provision.

4.1 Cost-Benefit Analysis

OPTION	DESCRIPTION	COST	BENEFITS	IMPACTS AND DISTRIBUTION OF IMPACTS	RISKS	COMPLIANCE AND ENFORCEMENT
Option One: Status Quo	Maintaining status quo means that we continue charging outdated fees under Explosives Act, Cap 115 which do not reflect the current economic situation.	1.License to manufacture Explosives-KES 2000 2.License to deal in blasting Explosives-KES 5000 3.License	Realized collection of Kes. 0.6 million	1.Continued environmental degradation. 2.Uncontrolled vibration and noise emanating from blasting. 3.Safety challenges leading to accidents and	1. Over-reliance on executive order funding. 2.Uncollected revenue.	1.Poor regulatory enforcement and oversight in the sector due to funding challenges. 2.Minimal supervision leading to misuse of commercial explosives.

		e to store- KES 125- 500 4.Fire works import er Licenc e-KES 1000 5. Firewo rks dealers Licenc e- KES 250 6.Perm it to use blastin g materia ls- KES50 7.All other license s/perm t under		incidents 4.Smuggl ing leading to insecurity challenge s 5.Limited collection of revenue	nag em ent 3. Inc rea sed acc ide nts and inci den ts	3.Influx illegally acquired explosive . 4. Increased cases damages to property and environm ent.
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		the Act- 0 KES 8.All applica tions for license s/perm its- 0 KES.				
Option Two: applicatio n of administr ative measures	Not applicable since the Explosives Act, Cap 115 Section 30(1)(l) requires the Cabinet Secretary to prescribe fees by way of regulations.	Not applica ble	Not appl icab le	Not applicabl e	Not app lica ble	Not applicabl
Option Three: adopting the	Introductio n of fees schedule for licences	As attache d (Table	Enh ance d coll	1.Reduce d environm	1. Sec tor opp	1.Improv d regulator enforcem

proposed regulation	and permits application and grant.	1)	ecti on of fees to appr oxi mat ely Kes ...2 0 mill ion	ental degradati on. 2.controll ed vibration and noise emanatin g from blasting. 3.Enhanc e safety leading to reduced cases of accidents and incidents 4.Eradica te smugglin g leading to enhanced security. 5.Increas ed revenue collection	osit ion to the ne w reg ulat ion lea din g to leg al and co mpl ian ce cha llen ges	nt an oversigh in th sector du to adequate funding. 2.Increas d supervisi n leadin to prop use commer al explosiv . 3.Increas d use legally acquired explosiv . 4. Safeguar ing lives, property and environm ent.
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						5.Sustain ble develop ent of th commerc al explosiv sector an increase investor confiden e.
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5.0. PUBLIC PARTICIPATION AND CONSULTATIONS

The Statutory Instruments Act, under Section 5 requires that the State Department for Mining conducts public consultations and draw on the knowledge of persons having expertise in fields relevant to commercial explosives. Through public participation, persons likely to be affected by the proposed regulation have an adequate opportunity to provide views on the proposed regulation. Sections 6 and 7 requires that a Regulatory Impact Statement (RIS) be prepared where a statutory instrument is likely to impose significant costs on the community.

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 through freely chosen representatives.

It is a constitutional requirement that policy and law-making should be done in an open and transparent manner, with appropriate procedures for effective and timely input from professionals and persons affected by the policy instruments.

5.1 Legal Basis for Public Participation and Consultation

Participation of the people, inclusivity, transparency, and accountability are constitutional requirements whenever the State or public officer applies the Constitution, enacts any law, or makes or implements a public policy. This requirement is premised on the sovereignty principle which vests all sovereign power to the people of Kenya. This power entitles the people to unfettered access to the process of making public decisions through their involvement.

The Statutory Instruments Act, 2013 requires a regulation-making authority to undertake appropriate consultations before making statutory instruments likely to have a direct or substantial indirect effect on stakeholders. The Act requires that the consultation process draws on the knowledge and expertise of persons with relevant professional or technical expertise, that affected persons are given an adequate opportunity to comment, and that the consultation period is not less than fourteen (14) days.

5.2 The stakeholder identification

The following stakeholders have been identified as key participants in the consultation process:

Table: Stakeholder mapping

INTERNAL STAKEHOLDERS	EXTERNAL STAKEHOLDERS
a) State Department for Mining b) National Assembly, c) Office of the Attorney General, d) Kenya Law Reform Commission, e) National Treasury, f) Ministry of Interior g) County Governments; h) NEMA i) Ministry of Defence j) KRA k) KEBS	b) Miners/ Quarry operators c) Kenya Association of Manufacturers; d) Kenya Chambers of Mines, e) Environmentalists f) Non-Governmental Organizations; g) Dealers in Commercial Explosives and Fireworks h) Transporters of Commercial Explosives i) Blasters j) Users of commercial explosives and fireworks k) Members of the public.

5.3 Planned Consultation Process

The Ministry will coordinate stakeholder consultations prior to the finalization and publication of the commercial explosives fee regulations. The consultation process will involve stakeholder meetings, written submissions, and targeted engagements through existing mining sector mechanisms.

Feedback obtained during the consultation process will be reviewed and, where appropriate, incorporated into the final regulatory instrument. A consultation report summarising submissions received and the Ministry's responses will be prepared and made available upon request.

5.4 Report on Stakeholder Consultative Process

A report on the stakeholder consultative meetings containing the records of comments and how they were considered and incorporated into the draft Regulation was prepared. The report is annexed to this report as a separate document as Annexure.

6.0 IMPLEMENTATION, CONCLUSION AND RECOMMENDATION

6.1 Implementation Plan

The Ministry of Mining will oversee the implementation of the commercial explosives fee regulations in collaboration with the Directorate of commercial explosives. Implementation will ensure the Directorate continues to be responsible for operational oversight, strategic direction, and institutional performance in line with the industry priorities.

6.2 Conclusion

The Explosives Fees Regulations are essential to make the new explosives regulatory regime functional and self-sustaining. Without them, the Directorate created by the Act would be starved of funds, endangering public safety and undermining credibility. With clear, risk-based fees, the government can ensure that those who use explosives pay the fair costs of oversight, while protecting citizens and the environment.

6.3 Recommendation

In light of the foregoing analysis, this Regulatory Impact Statement recommends the approval and gazettelement of the Explosives (Fees) Regulations as a matter of priority. This approach aligns with Cap.115's mandate to prescribe fees, the proposed legislation proposal to have a comprehensive fee schedule and further aligns with global best practice in hazardous materials regulation. The analysis shows that the revenue generated will cover regulatory costs and that the impact on industry is proportional and predictable. The associated burdens on enterprises are justified by the significant safety and economic benefits of effective explosives control.

Table 1:**BLASTING EXPLOSIVES – PERMIT AND LICENCE FEES IN KES**

ITEM	FEE
1. Application of a license to manufacture explosives	100,000
2. Grant of licence to manufacture Explosives	10,000,000
3. Grant of Renewal of license to manufacture Explosives	500,000
4. Application for license to Deal in explosives	50,000
5. Grant of license to Deal in Blasting Explosives	1,000,000
6. Renewal of license to Deal in Blasting Explosives	500,000
7. Application for license to manufacture explosives (onsite)	500
8. Grant/renewal of license to manufacture explosives (onsite)	10,000
9. Application for license to store blasting explosives per license	500
10. Grant or renewal of license to store below 1000kg	5,000
11. Grant or renewal of license to store 1001kg up to 10,000kg	10,000
12. Grant or renewal of license to store above 10,001kg	15,000
13. Application for permit to import blasting materials	1,000
14. Grant of permit to Import/Export Explosives	10,000
15. Application of permit to purchase blasting explosives	500
16. Grant of permit to purchase explosives	1000
17. Application of permit to transport explosives	500
18. Grant of permit to transport explosives	1,000
19. Application for Blasting permit	500
20. Grant of Blasting permit	10,000
21. Renewal of Blasting permit	2,000
22. Application of permit to use blasting explosives	1,000
23. Grant of permit to use Blasting Explosives	10,000
24. Application for Blasting Contractor's License	1,000
25. Grant or renewal of blasting contractor's license	50,000
26. Application for transfer of a license	2,000
27. Application for amendment of licence/permit	1,000

FIREWORKS – LICENCES AND PERMIT FEES

ITEM	FEE
1. Application for license to manufactures Fireworks	100,000
2. Grant of licence to Manufacture fireworks	1,000,000
3. Renewal of licence to manufacture fireworks	500,000
4. Application for License to store Fireworks	1,000
5. Grant or renewal of license to store up to 5000kg	5000
6. Grant or renewal of licence to store 5000kg but less than 20000kg	10,000
7. Grant or renewal of licence to store above 20000kg	20,000
8. Application for permit to import fireworks	1,000
9. Grant of permit to import fireworks	20,000
10. Application for fireworks dealer's permit	1,000
11. Grant or renewal of dealer's permit	5,000
12. Application for fireworks dealer's licence	5,000
13. Grant or renewal of fireworks dealer's licence	50,000
14. Application for fireworks display permit	1,000
15. Grant of fireworks display permit	
(i) Category 1 fireworks	2,000
(ii) Category 2 and 3 fireworks	5,000
(iii) Category 4 Fireworks	10,000
16. Application for Grant /renewal of pyrotechnician certificate	500
17. Grant or renewal of pyrotechnician certificate	1,000
18. Application for Grant/renewal of Fireworks Contractor's License	1,000
19. Grant or renewal of fireworks contractor's License	20,000
20. Application for fireworks purchase permit	200
21. Grant of Fireworks purchase permit	1,000
22. Transfer of a license or a permit	2,000