

PARLIAMENT OF KENYA

THE SENATE

THE HANSARD

Tuesday, 27th July, 2021

*The House met at the Senate Chamber,
Parliament Buildings, at 2.30 p.m.*

[The Speaker (Hon. Lusaka) in the Chair]

PRAYER

STATEMENTS

APPROVAL PROCESS AND IMPORTATION PROCEDURE FOR COVID-19 VACCINES INTO KENYA

The Speaker (Hon. Lusaka): Sen. Cherargei, proceed. He is missing in action.
The Statement is deferred.

(Statement deferred)

The next Statement is by the Senator for Trans Nzoia County, Sen. (Dr.) Mbiti.

STATE OF MENTAL HEALTH AMONGST OFFICERS IN THE DISCIPLINED FORCES

He is not there. Next Order.

(Statement deferred)

BILLS

Second Reading

THE START-UP BILL (SENATE BILLS NO. 1 OF 2021)

(Sen. Sakaja on 22.7.2021)

(Resumption of debate interrupted on 22.7.2021)

The Speaker (Hon. Lusaka): Sen. Mutula Kilonzo Jnr., proceed.

Sen. Mutula Kilonzo Jnr.: Thank you, Mr. Speaker, Sir. I was in the process of seconding this Bill. Allow me again to reiterate that this is possibly one of the most important things that we should do as a country. Allow me to say at the onset that the national Government has not taken the opportunity to exploit the talents of our young population and the people who have graduated from the university who are the greatest beneficiaries of innovation.

If there was an agenda that the Jubilee Government should have taken into consideration other than the four, one of them should have been innovation. The Start-Up Bill, 2021 accords and recognizes innovation. The question of Mpesa for example. The person who came up with the Mpesa platform is a young man. He never benefited from it yet Mpesa alone has made Safaricom one of the richest companies in East and Central Africa.

Mr. Speaker, Sir, Sen. Sakaja and I were offered a platform at Konza City to bring young people to do innovation. It would surprise you that out of 40 students who were given the opportunity and trained to innovate, these young people from Machakos, Kajiado, Makueni, and Nairobi Counties were able in two days to create a compass and a thermometer on a laptop. In the case of the young people from Makueni County, it was the first time they were interacting with a laptop.

In two days, they were able to create that. In two days, they were also in a position and created an application for waste management. In two days, they created an application for management of our traffic. What is most amazing is that these class eight students - and I picked the best students in Makueni County - were defeated by a young man from Dandora. His name is Shiznet and Sen. Sakaja mentioned it. This class seven boy was the best in that innovation class for two seasons. That is why this is key and important.

Mr. Speaker, Sir, Sen. Sakaja mentioned the people who are doing, for example, the Twiga Foods. It is a very nice concept started by a gentleman called Njonjo with his wife Tina who are now doing value addition for purposes of agriculture. That piece of land you have somewhere in Narok, these people come and test your soil.

After testing your soil, they do a GPS, give you the seed and help you do your farming. On the day of harvesting, they come and do it on the spot and pay you then. This is a startup by Kenyans.

Mr. Speaker, Sir, you recall I mentioned this when I was seconding. I was with you when the lady from United Arab Emirate (UAE) Government said that out of a platform of 140 startups, they were able to get only four Kenyan companies. The reason is that our Government has not assisted young people. I think we should revisit that issue alongside what Sen. Sakaja is doing.

We tasked you to help us with the Dubai Expo 2021. The UAE Government has built a pavilion for us in the new city in Dubai. We should help these start-up companies

to show case their talents out there, using this platform that where 162 countries coming to view various stands. This is an opportunity for Kenya.

Mr. Speaker, Sir, I challenge you to get these people who are doing the Dubai Expo 2021 because they are asleep. We do not want them to take *kikois* and *kiondos*, or the usual tea and coffee. These start-ups are the only way to help these young people in various universities to be in a position to do things that would help them in future.

Those who have traveled to cities like Sydney have found young men sitting on the streets throughout the night because of availability of hotspots. What stops the Kenyan Government or the Nairobi Metropolitan Services (NMS) from creating hotspots in Nairobi City, where Kenyans can sit and use the internet to innovate?

A good friend of mine called Mr. Sam Gichuru started iHub somewhere along Ngong Road and the President even visited him. This was a platform where young people were innovating because he offered them high speed internet and gadgets. By the way, many young people using the iHub platform, have become billionaires. Once they developed a concept, they have sold it to international companies.

However, the Kenyan Government makes it impossible to register a company. They make it impossible for a young person who has just left university to get a certificate. It is also impossible to prequalify young people because you insist they must have a bank account. How do you have a bank account if you are a university student? The same university student is the same person waiting to pay the Higher Education Loans Board (HELB) loan. If you do not pay HELB loan because you do not have a job, you pay a penalty. That is what the Government is doing to young people in Kenya.

Are we not surprised that they are now becoming hustlers? They have nothing else to do. Hustling is getting a job here and there or getting a tender and making quick bucks. Some of them end up in jail. When Sen. Cheragei was the Chairperson of the Committee on Justice, Human Rights and Legal Affairs, we visited a Government of Kenya Remand Prison facility. The sight of those young people in there would drive you to tears. What are they doing in remand? Somebody was trying to make money using a connection here and there, because that is what people called hustling.

(Loud consultations)

If Sen. Haji doubts us, a hustle is trying to walk in and make a quick buck here and there. In the end, they end up either violating the law and get arrested.

Sen. (Dr.) Langat: On a point of order, Mr. Speaker, Sir.

The Speaker (Hon. Lusaka): Sen. (Dr.) Langat, what is your point of order?

Sen. (Dr.) Langat: Mr. Speaker, Sir, I would like to ask the Senator for Makueni County to clarify two things to us. First, he has mentioned that you have land in Narok County. Do not take it lightly. If it is not true, it might bring problems to your family because they might think you are hiding land somewhere. This is a House of records.

Secondly, I would like him to understand that the word “hustler” has different connotations depending on the context. The hustler we have been mentioning in our team

has nothing to do with pickpockets and thieves. It has something to do with hard working people who strive to earn a genuine living in a genuine way. I just wanted to inform.

Sen. Wetangula: On a point of order, Mr. Speaker, Sir.

The Speaker (Hon. Lusaka): Sen. Wetangula, what is your point of order?

Sen. Wetangula: Mr. Speaker, Sir, are you satisfied that that frivolous point raised by Sen. (Dr.) Langat meets the length, breath and meaning of a point of order? He just stood and pursued a misadventure that took him nowhere by way of argument. He never told us what was out of order in what Sen. Mutula Kilonzo Jnr. was saying.

(Laughter)

The Speaker (Hon. Lusaka): Sen. Mutula Kilonzo Jnr., I am sure you have capacity to handle that one.

Sen. Mutula Kilonzo Jnr.: Yes, Mr. Speaker, Sir. That is why Sen. (Dr.) Langat should listen to me very carefully about what the young people call a hustle as opposed to a hustler he is referring.

These young people have been exploited by we, the politicians, in an attempt to make them look as if they are either doing something wrong or as if we have an alternative. I am simply saying that the companies mentioned in this Bill by Sen. Sakaja, for example, Cellulant has developed a digital payment platform. Sendy has developed a logistics platform. Twiga Foods deals in quality feed for thousands of farmers. Also M-kopa and pay-as-you-go energy services exist.

This is what I am talking about, Sen. (Dr.) Langat, and not what you are doing. What you are doing is wrong. This is what I am referring to. I am referring to the people have come up with certain applications that can make our lives a little easy. If the country agreed, we would have a platform for managing our sewer. Had the Government agreed, we would have a platform for managing our traffic and other things. In fact, when I traveled to South Germany where there are a lot of floods, I found only two people managing the water of a whole city. Their work was to monitor in a system.

That is why I say if we give an opportunity to young people and not the 100,000 jobs that I know Sen. (Dr.) Langat and company will talk about next year, that they will create, *tenga* and do all sorts of things. That is not what I am referring to. I am referring to offering proper platforms where young people can sit down and use their minds and create applications that can help them. This Bill helps recognize these people.

(Sen. Sakaja walked into the Chamber)

I thank Sen. Sakaja who has just walked in for this Bill. It gives incentives and tax holidays. You want to bring the Chinese here through your Government, so that they give you the 10 per cent as opposed to giving incentives to young people. There is a cadre of people in Kenya who are lobbyists, cartels and mafia whose work is to look for contractors and be offered 10 per cent. When young people want to do certain things

contained in this Bill, we cannot give them a tax holiday or break, exempt them from regulations or offer them the 30 per cent that is in procurement.

We cannot do agriculture the same way we have been doing since Independence. The solutions are in being a little more innovative. I can tell the Senator for Meru County that a time will come that you will not have to speed with miraa all the way from Meru. It will not work in another five or less years.

The people who sell *miraa* in Meru County must become a little more innovative so that young people do not die on the roads while speeding as if the world is coming to an end. Featuring such reckless *miraa* drivers on television as if they are heroes is criminal with the kind of things that they do in broad daylight. People are dying and we know it. The people should be offered a platform and incentives. They should be registered and recognized. The kind of innovations that I saw from the young people in Makueni County as a result of COVID-19, if the Government was serious, they would have bought those machines from the young people. If the Government was serious, they would have asked the young people to innovate solutions to all the problems that the county governments face such as lack oxygen in our hospitals.

The Speaker (Hon. Lusaka): What is your point of order, Sen. Linturi?

Sen. Linturi: On a point of order, Mr. Speaker, Sir. I have a lot of respect for the distinguished Senator for Makueni County and I have really tried to listen to him. From his long speech, I have been unable to get clearly the point that he is trying to drive home. He is trying to be speculative in what should be happening in the future, how we promised jobs and how the Chinese would bring in Chinese workers yet they are already here. The Government that he is talking about has what is popularly known as the Kazi Mtaani Programme to give the youth money for cleaning the environment.

However, when Sen. Mutula Kilonzo Jnr. talks about the Government being serious, he should recognize that he is also part of that Government after the 'Handshake'. Who does he mean when he says the Government? We must tell the country where the problem lies. The Government is so big. He should tell us who he means so that in our own small way, we are able to address the person who is not serious because he is trying to explain something very serious that I agree with.

Sen. Mutula Kilonzo Jnr.: Sen. Linturi, I am talking about the Government where you belong. You are a member of the Government that I am referring to. That is why I am addressing you. If I was addressing somebody else, I would look at them. However, I am addressing you as a person who is in Government and a person who intends and portends to form Government. You have been going around saying that you want to form Government and that is why I am addressing you. When I talk about Government, I am referring to now and your intentions which could be real or imagined, but they are intentions.

Mr. Speaker, Sir, I am simply trying to explain that a Government that loves its young people provides incentives and a platform. I have read to you companies cited by Sen. Sakaja and those are just but a few. There are many other companies. However, there are no platforms for them to be recognized. Nobody calls them. If they go to the Ministries, they are subjected to the normal bureaucracy of your Government.

Sen. Linturi, you must criticize this Government because you formed it. The youths who took part in the Kazi Mtaani Programme have not been paid. It was recently reported that the money that was meant for the Youth Fund was diverted to pay recurrent expenditures. Who are we supposed to ask these questions? Sen. Linturi is aware of the NYS Scandal and how money was misappropriated. I do not need to repeat what happened in the NYS Scandal. The solutions to Kenyans and the young people is not to give them menial jobs.

The Speaker (Hon. Lusaka): There is a point of order by Sen. Halake.

Sen. Halake: On a point of order, Mr. Speaker, Sir. Is it in order for a Member of the ruling party to ask who the Government is?

I was confused when my good friend and Senator for Meru County asked who the Government is when the last time I checked, he is a high standing member of the ruling party. He should be telling us who Government is and not asking us. Is it in order for him to ask who the Government is?

The Speaker (Hon. Lusaka): There is another point of order from Sen. Kinyua.

Sen. Kinyua: On a point of order, Mr. Speaker, Sir. The Senator for Meru County was in order to ask that question because when Sen. Mutula Kilonzo Jnr. mentioned miraa, we were confused as to whether he was talking about the County Government of Meru or the National Government. That is what created the confusion.

The Speaker (Hon. Lusaka): You are out of order!

Proceed, Sen. Mutula Kilonzo Jnr.

Sen. Mutula Kilonzo Jnr.: Mr. Speaker, Sir, I do not think that I need to respond.

For purposes of clarity, would it surprise you, Senators, that there is an outfit in Kenya called the Kenya National Innovation Agency under the Science and Technology Act of 2013? What has that agency done since 2013? That is why I say that political goodwill is Government and our Government does not love her people. That is the reason why instead of promoting innovation which is Part Two of this Bill to facilitate transfer of technology, it does otherwise.

When the President was opening the Mtito Andei Section which was part five of the SGR contract, I told him, “Your Excellency, can you allow the young people in Makueni to be given the technology of even repairing the SGR?” However, that never came to pass. If you travel in the SGR, there is always a bogie at the back with foreigners whose work is to fix the train, the Air Conditioner (AC) and other things. A lot to the contracts that are in the country do not have innovation or technology transfer.

This Bill is important because Part Four speaks about certification of incubators. Before Sen. Sakaja came into the Chamber, I talked about Nailab that was established by Mr. Sam Gichuru along Ngong Road to incubate and accelerate ICT start-ups. People can go into Nailab to use that platform as an opportunity to create things. The person who owns Instagram and Facebook is an innovator. The digital taxi hailing applications that we have are innovations. Sen. Sakaja through this Bill tried to find better ways for the drivers who use those applications to earn. The people running the taxi hailing

applications from abroad get 25 per cent of the earnings yet that is a technology application that should ideally be run by our young Kenyans.

The Speaker (Hon. Lusaka): Sen. Sakaja has a point of information. Would you like to be informed?

Sen. Mutula Kilonzo Jnr.: Mr. Speaker, Sir, yes, I would like to be informed.

Sen. Sakaja: Mr. Speaker, Sir, I am glad that Sen. Mutula Kilonzo Jnr. has talked about the digital taxi hailing applications such as Uber, Little Cab, Bolt and the others. I would like to inform him that there is a process we started as a result of a petition that he brought before the House. I would like to assure him that the process is ongoing and that we are dealing with the issue of the percentage that the drivers get from those taxi hailing applications because we want that money to benefit our taxi drivers. The drivers who are registered in the taxi hailing applications have been really suffering. I am sure that many of us have gotten concerns from them. The process is ongoing and our Committee will give a status report soon. The regulations have been published. However, due to COVID-19, the National Transport and Safety Authority Act (NTSA) and the Ministry had stopped the process but we will bring it back.

Sen. Mutula Kilonzo Jnr.: That information is very useful.

Lastly, I hope that those of us who want to go out there in the counties including - Sen. Sakaja and I - can start this sort of incubation; a hub where young people can sit and innovate.

Otherwise, the sort of thing that Sen. Murkomen is promoting is not innovation because somebody innovated it a long time ago. I hope we can change the---

(Laughter)

The Speaker (Hon. Lusaka): What is your point of order, Sen. Murkomen?

Sen. Murkomen: Mr. Speaker, Sir, I do not know exactly what Sen. Mutula Kilonzo Jnr., is taking about. Let him be clear. If he is talking about the wheelbarrow, is he trying to say that a Start-up Bill excludes wheelbarrow owners? I thought this was bottom-up approach to economics.

Sen. Mutula Kilonzo Jnr.: Mr. Speaker, Sir, that was exactly what I was saying, that you do not tell somebody that a wheelbarrow is an innovation. It cannot be because the person who innovated it at that time most likely did not anticipate that somebody in the 21st Century would use it for either bottoms-up or bottom-up, whatever that is. You cannot ride a wheelbarrow upside down, inside out or bottoms-up.

The incentive in this Bill is going to help the young people. Our work is to create hope and a platform for the youth and young graduates so that they can look forward to a better life.

I second.

(Question proposed)

Sen. Wetangula: Mr. Speaker, Sir, I beg to support. Once I said on this Floor that the exuberance of Sen. Murkomen sometimes reminds me of a child who is touching a toy for the first time in life.

Sen. Murkomen: On a point of order, Mr. Speaker, Sir. I know why Sen. Wetangula is getting at me. It is because of a discussion elsewhere that has nothing to do with the discussion in this Chamber.

Be it as it may, is there anything wrong with a child who is touching a toy for the first time? I saw in one of the debates on children's rights that when we, adults, have our own problems, we use children as a negative example. Being a child is a positive thing. Even Jesus said if one wants to go to Heaven, they should just humble themselves like children.

Sen. Wetangula: Mr. Speaker, Sir, I can see that Sen. Murkomen did not listen to what I said. I talked about your exuberance but you have isolated the word, child, from the sentence.

This is a good Bill that can help this country. From our Independence, we always talk about the youth as the leaders of tomorrow. We need to make the youth the leaders of today not just in politics but in every aspect of life.

The whole world is now technologically driven. China was a very backward country in the 1960's. Today, they are ruling the world. India was a very backward country in the 1960's, but today with over 1.3 billion people, it is feeding the world after feeding themselves.

In the early 1960s to 1970s in this country, you were considered unfortunate if you were seen driving a Japanese car because everybody was driving European cars. It had to be a Citroen, Peugeot or Mercedes. Today, people pick European cars as a second choice because of technological innovations and advancement in Japan, Korea and other Eastern countries.

The countries that have embraced science and innovation have made major strides. Ten years ago, Saudi Arabia, that is a 100 percent desert, started exporting wheat to countries with better climate because of innovation. We can count on and on. Back home, we need to make a deliberate act and decisions that help our youth engage in innovation and develop technology that can change our society.

Mr. Speaker, Sir, there is a friend of mine who told me that his son finished engineering at the University of Nairobi and when he tried to get him a job, he refused. He wanted to go and bring change to farming. The young man as an engineer is now a consummate farmer and has changed the fortunes of his father's farm.

When we talk about innovation, it is not limited to the youth because one can be innovative even at the age of 60 to 70 years, depending on your will, determination and drive. Young people have better capacity, ability and time to be more innovative.

The investments are not even big. We have agencies in this country that ought to be helping young people but when you look at even the number of people appointed to positions of responsibility, even in those agencies, the youth are not thought about seriously.

Looking at the history of humanity, many great people that were innovative were legends at ages above 25 and 30 years. Martin Luther King Jr., that we talk about all the time, died before the age of 40 years. Our Lord and Savior, Jesus Christ, died on the cross at the age of 33 years. The legendary Bob Marley died at 36 years. When you listen to his music, you think he died at 90 years. There are many others such as the founders of Apple and many others we can talk about, who have been ingenious young people. Some have grown through environments that have made them exploit their talent while others have exploited their talent because the state machine has put at their disposal opportunities for innovation.

In this country, we have had even organizations such as the National Youth Service (NYS), which was supposed to be an incubator for churning out young people with skills to change society. We cannot say we have succeeded in that because we know many people who walked through the NYS.

We cannot say that we have succeeded in that because we know many people who walked through the National Youth Service (NYS) were fattening their pockets instead of helping young people.

Mr. Speaker, Sir, in this country, we have a law about credit and contracts to help young people. I think it was promoted by Sen. Sakaja, my distinguished nephew. If you go to counties all over the country, including where we come from, you cannot exhaust the fingers on one hand if you count the young people who have benefited from contractual facilities in the county.

Even when contracts are segregated for young people, you will find it is the old people masquerading as young people who are awarded those contracts. So, how will the young grow? We need to have a very deliberate legal regime with attendant penalties for those who flout the law to bring young people to their fall.

We have many young people with ideas. I do not think that the young man who invented M-Pesa, which is now an international celebrity, got what he deserved in terms of innovation. Look at what M-Pesa has done in revolutionizing online lending and transfer of money in this country. Everybody is now hooked to M-Pesa. Everyone transacts cashless in conducting business because of an innovation by a young Kenyan.

I remember when we went with President Kibaki to the United Nations (UN). Michael Joseph, the then Managing Director (MD) of Safaricom came to the UN to receive an international UN award for innovation on the basis of M-Pesa, which has now been replicated all over the world. There are many others.

Mr. Speaker Sir, because of a poor legal regime, nobody will ever remember the young Kenyan who innovated M-Pesa. He probably got nothing out of it, or if he did, it cannot be much. Yet an innovation of that nature--- There are many social network platforms for online use that have been invented by young Kenyans without any support.

Sen. Sakaja says that we should not leave these young Kenyans to be thrown in the deep end to struggle to swim. Let us help them to get into the pool and be able to help humanity. In doing so, I want to encourage Sen. Sakaja that when you want to create and support innovation, you must emphasize on an enabling environment and attendant resources.

Mr. Speaker, Sir, I hope that this agency we are talking about will not strangle innovation instead of assisting it. When we start talking about keeping registers and accounting whether you have received support--- For example, if a young person receives some money from a well-wisher in India or America, let us not box them into a corner where they have to fill forms in an agency and tell the state.

The state has a way of frustrating people, sometimes based on very parochial thinking. You put an agency somewhere and you put there some wicked character who thinks that innovation must only come from his community. We have had such fellows. When someone sits in an innovation agency and they come from the Mulembe nation, for instance, he starts parochially thinking that anybody who comes from another part of the country cannot be innovative. Instead of facilitating innovation, they kill it because of parochial thinking.

I would like Sen. Sakaja to recast Clauses 6 and 7 so that anybody who is given that position of responsibility must be somebody with a national outlook and human feeling. They should understand that even our brother from the El Molo Community can be as innovative as our brother from Nairobi, and vice versa. We will then be creating equity in the country.

Mr. Speaker, Sir, equally important is the need to have innovation support facilities in the counties. I would like us to revisit the philosophy of devolution. Sen. Murkomen was right in the center of enabling facilities for devolution at its start. The philosophy of devolution was not for us to endlessly haggle at the center to take money to the counties. It was to enable the counties grow to the level where some counties will not need any money from Nairobi.

If you go to countries like Australia and the United States of America (USA), a territory like Western Australia is much richer than probably the rest put together because of their mining capacity. They therefore do not need any money from Canberra. California alone, which is in the USA, is the 14th largest economy in the world. You do not expect California to expect money from Washington. It probably gives money to Washington.

Mr. Speaker, Sir, I would like to see a national innovation competition included in this Bill so that we bring counties together. Is Isiolo the most innovative county? If it is, what benefits do we accord them to continue leading in innovation? Those that are not innovative enough will watch as others benefit from state resources that support innovation.

Competition breeds the best. We should allow competition in a positive manner, not the destructive competition that we see in the political arena in this country. We want positive competition that makes a child born in Mathare or Kibra slums of Nairobi as accessible to facilities that will make them compete with those that are in better neighbourhoods. This will help.

Mr. Speaker, Sir, I would also like to see that we obligate the National Treasury--- Sen. Sakaja may think of creating an innovation fund that is a percentage of our Gross Domestic Product (GDP). Unless you take such deliberate actions, innovation, incubation and support for young brains becomes an option. The people are so used to doing things

the same way expecting different results all the time. They will never get those different results.

We therefore need to put a fund together that can be accessed to anybody with the ability and drive to bring out innovations. There is no reason for Kenya to import tractors from countries that are at the same level or lower than us. We are now importing tractors from Pakistan, Iran and India. These are countries that we should be competing with at the level of innovation.

Mr. Speaker, Sir, you will remember that there was a car that was started by our late President Moi. What was it called? The Nyayo car! Even when they launched it, they made the pictures look so foggy that you could not tell what kind of car it was going to be. After pumping in so much money, the Numerical Machining Complex is now dead. Nobody talks about it. Nobody even tells the country how much money was put in Numerical Machining Complex based at the Railways Headquarters here that rolled out a car that never reached the show rooms. Up to now, we do not know what exactly happened exactly. We need a mechanism of follow up for use of public resources. I encourage that incubation hubs be an obligation for every county; a place for young people with good ideas.

I want to tell my colleagues across the Floor including the promoter of this Bill that Jubilee Party, as The National Alliance (TNA) and United Republican Party (URP), came to power with a lot of promise for young people. They said that they are the digital age and will give computers to every child in the country. However, they do not talk about it now because they know it was a hoax on Kenyans.

They told Kenyans that in the first one year, they will have internet services in each village of this country. I do not know whether there is internet in the village of Sen. Murkomen today. He was one of the promoters of this big lie to Kenyans. To date, there is nothing. They know it was a lie, it remains a lie and it will be a lie until they leave the Government.

Amazingly, the same promoters of the big lie have now reinvented themselves and are now promoting a bigger lie. They are promising Kenyans heaven on earth knowing very well that they can only deliver hell.

Mr. Speaker, Sir, problems can never be solved by the same level of thinking that created them. It is the same level of thinking that were chest-thumping all over telling us about innovations that are now telling us totally different stories. In fact, right now, the argument is based on a fallacy.

Sen. Murkomen: On a point of order, Mr. Speaker, Sir.

The Speaker (Hon. Lusaka): What is your point of order?

Sen. Murkomen: Mr. Speaker, Sir, is it in order, for Sen. Wetangula, to keep using me as an example of failures of Government when he has been in Government for over 30 years, to the highest level of being a Minister?

Is it in order for him to keep using me as an example instead of using himself to give examples of the things he did to ensure that young people of this country are facilitated on matters innovation, employment and all that? Can he use himself as an example?

Sen. Wetangula: Mr. Speaker, Sir, absolutely. When we came into the Government in 2002, we promised free universal education and we delivered.

(Laughter)

These Jubilee characters came to Government---

Sen. Murkomen: On a point of order, Mr. Speaker, Sir.

The Speaker (Hon. Lusaka): What is your point of order?

Sen. Murkomen: Mr. Speaker, Sir, Sen. Wetangula must chose the side he will promote. Over and over, on the Floor of this House, he has lamented about the high cost of education in the country. However, at the same time, he wants to take credit for the free education in the country. If we have free education, the credit goes to the Jubilee Administration for implementing it for 10 years. If we do not have free education, he should not take credit of what is not there.

Sen. Wetangula: Mr. Speaker, Sir, Sen. Murkomen is good at cherry-picking. When we came into office with President Mwai Kibaki, we promised and delivered universal primary education until Jubilee arrived with promises of computers, laptops and all manner of strange things that never happened. They completely distorted the education policy that President Kibaki had put in place.

Mr. Speaker, Sir, on this Floor, you do not have the benefit of having been in this Senate in the last term, but every time we talked about the unfulfilled promises of the Government, you would think Sen. Murkomen was being electrocuted. He was limping on his seat.

(Laughter)

Now the shoe is on the other leg. He is most welcome to look at the Government differently the way he does now. He should join Kenyans of goodwill, who are not on his side, in bringing meaningful change to this country.

Sen. Murkomen: Mr. Speaker, Sir, I saw Sen. Wetangula with a group of politicians calling themselves One Kenya Alliance. Other Kenyans call them “*Niwachie Alliance*”. They were falling over themselves praising President Uhuru Kenyatta for being one of the best President in the Republic.

Sen. Wetangula is one of the few leaders that have full praises for President Kenyatta. In fact, you should watch him when he is standing somewhere in State House or in any function with the President. You have never seen him smile better when he nowadays gets a chance to stand next to President Uhuru Kenyatta.

(Laughter)

Is he in order to pretend to be a critic of the Jubilee Administration when for the whole of second term, he has been a close consultant and advisor of President of Uhuru Kenyatta? What does he tell him for all the four years since the ‘handshake’ started?

Sen. Sakaja: On a point of order, Mr. Speaker, Sir. In moving this Bill, I noted some of the people who have expressed interest including the international community - the countries based on when we did the Bill before, because we had to republish it - have since done a Start-up Bill.

Mr. Speaker, Sir, the entire start-up ecosystem in this country is following this debate. Standing Order No. 115 is clear on relevance. This is an important Bill not just for the young people of this country but for this country.

Mr. Speaker, Sir, I, therefore, urge that you direct that we stick to the content of this Bill then may be, you can give an opportunity for banter later. However, right now, it is about the content. Standing Order No. 115 is clear about content of speeches. I urge you for the sake of the importance of this Bill.

Sen. Kibiru: On a point of order, Mr. Speaker, Sir. Is it in order for the two Senators to keep on exchanging words instead of concentrating on the content of the Bill? Is it another potential way of trying to woo each other? I saw in the morning a couple was divorcing and they were trying to woo each other. So, if Sen. Wetangula and Sen. Murkomen want to extend their marriage, they can do it after the sitting.

The Speaker (Hon. Lusaka): It is also important to have some comic relief as we discuss. So, we are in order.

Continue, Sen. Wetangula.

Sen. Wetangula: Mr. Speaker, Sir, *Mzee* Moi used to tell this country, '*siasa mbaya, maisha mbaya*'. However good this Bill may be, my distinguished nephew, if the politics of the day is not right, it will have no meaning. So, we must talk about the political environment under which this Bill will be administered.

We can pass it and have a negative Government that will never put money on innovation, does not appreciate incubation and that will want to distribute wheelbarrows instead of computers. You will never get anywhere. So, a good Government will implement this good law.

My distinguished nephew, we want these developments of innovation and incubation to be homegrown and home-driven.

Sometimes when foreigners come to drive our agenda, some bring us obsolete technology while some want to micromanage us. However, the most important thing, because I see my time is running out, is, upon passage of this Bill, every Senator in this House should take it as an obligation to see that our counties embrace positive programmes for the youth in innovation by creating local budgets.

Apart from money expected from the national Government because we know they own the lion share, we should have a budget line in our counties that is targeted towards young people that are innovative, whether it is in agriculture, environment, road construction, or whatever it is so that they are supported.

Mr. Speaker, Sir, more importantly, I want a clause in this Bill that the Government shall help young entrepreneurs that bring innovative ideas to the fore in helping them register their patents. To patent your production, I think I saw a clause somewhere that the Government should help young innovators to patent their ideas at no cost. This is because young people do not have enough money to register patents and

police those who violate patents. We need also a penalty for those who violate patented ideas from our young innovators. If we can do so, this country will move and compete.

If you look at companies in countries like Korea, look at Hyundai, Samsung and all those, they were local innovations that have grown into conglomerates. Look at these fridges called LG, all these are innovations by young people in those countries. We want an equivalent of young Kenyans that would create in another ten years a Hyundai, Toyota, General Motors and all these ideas that change lives of people. I repeat that created them---

(Sen. Wetangula's microphone went off)

We want new ideas to come from a new leadership in this country that will change.

Thank you.

The Speaker (Hon. Lusaka): Sen. Cheruiyot, proceed.

Sen. Cheruiyot: Mr. Speaker, Sir, thank you for giving me this chance to also make my contribution to this very important Bill. I have had opportunity to listen to a few of our colleagues who have had the chance to go before me and share what they consider to be useful thoughts on this Startup Bill. From the very onset, let it be distinguished and known to all and sundry.

I note the change, though the Chair is vacant temporarily. I will avoid making reference until such a time that you are properly seated, Madam Deputy Speaker.

[The Speaker (Hon. Lusaka) left the Chair]

[The Deputy Speaker (Sen. (Prof.) Kamar) in the Chair]

Madam Deputy Speaker, the point is that it is not for lack of sufficient laws that we do not have properly supported startups in the Republic. If it is about laws, we have done enough laws. If it is about policy, there is enough of paperwork that has filled various rooms in the Cabinet on what you need to do to encourage entrepreneurship and startups to ensure that they succeed. The goodwill to implement, unfortunately, is not something that can be legislated.

It is on that point that I agree partly with Sen. Wetangula that unless there is a change of thinking with the leadership of this country and when people get the opportunity to lead, then we shall continue as a legislature to generate one Bill after the other. Startup this, Access to Government Procurement Opportunities (AGPO) the other and I do not know which one for youth empowerment. At the end of the day, we shall always find ourselves in this situation where young people continue to look at us with serious despondency and continue to question our ability as leaders to rise to the challenge that we continue to face as a nation.

Madam Deputy Speaker, this Bill has fairly good proposals. However, there are things which, I think, are slightly different from what exists in various other youth

intervention policies, either by Acts of Parliament, or other policy measures, that have been prepared in this country before.

First of all, in my contributions I will focus on what I consider to be important highlights of the Bill. Later on, I will share my thoughts also on what I think can be useful additions when we come to the Committee stage. Finally, just as a way of challenge to us because we are in leadership, we need to find it within ourselves small ways through which we can encourage innovation among our young people without even necessarily having to wait for an Act of Parliament to be passed for us to do it.

Madam Deputy Speaker, I note that the Bill places obligation on our national and county governments to establish various incubation programmes. This is something that any leader can do because leadership is about rising to the challenges of the day; be it at national or county government level. Everybody knows that young people are grappling with unemployment and are bursting with ideas that they have no platform or enabling environment to bring out their potential.

Somebody cheekily observed that the challenge with our country is that those with the ideas do not have the power and those with the power do not have the ideas. That is the mismatch of priority and mixture of talent we have in the Republic which we have to find ways of addressing and ensuring that there is a nexus between those with the power and those with the ideas. I guess that is what Sen. Sakaja is trying to address with this legislation.

Madam Deputy Speaker, I hope once this Bill has gone through the processes of Parliament in both Houses and it is signed into law, many people will take it up to heart and provide the necessary support that is obligated both on the Government and also in the private sector. This is because there are obligations in this Bill. For example, it provides legal framework so that those who want to team up with young people in their innovations can do so without having to run into the various difficulties.

I do not see nowadays a very popular programme that we used to have in our primary and secondary schools known as the science congress. This was where students would compete on various innovations based on the practical lessons that they learned in their science, physics or any other subject for that particular matter. The people would compete and begin at the interschool level and rise all the way to nationals. By the time you get to the nationals, the kind of innovations that people used to observe in those science congress fora were world-changing.

Madam Deputy Speaker, as I have noted, this Bill is providing the legal framework for partnership between those young people that were generating those innovations and those with the money to fund those ideas. We all know every brilliant idea at some point struggles.

On many occasions, young people come to my office in Parliament to explain to me brilliant innovative ideas they would wish to see in fruition. That is something that they have thought ways that they can do better in certain aspects. However, they lack the financial capacity and somebody to back them and the tools that are necessary which includes the necessary legal framework for them to have signed on partnerships with

people who can help this country meet some of their objectives at a cost that is extremely lower than what mainstream business providers of those services are charging.

Madam Deputy Speaker, I know and we read about this on every other occasion. I read the other day in the newspapers about young people who are trying to rival the main data service providers who are charging on average Kshs3,000 for every 10 mbps per month. They said we can do it at Kshs700. However, because of the bottlenecks that exist including some very frivolous laws and regulations that we approve in this House on what is the minimum amount you can charge as an internet service provider, they end up pricing themselves out some of the owners of these innovations.

If you raise the bar or the minimum amount that they can charge, then it becomes difficult for them to compete with some of these mainstream people. This is because some of these big companies survive because of the economic muscle that they wield and the fact that they can influence policy. Unfortunately, sometimes even legislations such as this that we end up making laws that if we try and push and pursue things that will make it easy for younger people to compete with them, it becomes extremely difficult.

I look forward to a time where once we have come up with such legislation, we can go deep down to the details and address some of these issues, including the challenges of things like taxation and market entry barriers that some of these young people face coming up with their innovations.

Madam Deputy Speaker, even getting a simple thing like a licence is difficult in Kenya. If a young person came up with a technological innovation today, the amount of money he will be required to pay to the Communications Authority of Kenya (CAK) to get a licence is exorbitant. We need to challenge ourselves as legislators and review some of these policies.

That is why I sympathise when I listen to people in this country. Sen. Wetangula needs to listen to this carefully. Lately, as a presidential candidate, there has been a debate on how to craft a manifesto. Many people believe that you can lock yourself in a well-furnished, air-conditioned room and come up with all the best ideas on your own and sell to young people.

However, there is a new school of thought that is emerging. It says that you sit and listen. It is not that the people you lead do not have the ideas. Perhaps they even have superior ideas to those that we generate year in, year out.

Madam Deputy Speaker, if you read through the manifestos of all political formations since 2002, you will realise it is plagiarism. A change of the party name and one or two things only, but it is the same thing we keep on talking about. We have not sat down and asked ourselves, for example, the tax intervention measures that can be provided in such a startup law.

I know Sen. Sakaja cannot do this because this is the Senate. However, when this Bill gets to the National Treasury, we have to challenge our colleagues who have jurisdiction on Money Bills and effects on tax policy on what we can do about the tax regime. There is no country that provides a tax regime for well-established multinationals similar to startups as the companies we are trying to promote in this Bill. We must talk about the tax breaks that we are extending to the---

Sen. Sakaja: On a point of information, Madam Deputy Speaker.

The Deputy Speaker (Sen. (Prof.) Kamar): There is a point of information from Sen. Sakaja.

Sen. Cheruiyot: Madam Deputy Speaker, I do not mind to be informed.

Sen. Sakaja: Thank you, Madam Deputy Speaker. What Sen. Cheruiyot has said is true. I just want to inform him that throughout the public participation we conducted before, many of these interventions that will have a Money Bill effect were proposed. We have discussed with many Members of the National Assembly like Hon. Nixon Korir, Hon. KJ and many of these brilliant young MPs from Nairobi City County. They will be inputting their amendments at that stage. So, it is a team effort with our Members from the National Assembly.

Sen. Cheruiyot: Thank you, Sen. Sakaja. That is the assurance I wanted. I do not know what we will do so that we then input and share our thoughts with our colleagues in the National Assembly. However, I hope one day, we shall convince them to stop this lock, stock and barrel reading of Article 114 of the Constitution on what Money Bill is.

In many occasions, I have seen colleague Senators struggle. Every time we want to come up with a Bill, we have to be so careful not to fall within the Money Bill aspect. Remember the Parliamentary Budget Office (PBO) is always waiting just for you to mention anything that touches on taxes or even money to that extent, and your Bill is considered to have fallen afoul. Anyway, that is a welcome assurance from Sen. Sakaja.

It is astounding that up to this point, we have not had a robust conversation. Think about Small and Medium Enterprises (SMEs). How many of them would wish to properly regularize their books with the Kenya Revenue Authority (KRA)? The fact that when you meet KRA people, the first thing they do is to hit you with a tax bill of Kshs3 or Kshs4 million. As a young person, you decide to dodge. The minute you run out of favour with them, perhaps you close that company and start a new one.

Yet, if in these innovations and incubation hubs being proposed here, would have the tax table where we would link them up and tell them the laws they need to observe, it will serve them better. This is because these young people want to pay taxes, but they are not properly on which tax to pay. These companies cannot afford tax auditors who will point to them which law to observe and guide them in the right direction. We need to seriously give proper consideration to that table.

I have seen the Bill also provides for the registration of startups and how to provide admission into the incubation programme. I think it is Sen. Wetangula who spoke earlier and said he hopes this will not be a Government bottleneck. We have Government technocrats in this country who think it is their duty to walk around with a big stick, trying to find who is not following the dictates of the law. They do not have a facilitative approach to things. They find an incubation centre has been set up and they do not wait to be taken through. They do not explain to those people how the law has changed and the things they now need to be observe. Instead, their first point of call is to arrest and charge them in court.

That is not the kind of expectation we expect for this agency. I hope it will be more about promoting these incubation centres or hubs and ensuring that they register the various startups in counties and ensure they provide the services to people.

(The red light on the timer went off)

Madam Deputy Speaker, I see the yellow or red light.

The Deputy Speaker (Sen. (Prof.) Kamar): Your time is up.

Sen. Cheruiyot: Okay, Madam Deputy Speaker. I appreciate the time you have given me.

The Deputy Speaker (Sen. (Prof.) Kamar): Thank you, Senator.

Sen. Were, proceed.

Sen. Were: Thank you, Madam Deputy Speaker. I also rise to support the Startup Bill by Sen. Sakaja. I wish to emphasize that this Bill is very important and timely. It had suffered the sibling rivalry between the Senate and the National Assembly. I am happy that now it is back and we need to hurry it up so that it can be useful to our people.

Last week, we visited the Konza Technopolis with the Senate Committee on Information, Communication and Technology (ICT). The people running the Technopolis know about this Bill and they are eager to see it passed as an Act because it will help them in their programmes and plans. They have already set up a data centre that is already operational and earning them money. They are waiting for this Startup Bill to engage many young people. They have around 15 whom they have engaged to innovate certain ideas. They are waiting for this Bill to guide them because it will provide some sort of order and direction in the innovations, especially those in the technology industry.

Madam Deputy Speaker, initially when this Bill came here, it impressed many countries in Africa because it is the first in the continent. The first time it came to this House, for example, Nigeria came for it. They went ahead and started theirs based on their earlier one that Sen. Sakaja had brought and it is now in operation. So, that is the importance of this Bill. We are moving in the Fourth Revolution which is basically ICT. With that revolution, we require a guiding law.

This Bill provides a framework that will encourage more growth and sustainable technological development and also protect many innovators through the suggested certification. As you have already heard, there has been abuse against young innovators.

Madam Deputy Speaker, there are many who are misused, exploited and not paid properly. For example, it is said that the person who invented M-Pesa was a young Kenyan boy who we do not know anything about. However, if this Bill was there and if we had a registrar of startups who admits the startups into an incubation programme. If we had a registrar who provides certification and incentives for startups, the young person who invented M-Pesa would be the person we would have been celebrating today and not another person who took on the honours and who is now celebrated for the innovation of M-Pesa.

This Bill will also provide an environment to have more opportunities for employment. Unemployment or under employment is now one of the biggest threats to

our economic development. We have so many young people who have ideas, but they do not have a place where they can express them and come up with innovations through which they can employ themselves and others. We will be solving the problem of unemployment as well as dealing with other issues of under employment, especially among our young people.

Madam Deputy Speaker, I beg to support his Bill and look forward to the completion of it.

The Deputy Speaker (Sen. (Prof.) Kamar): Thank you, Sen. Were. Proceed, Sen. Murkomen.

Sen. Murkomen: Madam Deputy Speaker, I thank Sen. Sakaja because he has been consistent in pursuing Bills that are useful to young people, particularly on matters relating to innovation. This is a very good Bill. I say so because there are things that we take for granted in this county. A lot of the submissions that have been made on the Floor of this House by those who spoke before me gave a lot of consideration on the area of innovation. However, this Bill is not just about innovation. This Bill caters for even those who are starting simple businesses. For instance, if one wants to start supplying goods and services to a Government, or a non-governmental facility or even when you want to start a simple shop to sell spare parts. This Bill is about beginning; starting a business, innovation or investing in a technology.

We should not make this Bill so complex that those people who are following these proceedings think that there is a complex Bill that is being passed in the Senate of Kenya called the Start-Up Bill (Senate Bills No. 1 of 2021). Start-up is just about businesses that are beginning, technologies that are beginning to inventions that are at the beginning stage. The question that every inventor or a person starting business always asks is, where do I start from? Someone may have an idea to beginning an agri-business and the question that they ask themselves is where they will get the capital to engage in that business.

The most important part of this Bill is that it gives the youth answers on where to start from, the offices to go to and where to get information. I appreciate the fact that the Bill recognizes that the agency established in this Bill is going to become a one stop shop where information on startups is going to be located. The second question that most people who want to startup is where do they get the knowledge to improve on what they have. If one is thinking about starting a livestock business, they wonder where they are going to get the knowledge to improve on the breeds. If one is to start rearing goats today, where will they get the market to sell the goats. This

Bill should not be so complex that a pastoralist sitting somewhere in North Easter, Rift Valley, Coast or any other part of this county feels that this is just going to cater to elites in urban areas. The institution must be accessible to every business person who want to start a business. It does not have to be the complex business of starting a new IT business. It should also include the livestock farmers in Wajir, Mandera, Narok, Kajiado, Turkana, West Pokot or any other part of this country where pastoralism is practiced.

Madam Deputy Speaker, this Bill is very useful to the extent that we are going to have an institution which is established as an agency with trustees whose business is to

ensure that the information is availed to every Kenyan who would like to start a new business.

The other question that people will ask is where is the money? This Bill answers that question by establishing incubators; people who are willing to put their money in assisting the upcoming businesses. Even though we have not used examples from other parts of the world, we know that many businesses in other parts of the world work so closely with research and technology departments in the universities. Most of those institutions look out for students who have the potential to establish good businesses. They provide for them capital, absorb them in their companies, buy their ideas or assist them to build their ideas to grow to bigger companies.

We know that many technology owners in the United States of America (USA) who are based in California are university dropouts, including the owners of Google and Facebook. Some left the university while other went ahead to complete their studies. Since such innovators have Government and private sector that recognize the importance of startups their businesses were able to grow to become multinational companies and investments that are beneficial to many of us, including this Republic.

Madam Deputy Speaker, picking from Sen. Cheruiyot left, the problem is not the law. I would like Sen. Sakaja to listen to me carefully. For purposes of the improvement of this Bill, there must be an interlink between this Bill and many other Bills that are already in existence dealing with similar issues that have been raised. For example, what is the relationship between this Bill and the provisions of the Science and Technology Law and Institutions that are already established in the Bill.

This Bill proposes that research and development shall be the focus of the agency that is being established here. However, what happens to the Science and Technology Law and Institutions that has been established under the Science and Technology Act which is the National Council for Science and Technology whose responsibilities are to assist researchers to translate their research into innovations that are consumed in the market place. That interlink is very important between this Bill and the Science and Technology Act.

The other issue that must be looked at is the link between this Bill and the Intellectual Property Laws Institutions, including the Kenya Industrial Property Institute (KIPI) and all the other institutions that have the responsibility to help and assist Kenyans to use their technology in the market place. If we do not do that, my fear is that we will create another parastatal or agency thus create another bureaucracy which will take a lot of administrative overheads with a managing director, staff, creating more offices all over the country and so on. You will find out that every year, the tax payer will be forced to give such an institution at least Kshs300 million to cater for the overheads. I have worked in a parastatal before as a director so I know the figures involved.

If we put together all the agencies that perform a similar responsibility to create one entity which is going to be the place of running all these businesses. For example, if we create this, what will happen to the Youth Fund or the other institutions that deal with youth, women and innovation? I am not saying that I have an answer now or that I have an exhaustive lead of the institutions that we are dealing with. The challenge that we have

as a country which was plucked out by the taskforce that the President put together to look at all the parastatals in the country so that we do not have too many institutions that have a lot of duplication.

Thirdly, is the question of registration and punishment for institutions that do not have registers and so forth. Many businesses, Sen. Sakaja, will find they have gone through the Companies Act, registering the company in the first place, KRA certificate, start-up registration certificate and all these other things.

We should look at all the certificates required under the programme being run by the Ministry of Industrialization which deals with the cost of doing business in Kenya. This is so that we do not provide another layer of bureaucracy that will make the cost of starting business expensive because one has to go through a startup institution and company registration among other layers.

The Deputy Speaker (Sen. (Prof.) Kamar): Sen. Sakaja, do you have an intervention?

Sen. Murkomen: Madam Deputy Speaker, Sir, I am willing to be informed.

Sen. Sakaja: Madam Deputy Speaker, Sen. Murkomen read my mind. First, there is not a new agency being created. We are focusing on the already existing Kenya National Innovation Agency (KENIA).

Secondly, it has linked up with the Science and Technology Bill, including some subsequent amendments that are being made to it so that there is that linkage. I agree our solutions are not in creating so many new organizations, which use much of the organizational cost instead of focusing on the intended recipients. I agree with him on that and it is already taken care of in this legislation.

Sen. Murkomen: Madam Deputy Speaker, I thank Sen. Sakaja for acknowledging that these suggestions are not without merit and that they will take care of them at the Committee Stage.

Finally, we must make it clear also that although we have a Start up Bill and an agency dedicated to startups, a startup does not become a startup because it is registered under this Act. People can still operate with their startups beyond this. They can build up incubators in the private sector without necessarily coming through this Bill. Those people who are going to promote other businesses whether it is non-governmental, government, partnerships or private or international businesses that want to assist businesses grow in other parts of the country.

We do not want to create a situation where if an international investor or non-governmental or inter-governmental institution would like to assist startups businesses that want to come up, innovations and technologies in this country, someone will tell them that they cannot finance these institutions unless registered under this Act or go through the agency. That will create unnecessary bureaucracies.

I agree with Sen. Wetangula and Sen. Sen. Sen. Cheruiyot on the duty of Government in ensuring this succeeds.

I know Sen. Wetangula used to tell me here that towards the beginning of this term of Jubilee administration I continued going further and further from the centre. He used that example that I was in the outer layer of the onion ring.

Since Sen. Wetangula is now in the inner layer of the onion ring, I suggest to him that they should take advantage of this one year that they have been in this general partnership with the Jubilee Administration to ensure that startup businesses are also assisted as they await this Bill.

As soon as we finish 9th August, 2022 elections those of us who are selling the manifesto of the “hustler nation” promise the people of Kenya that we will move away from the trickle down theories of economics to a bottom-up approach. This is a new way of thinking where the Government will put more focus on assisting startups and small businesses and *mama mbogas*.

I was being given a good story yesterday by the Deputy President (DP) about a lady who visited him. After meeting in a market place in Machakos, the DP confessed that he gave that lady Kshs10,000. The lady who sells *mboga* said her stock was only about Kshs2000. For that, she is able to make between Kshs300 to Kshs500 every day.

After being given another Kshs10,000 by the DP, she was able to multiply her stock. Now she is able to sell up to Kshs700 to Kshs1000 per day. I did not have a greater discussion to know the profit she makes from what she sells every day.

We can see what Kshs10,000 was able to do to that lady and what Ksh2000 would do to her in a startup.

In the bottom-up approach of economics is to identify and assist *mama mbogas*, those selling motor spares at Grogan, those selling motor bike parts across this country and those who are trading in livestock. We want to assist them to ensure they add greater value to their business so that we incubate our businesses across the country from the bottom to go up.

I am saying this because over the weekend, Sen. Sakaja was in the company of a person who was confusing bottom-up approach economics with bottoms-up which is usually called *Ganbei* in China. It is when people are having drinks and enjoying themselves they will say “bottoms up” which you empty the bottle in the wine glass. That is different from the bottom-up economics, which is an antithesis of the trickle-down economics of Sen. Wetangula, and others who have been in Government since 1990’s.

We cannot do things the same way and expect different results. We are not saying that if today I was participating and working in the Government as a supporting cast, that tomorrow I cannot have my own ideas. President Mwai Kibaki worked with President Moi as a Vice-President for 10 years and thereafter as a Minister of Health before resigning in 1992 to run for presidency.

From 1992 to 2002 when he became President of the Republic of Kenya nobody asked him why he did not implement his policies when he was Vice-President of President Moi. When he came to office, he was able to transform this country because he was now the driver at the seat.

We are telling Kenyans that the opportunity will come next year for you to choose the “hustler” and “hustler” captain as the driver. We are going to change. This change is coming from the experience and understanding we have had for the last 10 years in the Jubilee Administration. We believe that trickle-down economy being sold by our

competitors will not change this nation. This nation will be changed if we invest in startups and change to down-up to ensure this country is---

The Deputy Speaker (Sen. (Prof.) Kamar): There is a point of order from Sen. Pareno.

Sen. Pareno: Madam Deputy Speaker when I heard Sen. Murkomen talking about the “hustler nation” and asking that we have a change while voting next year, I was wondering whether it is in order to be campaigning for the “hustler nation” on this Floor at this time.

Sen. Murkomen: Madam Deputy Speaker, I understand the struggle of Sen. Pareno. Her political party got lost---

The Deputy Speaker (Sen. (Prof.) Kamar): She wanted you to respond as to whether you are campaigning or making reference.

Sen. Murkomen: Madam Deputy Speaker that is exactly my response. Sen. Pareno was running a very big political party as a director of elections. I understand her confusion at the moment because since this “handshake” she does not know whether she is in the movement or the opposition.

For those of us who have a clear mind of the policies of the future---

Sen. Wetangula put it very well. The people who are listening to us and debating this Start-Up Bill will want to--

The Deputy Speaker (Sen. (Prof.) Kamar): Sen. Murkomen, we have another point of order from Sen. Pareno.

Sen. Pareno: Madam Deputy Speaker, he is even making it worse. He said, “For those of us who have a clear mind.” Is he suggesting that some of us, specifically me, do not have clear mind? Is that a suggestion that he is the only one who has a clear mind in this Senate?

The Deputy Speaker (Sen. (Prof.) Kamar): Sen. Murkomen, I was giving you an opportunity to say whether you were making reference, or you were actually campaigning.

Sen. Murkomen: Madam Deputy Speaker, we are actually giving hope to the people of Kenya that the future of this Bill is safe.

The Deputy Speaker (Sen. (Prof.) Kamar): That is okay, proceed and finish. You have only two minutes.

Sen. Murkomen: Its implementation will be achieved when the “hustler nation” takes over. Just to emphasize to Sen. Pareno that I have no issue with her understanding of what I said. I just empathize with her and wish she had clarity of mind on what they were going to do if they were elected to run this country.

Madam Deputy Speaker, all of us here represent a particular brand of ideology and politics that does not escape the people of Kenya when we give our contributions. On behalf of the “hustler nation,” I would like to tell Sen. Sakaja that we fully support this Bill. We will work together on the amendments that are there. Sen. Sakaja does not belong to those of the bottom-up approach. I would like to welcome him to the bottom-up approach economics for the benefit of this county.

I thank you, Madam Deputy Speaker.

The Deputy Speaker (Sen. (Prof.) Kamar): Sen. (Dr.) Musuruve.

Sen. (Dr.) Musuruve: Thank you, Madam Deputy Speaker, for giving me an opportunity to support this Bill. I would like to start by thanking Sen. Sakaja for coming up with this Bill which will ensure that we utilize the brains that we have in the country.

In the 1880s, we saw people coming up with innovations like communicative devices. The communicative devices we are using right now are not things that we have just come up with. The 1880s were the times of Sir Alexander Graham Bell. He had just invented the telephone. There was the telephone, then a modification of that telephone, and so on, and so forth. Right now we have the mobile phones.

Anything that we are using, even communicative devices like this, somebody somewhere sat and decided to do something. Sir Alexander Graham Bell is credited with being the first inventor of the telephone. At that time, he was able to patent his work. Even though he is not there anymore, we can read the many things he did and the inventions he made in history. We now have the mobile phone. We have a chronology of the upgrading of the communication systems and all that.

Madam Deputy Speaker, where you look at other devices like the radio, we did not just come up with it. Somebody somewhere sat and decided that they would come up with a communication device. The German physicist, Mr. Heinrich Hertz, came up with the first radio device in 1886. First of all, he was able to study this. In 1895, an Italian, Mr. Marconi, decided to invent the radio that was eventually commercialized in the 1900s.

Madam Deputy Speaker, it all starts with innovation. An individual can move mountains. The brains we have are God given. I commend Sen. Sakaja for coming up with this Bill because it will help us identify the many young innovative brains that we have in this country and see how we can utilize them in order for them to help us a country.

Madam Deputy Speaker, it is unfortunate that we are talking of people like Sir Alexander Graham Bell, Mr. Heinrich Hertz the physicist, Mr. Guglielmo Marconi and the innovations they did in Europe, yet in Kenya we have many innovators that we have not exploited. We have young men and ladies who can do so much. However, we have not taken time to ensure that we exploit and expand the minds and potential that they have.

Our honour as a Senate is to ensure that this Bill sees the light of day. If the Bill sees the light of day, we will help the young innovative Kenyans who are in universities. Some them are not in universities, but they have the talent. We have to nurture talent. There are some people who are just gifted. They have God-given gifts. They can just sit down and make a plan of how to get money or become an investor, and some of them have not even gone to school.

Madam Deputy Speaker, how can we ensure that we harness the potential that they have and that we bring them on board? When this Bill eventually becomes law, it can be enriched so that it is the business of the national and county governments to ensure that they identify start-ups and that they foster the culture of innovation.

The culture of innovation and thinking is very important. For one to make a step from A to B, you really have to think, “how will I go to B?” You must have a strategy of how you are going to get to B. You getting to B will be the startup that you have.

Youngsters need to be enlightened on the sources of startups. I am sure that some people will be innovative enough and say, “I have this cow. Let me sell this cow then I will have the capital to do a few things.” Youngsters need to be enlightened that when it comes to startups, they have to start with themselves. You have to really think through and look at how the collateral and money that you have will be sustainable for you to have an impact.

Madam Deputy Speaker, when we foster the culture of thinking deeply, we can have people thinking through and coming up with their own projects as startups. Eventually, they will have big companies and even hire people. So, startups can be a way of generating income and wealth. I would like to say on the Floor of this House that to have wealth and create employment, you do not have to have white collar job. Even *jua kali* people come up with innovations that can trigger employment. This can soar up the economy of this country.

Madam Deputy Speaker, I am happy that the Bill also speaks on the county governments to ensure that they register the startups in their counties. They should not just register the startups in their counties, they need to facilitate investment of startups. There are some children who will not go through school. When you take them to the academia, they will cause problems because they know that they are gifted elsewhere. They may not get it academically, but they can really be a source of wealth creation and employment if the talents they have are nurtured and utilized.

Madam Deputy Speaker, this Bill is timely. We are now saying that we can make it through life, not necessarily through education. We are talking of Technical and Vocational Education Training (TVETs). Transition to universities can be 100 per cent, but the 100 per cent can be through TVETs. There are children who say that they do not want to get into the academia, but they have the skills. That skill can be nurtured in TVETs. Perhaps a child is very good in plumbing work. Naturally, there are some children who are gifted in other issues.

I want to give an example of what is happening in Nairobi and many parts of this country. You will find that there are some young people who are very good at construction of houses. Go to Kibra, you will find that the brains are there. They are hands on. They will build a house from the beginning to very end. They have not gone to university. What they lack is just the startup. They have the knowledge.

When engineers from renowned universities take up a contract, they do not touch the cement. They will employ people who are hands-on and without them, the engineer will not succeed.

Madam Deputy Speaker, we must look for a way to nurture people’s talents. We must ensure that talented people benefit from their talents.

This Bill will break-down the issue of brokers in construction. Some people are good plumbers but they have not gone to school. However, a person who has papers will show them and take the contract, but he or she cannot work. They will have to go to that

person in Kibera, Kawangware and other slums because they are hands-on, but do not have the startup capital.

Madam Deputy Speaker, county governments need to identify people who are hands on, but do not have someone to help them to start. Once they start, they will go far and will create jobs.

There are people who are good in welding in the counties, but have not gone to school. They are gifted, talented and passionate. We must identify, facilitate and help them to register their companies and become a source of employment.

As a country, we are talking about job creation. You and I have a responsibility to create jobs. We do not have to apply for jobs in the civil service. There are people who can naturally create jobs, but do not have the startup capital. So, if they are facilitated, it will be good for us as a country.

I am happy that Sen. Sakaja's Bill speaks on the issue of promoting an enabling environment for the purpose of ensuring that startups are protected.

Establishment of startup is important, especially when it comes to coming up with a project and ensuring that it thrives. The goodwill of those in the environment is important. When it comes to registration, people who come up with businesses for the first time should not have a difficult time.

Sometimes money is involved but county governments can look at the peoples' talents and decide to waive some of the money. It does not cost much to waive the registration licences. This is because when the person does well, he or she create employment.

Madam Deputy Speaker, I would also like to talk about the grace period for the people who are starting up businesses. When it comes to issues of tax, KRA should not be fast to tax people who have just started and are growing. There should be a limit and a grace period of about seven years to allow these people to thrive so that they employ other people and startup businesses in other counties and create employment.

Madam Deputy Speaker, there are millions of Kenyans who are naturally talented, but they have no one to help them or hold their hands. However, the Start-Up Bill will ensure that they are given some grants. There is need to give young people grants to startup because they are helpless and do not know where to start from.

I received a call from a person who wants to start a shoe-shining project. I supported a number of things that he wanted. Therefore, there is need for the Government to put mechanisms in place to ensure Kenyans that desire to begin a business are supported. This way, they will become productive members of the country. We are looking at a situation where everyone is a productive member of the country so that they add to the economy.

Madam Deputy Speaker, persons with disabilities have no way to begin a business. Therefore, there is need for the National Council for Persons with Disabilities (NCPWD) to increase the amount of money that it gives to persons with disabilities to begin businesses. It should be automatic. If a person has a disability, they should be given capital to start a business. That way, they will not be a burden to the society. This will add to the economy of this nation.

I know that many persons with disabilities do not know how to start. When county governments are giving people stalls to start businesses, they should allocate some stalls for persons with disabilities. It should be a good percentage so that people living with disabilities will know that county governments are concerned about them. They should also be given some money to start up their businesses.

County governments should be mandated to identify persons with disabilities and their talents. Once they do so, they also ensure that they give them a premise where they can do their businesses.

It is painful to say on the Floor of this House that I have seen persons with disabilities being bundled in a lorry by City Council people because they do not have money required to hawk their items. This should not happen in a country where we want equality.

We should ensure that people living with disabilities are given preference and priority in county governments. A country that takes care of people living with disabilities is credible. Our country is credible, but some people who sit in high positions are insensitive to issues of disability.

This is a good Bill that should see the light of day. It will ensure that no persons who leaves university is unemployed. This is because people will start from humble grounds.

I saw in the newspaper a graduate of Jomo Kenyatta University of Agriculture and Technology (JKUAT) who started a poultry project and it was doing well. He was able to use the theory that he learnt in the university.

I am happy that Sen. Sakaja has clearly brought up that county governments and the national Government should work with universities for the purpose of research. Research is important. It is at the research stage that the lacuna will be sealed and addressed so that the Start-up Bill is sustainable. We are looking at 17 Sustainable Development Goals (SDGs). They cannot be sustainable if they are not propelled to be sustainable.

Madam Deputy Speaker, JKUAT has a way of ensuring that there is growth of mushrooms. When people are taken through classes and are given the capital, they can grow their own mushrooms but there have to be an exit plan. So, I do not know whether Sen. Sakaja talked about the exit plan for start-ups so that they have a market for their produce/products.

I support this Bill. I pray and believe that it will see the light of the day here and at the National Assembly so that it eventually becomes law.

The Deputy Speaker (Sen. (Prof.) Kamar): Thank you, Senator. Sen. Halake, proceed.

Sen. Halake: Madam Deputy Speaker, thank you. I rise to support this Bill. It is definitely very timely. I thank Sen. Sakaja for his foresight as he always does come up with very innovative Bills and legislative frameworks for not just the young people but forward-looking, useful and relevant issues and sectors of our economy.

The start-up scene in this country is on the move. I am very happy that Sen. Sakaja has made sure that there is a legislative framework around start-ups because

Kenya can provide leadership in start-ups. We are already doing very well in terms of start-ups.

Kenya has been leading in Mpesa and money technologies. The entire East Africa from drones dropping medication and blood to hospitals to financial banking sector that is digitized. The European countries and the West are envious. Putting in place a legislative framework now is timely given just how much entrepreneurship exists in this country and how much we are already providing many of tomorrow's solutions today. It is providing jobs to young people in many sectors.

Madam Deputy Speaker, the Kenyan start-up is just very exciting in terms of the scene. We are seeing global investors paying attention. When Sen. Sakaja was moving the Bill, he told us that the globe is watching. It is not a lie.

When Kenyan legislators are discussing issues of start-ups especially tech start-ups, many international investors, Non-Governmental Organizations (NGOs), development partners are watching as well. Why are they watching? It is because there is something in it for them.

[The Deputy Speaker (Sen. (Prof.) Kamar left the Chair]

[The Temporary Speaker (Sen. Pareno) in the Chair]

We have a lot of advantages and strength in this sector. We have a population that is very young that has access to mobile technology and other technical expertise. We are now converting this technology into solutions that are going to make sure our economy will provide jobs and reduce poverty. I am impressed with this Bill.

Madam Temporary Speaker, when we look at the problems that exist in the start-up sector, such as access to finance, intellectual capacity or property challenges of high costs and bureaucracies and uncertainties around that, there are problems such as access to markets and high taxation regimes and registration.

This Bill takes care of almost all of them if well implemented. It takes care of the framework within which start-ups are going to find finances.

It provides for frameworks that will link our start-ups to international global networks that are going to provide the much needed finances, incubation, investors, promoters and strategic partners that are going to provide growth for our start-ups.

This Bill has the objective to foster a culture of innovative thinking and entrepreneurship and for the linkages and start-ups ticks all the boxes with regard to the challenges that are faced by our start-ups.

Madam Temporary Speaker, in just the last couple of years, we have had our start-ups such as Cellulant, CarePay and M-Kopa leading the way in the energy, telecommunication and finance sectors. In fact, globally and even in the continent regionally, whenever Kenyan start-ups go into any discussions or bid for any financing or any technological expansion or scale up, Kenyan investors always come top.

This Bill is timely and it is time our Government stood up and gave the support that is required not just in the framework but also in the financial support that our young people and investors need.

Just looking at some of the provisions in this Bill, the registrar of start-ups and admission as incubation program-- So far the reason why Kenyan start-ups have really grown is because it is just driven by innovation and not so much by the straight jacket.

I am happy that this Bill has tried as much as possible not to be very prescriptive. However, if there is anywhere Sen. Sakaja finds there are very many sub sections on what needs to be happening in terms of registration or admission into an incubation program or financial expansion and scale ups, let us make it as flexible and nimble as possible so that we do not have undesired consequences of a legislation that stifles innovation.

We have to make sure there is a balance and a very tight rope that we are going to walk if we are going to make sure that we do not stifle what we have done so far in the growth of our private sector and start-ups.

I have been blessed enough to have been part of the entire journey of financing of start-ups in this country. At one point, I was fundraising for telco companies that were supposed to provide medical services to the Red Cross system. What I have learnt is that there is so much money out there.

Madam Temporary Speaker, since our Government through our legislatures such as Sen. Sakaja are putting in place the right frameworks, you will be amazed at how much money and technical support this Bill is going to unlock for our local start-ups.

However, having said that, we should make sure that the Bill does not take the trajectory of prescribing a lot of steps, requirements and things which then we may have what may be a counterintuitive approach to doing this.

I thank Sen. Sakaja and encourage him to make sure that at the Committee Stage, any risk to stifle innovation or prescribe too many steps are going to be ironed out. I have no reason to believe it is. The Bill will do that. We need to make sure that we do not stifle through certifications and stuff like that.

That said, I thank the team with those few remarks and I support this Bill. I look forward to seeing it implemented.

Madam Temporary Speaker, as the Vice Chairperson of the Committee on Information, Communication and Technology (ICT), I am very proud of the fact that this sector has been identified as an enabler of growth.

Also, not just as an enabler but a product that can be sold and contribute to the socio-economic wellbeing of our country. It should also provide the needed employment for our youth and reduce the poverty that is really biting us. Youth poverty seems to be highest at different levels.

I congratulate the sponsor of the Bill and look forward to working with him to see it implemented.

Thank you.

The Temporary Speaker (Sen. Pareno): Sen. M. Kajwang', proceed.

Sen. M. Kajwang’: Madam Temporary Speaker, I rise to support the Start-Up Bill sponsored by Sen. Sakaja who in the lingua of some of the schools we went to is my rubble at the Duke of York. We were not there at the same time. I did not get the opportunity to send him for bread or to bully him. However, he had the opportunity of bullying me when I joined Parliament because I joined after him.

This is a wonderful Bill. These are the conversations we should be having in the Senate. They say that this is a House of elders but the ideas that come here will tell you that being youth or elderly is just a matter of perception. It is all up there in the brain. Kenya has been called the Silicon Savannah. Out of Kenya, out of this Savannah, many ideas have flourished.

Madam Temporary Speaker, in the brief Sen. Sakaja shared with us, he has mentioned organizations like Cellulant. Many people might not know what Cellulant does. They might be thinking that it is just an aggregator for payment solutions. I have had opportunity in my past life to partner with Cellulant through the company I was working for then to come up with a weather index based insurance program that was reliant on technology.

We would provide agriculture insurance to farmers. Agriculture is vulnerable to the weather and climate. We installed devices that would then measure the precipitation, humidity and temperature. If it failed below a certain threshold, then we would compensate the farmers.

That meant the farmers were shielded from the vagaries of nature. If there was less rainfall, the insurance company would pay. However, that could only be enabled through technology. It is not just a matter of observing or looking at the clouds and saying it appeared hot. We came up with solutions; there were SMSs, monitors. All that was done at a time when such ideas were new, not just in Africa, but globally.

Madam Temporary Speaker, you know I am passionate about the lake. We used to fish a small fish called *omena* using paraffin powered lanterns. When you come to Mbita, Rusinga or Takawiri at night, you would be convinced there is a city far yonder. That city comes to life at night. Now, that city is hundreds and thousands of lanterns that fishermen use to attract that *omena* to their nets and eventually to their boats.

However, through innovative startups, our fishermen discarded the paraffin driven lanterns and went for solar lanterns. Through investors and startups and innovators, those lanterns are recharged at stations driven by solar. It is creating jobs and business opportunities for our young people out there.

If you do not have the guts to go fishing at night, all you need to do is set up a lantern charging station driven by solar. You do not have to pay the full capital expense upfront. You can have a unique rental or leasing model that only M-kopa has done. Some of those items have SIM cards and if you do not pay for the day, then it is terminated. All that is innovation and startups that needed to be supported.

On the other hand, we have had the big boys like Sportpesa. Today, the main advertisers, the people who are driving advertising revenue in this country are either betting, alcohol or telecommunication companies. The innovation of betting and the

ecosystem of gambling and gaming that we have in this country, is the kind startups we want to support?

We must find a way to ensure ethical considerations of startups in this Bill. I do not think any startup is good. We must look at its ethical implication. What will be the implication on morality, society and community?

Madam Temporary Speaker, even though we are talking about incubators and nexus between the Government innovators and the creative community, we must also make sure that we have clear guidelines on the kind of startup we want to promote.

It might surprise you that the pornography industry is a multi-billion shillings industry. What if somebody decided to build a hub? Such hubs have been built and they are minting billions of shillings out of revenue.

Madam Temporary Speaker, I do not want an incubator that comes up with a Kenyan hub whose end is to deprive the morality of our people. Therefore, I will be asking Sen. Sakaja to ensure that we have clear provisions to ensure that some of these startups do not get into bottoms up kind of activities that will corrupt the morals of our children.

(Laughter)

The direction the world is taking is towards innovation. Many people do not know that Ellon Musk was born and started school in South Africa. The applications he did, what they now call Yellow Pages, were serious innovations at that time. Today, we take it for granted. You recall back in the days, Posta had to distribute a directory, a thick book.

If you did not have that, you could not get addresses and post office boxes of organisations in this Republic. People like Ellon Musk are the ones who innovated the Yellow Pages. After that, he sold it and moved to another venture and another.

Now, Ellon Musk and the company he founded that is coming up with electronic vehicles is bigger than all the automobile makers combined. Toyota, Mercedes, BMW, name them. Tesla is bigger than all of them out of a small innovation. If you look at the richest men in the world today, they are all in that innovation ecosystem. I believe we can support and promote local innovators to ensure they get into the market.

Madam Temporary Speaker, one of the areas I have been very proud of when it comes to our local innovators has been applications that have been built to collect revenue in county governments. We have had a long conversation about the collection of revenue, for example, in Nairobi City. I recall there was an organization called Jambopay that provided that service. In my past life, I saw that organization grow.

We first started having conversations with them to come up with an automated solution for payment of insurance premiums. That was a time when insurance companies were insisting on cheques or Electronic Funds Transfers (EFTs). They did not trust M-pesa or online solutions or that insurance could be sold online.

From those small ideas, it grew into a huge conglomerate. So huge that genuine concerns were raised by even the Auditor-General, on some of the operations and loopholes that existed in that system. They grew so big that some people got jealous.

How can small boys grow so big and make so much money in a span of five years? That is the nature of that world. In two years' time, you can move from a millionaire to a billionaire if you have an idea that can sell. That is the environment and ecosystem we want to build.

In my county, I have come across some young men and women who have established what we call DayHub. They have done it without support from the county or national Government. It is just a group of ICT enthusiasts who have come together to share and create a space. If we were assertive as the Senate because we have offices in each county, we could have created and converted our offices into innovation hubs. Sometimes all you need is good Wi-Fi, tea and an open-door policy and young boys and girls will come to the compound. While browsing, they will be sharing ideas and coming up with great ideas.

In Kisumu County, we have some young men and women working on LakeHub. They are attempting to come up with technology-based solutions to some of the challenges we face in the lake region and the blue economy that is dominant in that region. Back in Nairobi City County, Strathmore University is doing an excellent job. Many of the incubators we have been privately driven as well as self-initiative.

Madam Temporary Speaker, Sen. Sakaja is trying to ensure there is clarity in the legal framework for establishment of incubators and for support of incubators. We are talking about the establishment of an innovation agency and a registrar of startups. These are very good ideas, but I also want to agree with the rest of my colleagues who have spoken that sometimes you do not have to over-regulate.

If we did not have this Bill and had a Government that was committed to innovation and completion of the Konza Technopolis; committed to the pursuit of Vision 2030 because innovation was one of the key components; committed to getting proper policy advice through the National Economic and Social Council (MESC); then perhaps things would be happening.

We would be having startups and incubators coming up all over this country that it might not even have been necessary to come up with this piece of legislation. However, it has to start from somewhere. I support that we have this kind of Bill.

There is a problem in the startup world and I will be very blunt. There is a racist dimension when it comes to funding for startups in Kenya. It is something we must look at straight in the face and find out what is happening.

When startups go to approach venture capital funds, which are unfortunately are mostly foreign, the Sakajas, Otienos and Onyangos normally do not go very far. These are conversations that we get from the young people. The young people tell us that the minute that a face that looks a little bit Caucasian even if it came from Ukraine or Bulgaria, all of a sudden the startup becomes successful. If you look at the profile of the startups that have managed to raise millions of shillings in terms of support for their ventures and you will see what I am talking about.

There is the aspect of ownership of a startup that is in here. I have seen analysts say that there is a disconnect between this Bill and the National ICT Policy of 2020 that has set the threshold for local ownership in ICT based enterprises to 30 per cent.

We do not need to prescribe on the ownership bit but we must find a way of ensuring that venture capital firms are also providing access to capital to startups that have been established by Kenyans. One does not need to hire a face for them to get money. Many local startups are hiring faces so that they can access capital.

Madam Temporary Speaker, the other challenge has been the issue of theft of ideas. There are people who are currently claiming that M-Pesa was their innovation. Some of the biggest innovations in the country have such as 'Please call me' mobile messaging that we access on the Safaricom platform has litigation that is ongoing.

How can we ensure that we have a proper intellectual property regime, which respects the rights of innovators because in the startups, there will be people innovating and those innovations need to be protected? If we tell the young people to go for patent, have we made it easy for people to apply for patents?

In countries such as the United States of America (USA), it is very easy to apply for patent and that is why they are leading in innovation. What kind of regime or environment do we have when it comes to patenting, copy right and intellectual property?

When our young people who have a wonderful idea go to a boardroom to demonstrate their idea, the big companies tell their ICT department to find ways of reverse engineering or accessing the source code of that innovation. Many at times, our young people have been used to generate ideas in big boardrooms but when it comes to monetization, the companies do not give them anything.

Those are two very serious challenges that young people have been going through. The other challenge that young people encounter is funding. This Bill states that the innovation agency will find out the funding and financing requirements for incubators and startups.

However, venture capital firms and even some of the established institutions that are supposed to be providing credit to startups like these; the Industrial and Commercial Development Corporation (ICDC) and the proposed development bank that has been a story for far too long. Can we encourage the establishment and the growth of venture capital firms, which focus on the innovations that will be coming from these incubators?

This Bill has defined startup with a technology component to it. However, not all problems will be solved through technology even through technology is one of the most efficient ways of solving our problems. If I was to come up with an organization that builds solar panels, will that qualify as a startup within the provisions of this Bill?

If I was to come up with a startup that just does driers for fish because once the women in my county fish *omena*, they have to be laid on the ground for them to dry in the sun. However, through such a process, the *omena* pick infection. If I came up with a mobile drier for *omena*, will that be considered a start up?

If I came up with a mobile drier for maize so that maize farmers will not have to deal with aflatoxin infections in their maize, will that qualify as a startup? Let the definition of startup not just be ICT oriented because some of the problems that we have can be solved through light industries.

The light industries in the rural areas are the ones that will move us to the next level. Can we qualify them or is this Bill only going to cater for the switched on youths who can get access to Wifi in Nairobi, Kisumu, Mombasa and Nakuru?

Madam Temporary Speaker, I support this Bill. However, I believe that there could be a few other issues that could be looked into such as the issue on regulations. I am sure that we can use regulatory sun boxes to deal with the issues that have not been captured in the Bill because a regulation is easier to come up with.

On the issue of registration of incubators, the question would be, do you register an incubator that already has connections or can one register an incubator and help it to build the connections, linkages and partnerships? It is a chicken and egg situation.

I feel that the Bill states that register an incubator, they must demonstrate the linkages, networks and collaborations that they have. However, the Bay Hub in Homa Bay County is just a group of enthusiasts. The Lake Hub in Kisumu County is also just a group of enthusiasts. You might allow them to operate, get a footing and get support on funding before they can build the vast network of collaborators and supporters.

Finally, the curriculum that we run in this country and the Technical Training Institutes (TTIs) that we build must change. We must run away from the old ways of doing things, the old ways of teaching Home Science on a Singer sewing machine, the old ways of building houses using brick and motor and go for alternative building technologies. We must use the TTIs as the centres of innovation and breeding points for the startups that this Bill seeks to regulate.

Madam Temporary Speaker, the future is bright. Vehicles are not going to use fuel in the future. The taxis such as Ubers are not going to have drivers. Countries such as the United Arab Emirates (UAE) is focused on going to Mars. Rich men in the United States of America (USA) are competing to go to space.

This country cannot be competing for the bottom. We must compete for the top. We must have a policy and a vision that inspires every Kenyan to go to the highest heights possible rather than focusing on the bottom where we are told to push wheelbarrows and do pushcarts.

Even the wheelbarrow pusher hopes that he will one day own a Porsche. Even the *mkokoteni* pusher hopes that he will one day own a Mercedes-Benz Actros. We should think big because this is the start. Let us have incubator and startups. Let us encourage Kenyans to think about the top rather than the bottom.

I beg to support.

The Temporary Speaker (Sen. Pareno): Proceed, Sen. Kavindu Muthama.

Sen. Kavindu Muthama: Madam Temporary Speaker, I thank you for giving me this opportunity to contribute to this Bill that has been sponsored by Sen. Sakaja. This is an important Bill. I request the sponsor to consider what the BBI report had suggested that the young innovators be given tax holiday for seven years to allow their businesses to grow.

I have seen many young innovators who have come up with innovations such as cars, televisions, ICU beds and many others. However, we never get to hear about the whereabouts of the innovators once they are featured on television. Those are the people

that the Government should support so that the innovations that they have can be brought to light and used for the benefit of the country.

This Bill should not only serve the interests of the young people but mature people too who have ideas that can be nurtured to produce innovations that can be of great help to this country. This Bill will also cater for the young people who are looking for jobs because not all of us can get white collar jobs.

The startup by young people as well as the *mama mbogas* who do business should be fully supported by the Government so that their businesses can grow. I have seen young people on social media who have finished their university education but have nothing to do.

Some of them have opted to work with the students outside the country doing college work for them for pay. They are doing very well because we have great brains in this country. If only they get a platform to release what they have in them, the incubators that Sen. Sakaja's Bill is talking about; to bring out what they have and be supported.

They are running to other countries and being misused by people not even paying them what they should be paid. This is because here in our country, we have not giving them the support we should, standing with and encouraging them.

When many of them come with these innovations they are stolen by others. I have seen artists coming up with songs that are stolen by others who record them as if they are the ones who did it. The artist loses whatever he wanted to achieve.

Sen. Sakaja, all this should come in there. Not only with IT but even artists should be protected in whatever they do. Even the athletes should be protected and fully supported.

I have seen some innovators who were honored from outside and I do not know what our country is doing for them. Somebody innovates something here; it is picked by someone from another country who is then honored.

Why can we not be the ones who are first honoring them to encourage and motivate them so that they can continue? Many of them are discouraged because whatever they do is not recognized by anyone.

I concur with Sen. Wetangula, when he says that agencies might come and be another platform of corruption or even discouraging some because of favoritism. Such a thing should not be seen anywhere near these people so that they can do what they want. Once somebody is discouraged, they sit back and do not continue with what they are supposed to do.

We have young people who have innovated the lion lights in Kenya, the smart bulbs, the gas tracking devices. These were students from Technical University of Kenya (TUK) and cut up by Kenya High Scholars. These people should be encouraged and given a media platform so that whenever other young people see what they are doing, they will be motivated to move in that direction. There are those who are not gifted in learning but in crafting and making things. If they are given platforms for adverts, it will encourage many others.

I pray that this Bill sees the light of the day. I congratulate Sen. Sakaja.

I support.

Sen. (Dr.) Lang'at: Thank you, Madam Temporary Speaker, for also giving me this chance to congratulate Sen. Sakaja for coming up with such a very important Bill at this time.

We know very well that unemployment is the greatest problem that young people mostly in developing countries all over the world are facing. This Start-up Bill is the hope of this nation and beyond on matters providing solution for unemployment.

It is very important to understand that at first, when Sen. Mutula Kilonzo Jnr. and Sen. Wetangula were talking, I was almost thinking we were engaging ourselves in our political caucuses. After reading this Bill, I decided that I must support it openly.

Start-up has to do with promoting creativity, which is what makes people earn their living. It is a way of doing things differently. Albert Einstein said that doing the same things the same way and expecting different results is mediocrity. This Start-up Bill will promote creativity and continuous improvement of what we have today. When people go to the market, they are always out there to seek for new things, models and designs. This Start-up Bill has a way of creating that avenue.

On matters innovation and incubation, we have to know that it always promotes new opportunities. You can see markets in our country be it in Eastleigh, Gikomba and the rest, that the new designs in everything that we are getting comes from outside our country because we never come up with legislations that will open up creativity among our people.

Today we cannot go creating legislation that will deny some importation of some materials or any foreign trade from getting into our country. To compete in a very healthy way with other countries all over the world and to get favourable competition, innovation is the way to go.

Another important thing regarding start-ups is ability to respond to international challenges. To respond effectively to challenges such as COVID-19 and the rest, innovation is the way.

This is a very important Bill especially when I see an area of establishment of incubation programs. Incubation programs specifically are those designed to enable growth and innovation in a country. I have read this Clause and seen very important elements that will support innovation in our country.

I am also very happy on registration of start-ups. As most of our colleagues have said, I have seen the requirements for registration. The bureaucratic red tapes that are all over are not having a way here. Today even for somebody to get an opportunity somewhere there are so many requirements. Apart from college certificates, one must have a certificate of good conduct. All those that require money that our youth often do not have.

There is no red tape that will hinder registration of start-ups. I am happy the bureaucratic red tape that hinders registration of businesses has been discouraged in this Bill.

The process should be made accessible and easy to register start-ups so that even for those people down there who we normally call themselves “hustlers” or people without definite ways of making a living, this Bill will provide an effective roadmap that

will promote them to see their potential in life. The elements attached to certification of incubators are so important.

Madam Temporary Speaker, I want to talk about incentives for start-ups. The greatest challenge we have in our country is the provision of incentives. Incentives begin from creating awareness. The moment this Bill is enacted to law, it should be the responsibility of the Government to create a particular directorate that will market and create awareness of the importance of start-ups in our country.

There are many things that people in the villages are not aware of. I have seen during the capitation of Kshs30,000 that was given to the youth to promote them to get into Technical Vocational Education and Training Institutes (TVETs). Most of the people in the rural areas are still fundraising to take their children to TVETs.

However, in most of the places where awareness was created, particularly where I come from, all the TVETs that were started, I remember one called the Sotik Technical Training Institute, before we created awareness, there were 30 students, but today they have around 3,000 students.

Madam Temporary Speaker, awareness should be created once this Bill is enacted, so that people know the importance and benefits of the same. I would also like to say that the Government should subsidize it. As Sen. (Dr.) Musuruve said, money should be set aside for research. There should be linkages to the universities and other institutions. For instance, in areas where they grow tea and coffee, these start-ups should be linked to those research institutions so that they promote new knowledge, skills, and market research.

On marketing, our country needs to come up with a strategy to make sure that our products are bought in our country. We are the greatest market. I was surprised when we went to China where they consume whatever they produce to the tune of 80 per cent.

The challenge with our country is that more often than not, we create markets for other foreign goods, some of which are substandard compared to what we produce in our country. The Government should encourage marketing of these materials within our country.

Madam Temporary Speaker, you come from a tourism-oriented county. During this period of the Coronavirus Disease (COVID-19), I was surprised when I visited Maasai Mara. We went as a team from the Committee on National Cohesion, Equal Opportunity and Regional Integration to the Maasai Mara Game Reserve. Their business was doing very well, and they told us that it is a result of local tourists.

Madam Temporary Speaker, this Bill should be promoted to ensure we have the start-ups. The incentives should be protected. Everybody should jealously protect this innovation, because it is the lifeline of our youth.

I would also like to say that I will still read this Bill deeply. I am very happy that start-ups will be linked to the private sector, so that we promote the young to gain more skills and benefit from the providence of the private sector. There should be a linkage with the national polytechnics, technical training colleges and vocational training centers.

In Canada, these start-ups are greatly linked to the polytechnics. Their polytechnics are not examination-oriented. They are there to nurture the talents of various learners to realize their potential in life.

The start-up programme should also be taught in polytechnics and vocational training centers on matters to do with how to start them, registration and so forth. This is so that the youth who are in these middle level colleges have the knowledge of the start-ups and how to benefit from the same.

I congratulate Sen. Sakaja. We support this Bill. I would also like to appeal to our colleagues in the National Assembly to see beyond the money Bill issue on such an important Bill and support it, because it will solve issues such as crime in our country.

People become criminals because they do not have anything to do. There are no chances and opportunities to venture into business. They do not have support. However, this Bill has provided such great support.

I appeal to the National Assembly to see the importance of this Bill beyond what they normally classify as money Bills. Support it so that it may see the light of day as soon as possible for the benefit of our youth.

Thank you. I support.

The Temporary Speaker (Sen. Pareno): We have Sen. Moi, who is online. I hope that he is still there.

Sen. Moi: Yes, Madam Temporary Speaker.

The Temporary Speaker (Sen. Pareno): Proceed.

Sen. Moi: Thank you very much, Madam Temporary Speaker, for giving me this opportunity to make my contribution to the Bill. We were told by the sponsor of this Bill that it would be domiciled in Information and Communication Technology, but as it is, it has taken the route that it has. Nonetheless, this is a good Bill. It is there to help formalize start-up requirements in the country and have good administration.

What is important is that start-ups need funds. In this particular scenario, you will have venture capital funds being unable to access and have a database of the potential start-ups in the country. Important to note is that some of these venture capital funds have predatory practices. This Bill helps to make sure that our start-ups are protected from those predatory practices and have access to these funds, because our young people are very innovative and enterprising.

Madam Temporary Speaker, we have different types of start-ups. We have agriculture, health and insurance. All of them are there, and they will have access to these funds. The good thing about this Bill is that it reinvigorates the innovative agents of 2013. Last week we had an opportunity to visit Konza Technopolis and we were very pleased to see what they have done to the board and management of Konza, because they got an incubation programme.

We saw a young Kenyan who has started a start-up using drones. His idea is that these drones will be able to facilitate the transportation of medicine to far-flung areas. I welcome this idea, especially where I come from in Baringo County where we need access to vaccines and anti-venom drugs. The good thing is that this start-up is very successful. It was done in Konza and is Kenyan made.

This Bill protects such people. They have been looking for access to funds, but through this, the venture catalysts can come in and do their part. Therefore, it is a win-win situation for both.

Madam Temporary Speaker, in 2018, we were privileged enough, as a Committee, to go to an engineering start up next to the Industrial Area prison. In that start-up, the best thing which has come out of there, which you may know is called Paygo. This is a pay as you go cooking gas for the low-income households and because of them, Safaricom is doing their M-gas. It is such incubation areas that we must encourage. That is why this Bill puts a perimeter around to encourage and protect them.

We want Kenya to be the Silicon Savannah of the rest of Africa. One way of going about it is through this Bill by Sen. Sakaja.

With those few remarks, I support this Bill and encourage young Kenyans to take advantage once this Bill goes through, to let their minds free and be innovative.

Sen. Chebeni: Thank you, Madam Temporary Speaker. I rise to support this Bill by Sen. Sakaja. It is a progressive Bill, which addresses the challenges that start-ups face especially in this country.

A lot has been said about the innovativeness and creativeness of young people in this country. We need to do more. We do not need to come here and speak about it. We need to do something about it.

I congratulate Sen. Sakaja for coming up with this Bill because it will ensure that we will do something about the creativeness that young people have.

This Bill seeks to foster a culture of innovative thinking and entrepreneurship. For a long time, we have been talking about creating a culture of entrepreneurship in the country and this Bill seeks to do just that. It also seeks to promote an enabling environment for start-ups who face many challenges before they grow and become independent.

This Bill also seeks to have an aspect of monitoring and evaluation. Many times, we have programmes and policies but we do not seem to go the direction of monitoring to see whether it is doing the right thing and whether it is working for us. With this provision, I believe that we will have up-to-date regulations that seek to solve challenges in the 21st Century.

In Clause 4(e) on the roles of national and county governments, it seeks to promote linkages between universities, research institutions and business economy. This is a crucial and critical role.

Madam Temporary Speaker, our universities are full of young people who are creative and innovative and have better solutions to deal with challenges that we face in the 21st Century. I believe that the linkage between the universities and research institutions is key. This is because they provide powerful knowledge and insights when it comes to any field. With that linkage, I believe that we will come up with start-ups that will solve challenges in the country.

We also need to have a framework in which they can coordinate and cooperate well so that we ensure that we have the growth and development of start-ups.

Clause 25 of the Bill brings to light the issue of credit guarantee schemes. Finances are a major challenge for any start-up in the country. Capital is an issue. Many times, small start-ups look into their savings and it is not sustainable. Therefore, having a credit guarantee scheme will allow these start-ups to grow and not have financial challenges. Accessible financial support is crucial.

This Bill also seeks to ensure that information on financial matters is relayed to young people who want to come up with start-ups. This is a critical aspect of this Bill.

Clause 26 seeks to address the issue of training and capacity building. Many times, start-ups do not go beyond the second year mark. Within six months of operation, they die naturally. Sometimes, this is due to lack of mentors and skills.

When I see how progressive this Bill is and how it looks at the issue of mentorship, skills and capacity building, it makes sense and is timely. It will ensure that training programmes are there for young start-ups. It will also ensure that mentors and resource persons are working with the start-ups. This is important so that start-ups grow beyond the second year mark.

A lot has been said. However, one of the things that I need Sen. Sakaja to look into in the Bill is to create awareness at the county level. This is because many times, rural youth are not aware of such provisions. If there is a provision for county governments and national Government to create awareness among the youth, it will be critical so that young people are aware of certain things that happen in the Government.

Clause 3(f) and (h) are similar in terms of promoting an enabling environment, so they should be amended.

Other than that, I support this progressive Bill.

Congratulations Sen. Sakaja.

Sen. Were: On a point of order, Madam Temporary Speaker. I did not want to interrupt. I thought Sen. Sakaja was about to reply.

I would like when Sen. Sakaja comes to reply, to give us some definition of start-up because here, it includes an innovative entity legally recognized by the laws of Kenya with strong growth potential and a disruptive economic model, obviously not 'the bottoms up' one. Give us a definition. If this needs to be expanded, then give us that in your reply.

The Temporary Speaker (Sen. Pareno): Proceed, Sen. (Dr.) Milgo.

Sen. (Dr.) Milgo: Thank you, Madam Temporary Speaker, for giving me this chance to contribute to this Bill.

First, I thank Sen. Sakaja, my great Chair in the Committee on Labour and Social Welfare for coming up with such a wonderful Bill that shall go a long way to speak to issues that affect our youth.

Madam Temporary Speaker, Kenya is the largest economy in East Africa (EA). It has been ranked position eight despite the fact that it does not have any minerals. It is also the third among countries that have shown a lot of innovation. In terms of capital, it has an index score of 0.52.

Recently, we visited Saudi Arabia and Dubai and we realized our youth are loved in those countries. This is because they are resilient, have good English and skillful.

Our youth are about 75 per cent. That is the age of 18-35 years. Therefore, despite the fact that our country is a large economy, it cannot provide jobs to these youth.

The new front of spurring the economy of our country will be in start-ups. This will enable our country to create wealth and provide jobs for our youth. Therefore, we ought to support this Bill so that our youth will start businesses.

Madam Temporary Speaker, recently, we have been employing teachers. We will employ only 10,000 teachers, 5,000 for primary and 5,000 for secondary schools. The number of youths seeking employment goes well over almost 200,000 and yet there are very few slots. Even when we talk about employment for some security jobs, we find that there are many youths who turn up.

I thank Sen. Sakaja because looking at Part II of this Bill on establishment of incubation programmes, it goes a long way to bringing on board not only of the national, but also county government which is the next layer of management. For a long time, our youths have not been in a position to know where to look for ideas and what to do next. We will engage the national and county governments that have been given roles to play like ensuring that they promote creation of employment and wealth through start-ups and incubation ideas.

Madam Temporary Speaker, these centers will ensure that there are linkages of start-up programmes to the universities and special institutions such as Konza City. I have been in the Committee on ICT and Konza City is a great area in East and Central Africa. It is going to form a wonderful incubation center where we shall have every university having a slot to ensure we take our youth to breed whatever ideas they have there. Konza will be a wonderful place. We should inform our youth that this is an area where they can go and come up with new ideas. This one will be taken up.

This Bill will also encourage the national Government and county governments to ensure there is a linkage to research and development institutes such as the Kenya Agricultural & Livestock Research Organization (KALRO) and the Kenya Medical Research Institute (KEMRI). We have been encouraging our youths to start agribusiness. When you talk about KALRO, it is in this research institute where we shall have many ideas pertaining to such businesses.

Madam Temporary Speaker, these layers of Government will also provide policy and regulations to guide start-up ideas by the youth. They shall ensure that they form public private partnerships (PPP) with non-governmental institutions such as the World Food Programme (WFP) and the United States Agency for International Development (USAID) just to name but a few. Those institutions will provide ideas to our youth. They will even enhance the fact that they may encourage these youths to show them the market. When the hands of the youths are held, they will even expand their ideas globally because the world currently is a global village.

The national Government and county governments are supposed to create an enabling environment to ensure that start-up programmes are nurtured to maturity. Recently, I came up with Investments Promotion Bill. The major challenge was a very acidic environment that does not support investment. In the same way, when we talk

about start-ups, it is very much similar to investments. We realized that without an enabling environment, start-up programmes will not thrive.

Madam Temporary Speaker, the national and county government will provide information to the youths and awareness on what is happening. That is at Clause 4 all the way which is speaking to encouraging the youth through information, awareness and provision of an enabling environment.

If you go to Part III, it is speaking to issues of registration of start-ups. For a long time, we have had many start-ups that begin and then they die because nobody knows where they are. With the provision of an office to register them, this will enable them to be engaged and capacity build and mentor them so that they can bring forward ideas for the start-ups.

Madam Temporary Speaker, the registrar will go a long way to maintain a database. This database will identify what start-up is in whichever place. Maybe for my county there could be start-ups in terms of agriculture. In Nairobi, for example, there may be start-ups in the form of industries. Other areas may have different start-up programmes. When we have a center for registration, we shall motivate the youths through registration and identifying their financial needs. Therefore, direct them to financial institutions.

I want to speak to the major part that is Part IV, which has interested me much. We have been lacking incentives for start-ups in our country. Recently, I listened to a speech by somebody from India. He was speaking to those businesses or street vendors that are very informal. He said these are the businesses that are contributing up to about 30 per cent of the Indian economy.

This is because of the fact that there is no bureaucracy. Issues of bureaucracy have affected our youths so much. When they want to get a license, register and get information, it takes them a long time because we do not have one stop shop. That is what I was talking about when it comes to investments.

In fact, Sen. Sakaja is merging this Bill with the Investments Promotion Bill. At the same time it is also linked to the Bill that we have just done as the Committee on Education about skills. That is information, educational and training centers. The businesses that are contributing much to the economy of late are like washing cars, *mama mbogas* and *jua kali* artisans. They churn out a lot of money.

Madam Temporary Speaker, those that are washing cars, for example, somebody just identifies a corner and begins washing cars or selling vegetables or starting a *jua kali* business. Normally, those businesses thrive because they do not need much and do not have to follow a lot of bureaucracy.

Part of the incentives that is very encouraging is the issue of tax relief. If issues of tax relief are looked into, this will go a long way in spurring many start-ups. I was looking at this when I was reviewing the Investments Promotion Bill. I realized that we have lost many investors to other countries because we do not have the right incentives when it comes to tax relief.

Madam Temporary Speaker, there are issues of exclusion of up to 30 per cent from tax particularly of copyrights and designs. This is a welcome move. At the same

time, we are talking about access to Government procurements. For a long time, we have been saying that the national Government and county and governments have got 30 per cent procurement portion for the youths. We have never seen that brought to light.

I hope maybe it will be achieved with this Bill. That is why I agree with what Sen. Cheruiyot was saying that we have many Bills, policies and regulations put in place. Our major challenge is implementation. Here is another Bill that is still talking about tax relief. It is talking about exclusion of tax as an incentive to the youth. It is talking about access to Government procurement in both national and county levels. However, the big question is, will it be implemented?

Madam Temporary Speaker, these incentives come up when we have start-up centers. We cherish what Chandaria Foundation did in Kenyatta University. We have a foundation that was set up at the Kenyatta University. The youth at the universities have so many ideas to the extent where we may not even have the capacity to absorb all of them.

I love this Bill because it is at the levels of the national as well as county governments. I did not see where the county government came up as Sen. Sakaja merged. While the national Government provides the incubation fund, we need to have the county government doing the same just like we were talking about the county vocational education and the need for some advocacy.

A number of my colleagues talked about competition within counties and ensuring that they provide markets as an incentive. So, if there is a market and provision of funds, I am sure the youth will bring up as many ideas as possible.

Once again, I thank Sen. Sakaja because this Bill has the aspect of training and capacity building for the same youth. County and national governments will ensure our youth are trained, mentored and resourced to spur their ideas.

I encourage this House to pass this Bill. As some of my colleagues have said, I hope the National Assembly will not say this is a Money Bill. Many of our Bills have been branded Money Bills and that is how they just got lost. This is a game changer for our country. It will spur our economy and we shall avoid jobless and idle youth.

I support.

The Temporary Speaker (Sen. Pareno): Sen. (Prof.) Ongeru, proceed.

Sen. (Prof.) Ongeru: Thank you, Madam Temporary Speaker, for this wonderful opportunity to speak on the Start-Up Bill. Sen. Sakaja, this is a timely Bill that has come at the right time.

I remember when I became the first Cabinet Secretary (CS) for Technical Training and Applied Technology in 1988, one of the things I had to contend with was intellectual property rights. That we were unable to save in any technology developed in this nation. Therefore, it became very difficult for us to even patent the very simple items like the *kiondo*. It became the preserve of the Japanese and yet the material and technology was developed in this nation. We suffered greatly because of that. Therefore, we were unable to claim any rights and anything that accrued out of it because of that omission on our part.

We did not have any intellectual property Bill or Act of Parliament in force. Therefore, that forced us to fast-track the Intellectual Property law which came into being as a result of the HIV/AIDS pandemic. Again, we were victims of the very high cost of the Anti-Retroviral (ARV) drugs that had the intellectual property rights. Therefore, Kenyans were unable to access those drugs. They were totally prohibitive and we could not get them. Those who were manufacturing the ARVs claimed that unless they patent the drugs over a period of 15 to 20 years, it was difficult to produce the generic drugs as were necessary for use in this country.

Madam Temporary Speaker, this country lost tremendously in terms of human labour cost until such a time we had to go through a window of the Chapter Six of the element of the World Trade Organisation (WTO), that gave us an opportunity to access the generic drugs by declaring HIV/AIDS a pandemic or emergency. It took the whole Parliament to Mombasa and we had to do so.

Madam Temporary Speaker, what does this idea of a start-up Bill entail for me? First of all, we have very young minds and they are the majority in this country. Second, we have invested heavily in our educational instruments in schools. This is both in terms of human capital and provision of infrastructure in our institutions, including modern level technology like the use of computers, tablets and other elements.

For our young minds, we have introduced to them very innovative thinking. Therefore, they start thinking much earlier than most of us had the opportunity to do so during our early schooling. Therefore, we have a very fertile ground.

One such element is access to technology. We already have the infrastructure in terms of our schools and everything we have. We also have the infrastructure in our nascent industries and in our universities and colleges. That is why we started the middle level colleges. You remember there were these science and technology colleges that we started during that time.

I enjoy this subject because as the chairperson of the University of Nairobi Council between 1992 to 1997, we had to tell universities that they could not continue to depend on parent Ministries for the capitation of the educational system at the university level. Therefore, they must think beyond the normal capitation that they were getting from the Ministry of Education. If you remember, that is when the University of Nairobi started the irrigation scheme in Makueni County and other places. With Kabete Campus, they were able to produce more than Kshs500 million to sustain the university and it became self-sufficient.

It was my idea at that time that universities should be the biggest incubation centres for our industries to take off and technology advancement. When I had the opportunity to promote the *jua kali* enterprises, I noted they were very innovative, but the technology was crude. There was need to scale it up and refine it so that they make goods that are sellable in the market.

If you remember again between the 1992 to 1997 period, this country was going through a crisis and the Bretton Woods Institutions had withdrawn support. We were in a very bad state. Our *jua kali* sector provided up to 40 per cent of employment in this country and we were able to sustain the labour employment situation.

Madam Temporary Speaker, once you have these incubation centres, first of all, they promote innovation. Secondly, they provide entrepreneurship which is a critical factor. Third, they promote setting up of industries that grow up into conglomerates and, therefore, support this nation in one way or another. Four, they provide adequate employment for many Kenyans who are now out there looking for jobs. Five, we are able to provide the marketing strategy and entrepreneurship to the outside world beyond Kenya.

This is a revolutionary Bill because it will nurture and mentor the people in this programme to exploit their potential. When we went to Korea to get money for Konza Technopolis City, we could not get it at that time because many people wanted to invest in the mobile buses in Nairobi. In Athi River, I convinced former President Moi that we should put up the technology centre in Athi River, which now produces the spare parts and everything else. At that time, I knew that South Korea was leading in technology development and we needed something like that to set up. We turned the national polytechnics into universities such as the Nairobi Polytechnic was changed to the Technical University of Kenya, Eldoret Polytechnic was changed to a university as well as the Ramogi Institute of Advanced Technology (RIAT). All those were supposed to be centres of excellence so that we can set up a model to promote our youth to develop towards the area of science and technology.

The one thing that I am aware of is that even when we were negotiating for a biodiversity convention, the one thing that the developed countries could not let go is the transfer of technology because that is where the money lies; that is where the wealth of a state is. Once we have these innovations developing all over the country in areas such as agribusiness, the elements of microenterprises that will come out of the value addition in agribusiness are tremendous. That is more than enough to create wealth for our people leave alone employment and the sufficiency for food supply and availability of all the elements of food.

Looking at the blue economy in Mombasa and the regions around Lake Victoria and other places can also generate wealth for our youth. There is so much that can be incubated in these areas and centres in the entire marine ecosystems. If you go to Kitui there are so many minerals and coal which are underlying. There is gold in Kakamega that can be innovated to get finer products that can be sold at very high marketable prices besides creating jobs and indications.

We are spending so much money on our roads infrastructure systems. This is amazing. We could have reduced such costs by half if we developed our own innovative building materials that can be referenced to this country to create viable infrastructure systems that can carry the day. Aviation and motor vehicle industries are also going through innovations. The M-Pesa started as a great idea from this country and it is now being used all over the world because that is what innovation can do. Safaricom is racking in billions of shillings because that is how a country creates wealth through technology, which start by a very simple innovation. We need to get innovation from young people who can develop their acumen and inert scientific innovation to exploit the

wealth of this nation in the human capital who can then set up the human wealth in this nation. I am happy that this Bill is coming in at the right time.

When we started setting up vocational and technical training institutes in all the counties which are listed under Schedule Four, they were given to the county governments. It was meant that the county governments be agencies for development apart from just employment, so they should create innovative centers where they can invest money so that they can bring up the micro and medium scale enterprises to support the growth of that county as well as the growth of our children in that county.

They should therefore be spread out rather than people coming to crowd in Nairobi, Mombasa, Kisumu, Eldoret and Nakuru, which have major industries. People should set up their incubation centres even at the ward level. The Ward Development Fund should go to promote the basic knowledge and science so that people become self-reliant at that level and are thus able to promote their own science and wealth at that level. If that happens, we can claim to be free as a nation; economically, socially and politically. Until those three elements are met, it is going to be very difficult for us to achieve freedom.

In the area of health, there is so much that can be done in terms of innovations. We do not have to ask for anything. Innovations can be done on everything including traditional medicine to conventional medicine. The Indians and Chinese have done their Ayurvedic inventions, which are working extremely well. The potential is therefore very high. I have set up one of the technical institutes which we call, Machine Tooling Complex in Kisii County in one of the areas where I was a Member of Parliament (MP) in Nyaribari Masaba.

The Machine Tooling Complex in Kisii County cost over Kshs1.5 billion. Those are the centres where you can train young people post primary or secondary school for them to get the necessary technology. Such a move will help a farmer be self-sufficient. Now that the rural electrification programme has taken electricity to the rural areas, people with skills will be needed to do wiring and other electrical repairs. Our road network is being done so people who are versed with the knowledge on road maintenance will be needed rather than spending a lot of money on big contractors.

The Start-Up Bill is very important. I do not know whether Sen. Sakaja has made provision in this Bill that we should demand that a particular percentage of the national revenue goes into research and development of the incubation centres because that is the only way that we can make the presence of incubation centres felt in this nation. There will be no better contribution by any nation than to apportion some of its national revenue to the development of research and innovation in all these areas.

We should encourage some of the industrial complexes that are setting up industries in this country to also sponsor incubation centres in our universities such as the Manu Chandaria Innovation Centre in Kenyatta University. Why do we not encourage some of the African entrepreneurs who have billions of shillings to sponsor some of these incubation centres in some of our universities or technical institutes at the county level? I suggest and recommend that the taxes paid by such big companies should go to research and development so that these things become part of our culture and innovations

Madam Temporary Speaker, with those few remarks, I agree with the rest of the other structure. I would state that the future of this nation is in the manner in which we handle, patent and invest in our innovations. That will be a sure way of creating jobs.

With those few remarks, I support this Bill.

The Temporary Speaker (Sen. Pareno): Proceed, Sen. (Prof.) Kindiki.

Sen. (Prof.) Kindiki: Thank you, Madam Temporary Speaker. I take this opportunity to congratulate Sen. Sakaja who appears to have gone to the school I went to 30 to 40 years after I had left.

Nevertheless, the tradition of the school has remained constant and, therefore, that has nothing to do with his quality. In fact, this Bill is a testament that, indeed, the Senator of Nairobi City is a proud alumnus of the Duke of York School.

I wish to start from where my senior Sen. (Prof.) Ongeru has left, that no country in the world can hope to develop without industrial growth. In the last 300 years, the countries that have emerged from poverty to high levels of development have done so through one engine, which is industrialization and innovation.

Many countries in Western Europe and the Americas, especially North America, took advantage of the big bang industrial growth 200 to 300 years ago. The big bang was fueled by the huge resources available to these countries to fund research, innovation and thinking. Most of these resources came from poor places such as the African Continent through colonization and punitive exploitation of resources.

During that period of industrial revolution, intellectual property rights were not protected. It was easy to steal knowledge and resources through colonization and exploitation of intellectual property rights.

The second phase of countries that made it from poverty to success is the group of South East Asia countries, the so-called South East Asian Tigers. These countries did not have the advantages of lots of stolen resources and stolen knowledge. They had the advantage of a model of cottage industries where every village would have small industries dealing with light manufacturing.

This model – if you ask me – is the one that remains available for developing countries to move from poverty to progress. Africa is perhaps the only continent left because it is yet to experience the third phase of industrialization, which will be driven by big date technology, innovation, internet and so on and so forth.

Unfortunately, for Africa, our desire to industrialize is coming at a time when the international legal framework on intellectual property is extremely tight and demanding so that to patent an innovation, one has to prove novelty of it as well as other steps, which are very difficult.

Sen. (Prof.) Ongeru will tell you that this is one of the challenges of appropriating the innovations and discoveries in *Jua Kali* sector because they cannot demonstrate all the rigorous stages that would be required for patenting and registration of other intellectual property rights.

Therefore, I find this Bill quite timely. It is coming at a time when our country is struggling to remove itself from the shackles of poverty. I believe our potential to industrialize lies in the implementation of the Start-up Bill because it is going to take care

of two very important sectors of the business community. One is the Small and Medium Enterprises (SMEs) and secondly the Micro and Small Enterprises (MSEs).

Sometimes we do not appreciate the difference between the SMEs and MSEs, which are lower level kind of businesses that fall very well in this category of start-ups.

This Bill recognizes the role of the national and county governments as it should. It could be strengthened by recognizing universities. Of course, there is a mention of academic sector, but the role of universities and the research institutions in the realization of the objectives of this Bill cannot be over-emphasized.

This is the only country where we have some of the finest professors in the world in various disciplines such as medicine, science, technology, business, name it. Unfortunately, there is very little intellectual property innovation associated with the academia in this country. Why? There is no funding for research and, therefore, most of our senior and most experienced professors are wasting their time teaching.

I am not saying teaching is not a good thing, but it can be done even by a tutorial fellow or graduate assistant. In the end we are regurgitating old knowledge and hoping that we can change this country using the economics of Adam Smith whose circumstances do not apply to our situation today.

The need for universities, technical and research institutions in incubating this new knowledge and start-ups needs to be strengthened within this Bill. I see there is an attempt to create incentives for start-ups such as credit guarantees, training and capacity building, *et cetera*. I would be happier if this Bill over and above these very important incentives was able to obligate both national and county governments to provide non-repayable grants for start-ups rather than credit.

This is because sometimes a credit seems to tie start-ups and they end up having stunted growth as opposed to one-off non-refundable grant or in the alternative, a grant which accompanied with a repayment holiday long enough to allow the start-up to pick up and repay.

I say so because of the experience we have had with the university education. The Higher Education Loans Board (HELB) has succeeded in helping many students to access university education. However, many of the students have found themselves in the Credit Reference Bureaus (CRBs) because they do not have jobs and cannot repay.

Therefore, some form of postponed repayment period of even making it a grant so long as it is contributing to the growth of industry would be appropriate for start-ups especially for new graduates. I say so because the last six years this country has seen a huge revival in technical education through establishment of nearly 200 technical training institutes.

Many of the graduates of these institutes according to research have already graduated because the courses are short term. Some of them are one year, six months or even one and a half years. They are already in the market. Anecdotal evidence suggests that there is enough market for these skills. These skills have a high demand in the market. What the graduates of the technical and vocational training programmes are missing are the tools.

Madam Temporary Speaker, by way of example, a graduate of a six-month programme in beauty therapy who would like to establish a salon would only require between Kshs30,000 to Kshs50,000 to buy the basic equipment for setting up a salon. With that, he or she will be ready for take-off and will never lack a meal or school fees for her children. However, without the Kshs30,000 to Kshs50,000 that person is not able to pick up. They have the skills, but they do not have blow dryers and other very basic equipment.

It is the same with masons. They require not more than Kshs50,000 to buy basic equipment for masonry or carpentry. All they need is the tools, but they do not have the capital to buy the tools. That is why we request the sponsor of this Bill to consider a one off grant system, or an alternative system where the repayment of the credit is suspended for not less than five years before the grantees are asked to repay the money. It then becomes a revolving fund to assist other start-ups.

Lastly, there is need for more linkages between the industry out there and the institutions of learning and training. I say so because this is a country where the input of the private sector in terms of incubating businesses and supporting innovation and industrialization is extremely poor to say the least.

In many countries, you will find big companies competing to pump money into certain departments in the universities and technical institutes to fund certain areas that are of interest. For example, I do not see why Safaricom should not be interested in funding innovation in businesses that help them improve their technology around telecommunications, which is the engine of the huge profits they make every year. They can do so by not only giving money directly, but also by sponsoring what in many established universities are called “chairs.”

For instance, you will find a Safaricom chair of technology. This is a senior research position which is given to a very senior researcher or professor who is able to nurture businesses and innovators, and they are paid by the private sector. It could be a bank, a telecommunications company or any manufacturer of a particular product. For example, Unilever would like to fund certain faculties in our universities around the product area of their concern.

Madam Temporary Speaker, it is not enough to say that the Government should set aside a certain portion of money that goes to research, training and development of industrial problems because there are resources in the of industrial problems. It is not enough because the resources in the public sector will never be enough.

There is a minimum that this Government is supposed to put in, but there are many resources from the private sector that need to be tapped so that we create endowments and chairs in all our institutions. They will become places for incubating businesses. That can remove the pressure from the Government at the national and county levels in terms of resources.

Madam Temporary Speaker, other than that, this is an important Bill, which should be supported. It acquits not just the Mover, but this House because if you ask me, this is one of the most important Bills that this House has ever developed. I say so with the authority of being in this House for the last nine years.

Madam Temporary Speaker, I support and commend the Sponsor of this Bill, Sen. Sakaja.

(Applause)

The Temporary Speaker (Sen. Pareno): Sen Sakaja is all smiles. I call upon the Mover to reply.

Sen. Sakaja: Thank you, Madam Temporary Speaker. I think that it has ended on a very high note. The last two contributions were from professors, and I really enjoyed listening to them. I am grateful for every Senator who has contributed to this Bill. I wanted to respond to all of them, because I have sat throughout the proceedings and many important points have been made. However, because of time, I will not mention everyone. I think we need the next Bill moved.

Sen. (Prof.) Kindiki has underscored the importance of this Bill that we are considering. I intend for this to possibly be my last Bill. In the few years that I have been a legislator, we brought in the National Employment Authority Bill in the last Parliament. I sponsored the 30 per cent procurement opportunities for young people, women and Persons with Disabilities (PwDs); the Disaster Management Bill with my brother, Sen. Mutula Kilonzo Jnr.; the County Governments Retirement Scheme Bill, which is very controversial as a law; the Prompt Payment Bill, which is ongoing; a Bill on the county governments public service boards, amongst others.

Madam Temporary Speaker, I think I am done with legislative work. You listen to someone like Sen. (Prof.) Ongeru who said he was the then Minister for Technical and Vocational Education in 1988, before Sen. Chebeni was born, and when I was three years old. Then you listen to Sen. (Prof.) Kindiki, who is an alumnus of our great alma mater, the Duke of York, you realize that there is a time for everything.

We say *Mungu mbebe*. As I intend to move to another phase, God willing, I think we are doing our bit legislatively. I think that it would be best to move into an executive role to implement these laws, because many times we legislate and the Government ignores. I was just whispering to Sen. (Prof.) Ongeru that this would be beautiful if implemented and in the right hands.

Madam Temporary Speaker, there is a lot that counties can do. I love the example that he has given, and I pray that he becomes the next Governor of Kisii. At the ward level, if we create this incubation and focus from that level, we will change this country. I hope to do that for Nairobi City County, and I will partner with him as he does it for Kisii County, as Sen. (Prof.) Kindiki looks at other areas---

The Temporary Speaker (Sen. Pareno): Are you giving a hint?

Sen. Sakaja: I am not hinting. I pray that I get the opportunity to be the Chief Executive Officer (CEO) of Nairobi City County so that I can implement these things moving on.

Madam Temporary Speaker, there are great perspectives on intellectual property that Sen. (Prof.) Ongeru has brought. We have included those in this Bill, because that is the whole matter of innovation and start-ups. It is good to hear the perspective from 1988 to where we are today.

As we have said before, this country does not have gold or oil. Our greatest resource is not under the ground; it is above the ground. It is the people and most of the young people of this country. They are the trustees of our country's posterity. We must protect the intellectual property for them to be able to be patented. As Sen. (Prof.) Kindiki has said, the novelty of that idea is what gives it the right to be patented. We have provided for that.

Madam Temporary Speaker, Sen. (Prof) Ongeru has spoken about the young minds and imagination. Before we had technology, the imagination and goal of a student was limited by the imagination of their teacher. They would only think as far as their teacher or their people they interact with would. However, today the imagination of our children is limitless because we are in a global village powered by technology. They only have to go online.

In fact, during Covid-19 pandemic, some parents were complaining that they cannot do homework with their children. This is because it is exposing how they kept saying they were number one, but clearly the child was googling and getting answers. So, that is the place we are in.

I gave the example of the young man from Dandora who, together with Sen. Mutula Kilonzo Jr. and a cohort of many other young people, we took to Konza for competition. He was a young boy of six years who had just started encountering what a computer is, and he won coding competitions. The possibilities are limitless.

Madam Temporary Speaker, Sen. Were asked, how do we define the start-ups and there must be clarity. There is a definition in the Bill. However, it is a young company that is founded to develop a unique product and can be quickly scaled. We must talk about scalability and ideally driven with technology.

This is not a Bill for any new company. We have the Company's Act and other legislations. I keep telling you, if you want to work for that, you can do it. This is the place we see as a new frontier that is emerging that Kenya is being seen to provide rapidly growing start-ups.

I will give you some examples. There is Twiga Foods. I spoke about them last time. It is part of the group that Sen. Mutula Kilonzo Jr. introduced me to. He made some very life changing introductions. They link farmers to kiosks. They are now raising USD60 million. They are directly employing 800 people in the country. They have now scaled and are going international. Those are the kinds of companies we are targeting that start from a shoestring budget or a noble idea, but can quickly scale. That is the potential we have.

You can have your idea or innovation around frying *mandazi*. You have started it up in the English definition but it is not a start-up. It is about the scalability and we must focus on it and it must be driven by technology. That is the only way to go international.

Look at Ponea Health Kenya by Mike Macharia. It is telemedicine where you can get diagnosis of more than 1000 different fields from the phone. Right now, they are employing 80 people at it is started just a few months ago. So, there are many examples of these that I gave. For example, Cellulant, they are doing amazing things.

Sen. M. Kajwang' mentioned the agricultural based indexing for weather and soil that are getting work in Nigeria yet in Kenya we have not had the ecosystem.

There is a gentleman called Joram Mwinamo, who is part of those I mentioned last week. He says that this is not a perfect Bill but it is a perfect beginning on the journey of building a start-up ecosystem that will drive economy.

This is a legislative framework that we are putting up. Other countries saw what we did when we started and have now implemented it before us. In fact, if you go to President Buhari Website, he is mentioning the Start-Up Bill because we have been a bit slow. So, I hope we can get to do it.

Sen. Kavindu Muthama mentioned something very important and because you are still here, I will mention. You spoke about the artists. The biggest income earner for artists is not CDs and record sales, it is *Skiza* tunes.

I have seen a group today at Ndakaini celebrated. This is because we have really worked hard to make sure the revenue share on *Skiza*, a multibillion industry, goes directly to the musician.

I am happy and must thank Sylvia Mulinge of Safaricom. This is because tomorrow, they are coming to our Committee to deal with the issue of artists getting their royalties from media houses so we have broadcasters coming together with the Cabinet Secretary (CS). However, more important, Safaricom will come to our Committee and explain how that revenue share has changed from the time I was pushing in 2015 with the late Bob Collymore.

I must thank President Uhuru Kenyatta. This is because at that time, out of Ksh1 the musician was getting less than 20 cents from his or her own music because of mismatch in revenue share. Now, it will go much higher. I will not announce it on their behalf because they will do it. There is so much that we can do. There is a world of opportunities.

I must mention as well, because it has come up and it came up during public participation. There are many interventions that have a money Bill nature. The biggest thing we want to do is to be risk investors.

All these venture capitalists and Sen. Moi spoke about some who are predatory, who see this noble idea coming from Vihiga, Makueni or Kisii and want to put in USD 1million should be de-risked to a certain percentage, for example, 20 or 30 per cent so that if it does not work, they can recoup it.

That is a big thing. This is because the Government will not be able to fund start-ups. We do not have enough money for that. However, around the world, there are all these venture capitalists and angel investors and companies, for example, Endeavour Africa Limited that is doing amazing things with our start-ups and young people that can attract them.

I sat with the young people and it was painful to hear their ideas. They were saying that, they are Kenyan but are registered in Mauritius or China because of the limitations that we have.

I have my eyes on the clock I know in four minutes and I want someone moving the other Bill.

Madam Temporary Speaker, we will input the money Bill aspects including the fund and anything that deals with tax in the National Assembly. We have been discussing with Members who are waiting for the Bill so that they can input those interventions that will go a long way in changing the framework through which we are dealing with start-ups and incubators.

I must thank all these young people who came. It was an informal public participation that has never been done before in Parliament. People were organizing their own meetings and talking about the Bill in Voi, Turkana and Nakuru. We have put 90 per cent of all the recommendations.

Thank you, Sen. Halake, Sen. M. Kajwang'. I also thank the CEO of Kenya National Innovation Agency (KeNIA) whom we were talking with. He said that one of the challenges is that KeNIA was only supposed to get funding from the National Research Fund (NRF) and there has been issues of governance but now they will get funding directly. We have not created another agency. We are dealing with what is already there. This is because I believe it is the correct agency.

Allow me to leave it to that. I have much more to say. However, I assure Members that some of the proposals will come in the Committee stage and we will put them in.

I am happy that this is now domiciled under the Committee on Information, Communication and Technology led by Sen. Moi and Sen. Halake. I am sure that they will listen again to those whose views have not been put in.

Madam Temporary Speaker, I beg to reply.

However, pursuant to Standing Order No. 61(3), I request that the question be put at later date.

The Temporary Speaker (Sen. Pareno): By the nature of this Bill, it will come in for Division on another day, so, it is therefore, deferred to tomorrow.

(Putting of the Question on the Bill deferred)

We move to the next Order.

Second Reading

THE OFFICE OF THE COUNTY PRINTER BILL (SENATE BILLS NO.13 OF 2021)

Sen. Were: Thank you, Madam Temporary Speaker. I rise to move the Office of the County Printer Bill (Senate Bills No.13 of 2021).

I first moved this Bill in 2018. It is one of those Bills that suffered the effects of the sibling rivalry between the Senate and the National Assembly.

I am glad that through our efforts in going to court, some of these important Bills have come back to this House so that they can be processed.

The importance of this Bill, and crucial to---

The Temporary Speaker (Sen. Sen. Pareno): Sen. Were, you better start by moving.

Sen. Were: Thank you, Madam Temporary Speaker. I beg to move that the Office of the County Printer Bill (Senate Bills No.13) be now read a Second Time.

The Temporary Speaker (Sen. Sen. Pareno): Proceed.

Sen. Were: As I was saying, I first moved this Bill in 2018 and then it suffered the effects of the sibling rivalry between the Senate and the National Assembly.

Our efforts of going to court to have these issues resolved have brought back these Bills that are important towards entrenching and strengthening devolution.

The importance of this Bill is also expressed in the fact that it was there in the previous Parliament, but it was made to lapse. So, our effort in going to court have paid off in strengthening devolution.

This Bill went through various processes of public participation. Some of the suggestions that were given in 2018 have been included in this new Bill---

The Temporary Speaker (Sen. Pareno): Order, Sen. Were. You will have a balance of 58 minutes when the matter comes next in the Order Paper.

ADJOURNMENT

The Temporary Speaker (Sen. Pareno): Hon. Senators, it is now 6.30 p.m., time to interrupt business. The Senate, therefore, stands adjourned until Wednesday, 28th July, 2021 at 2.30 p.m.

The Senate rose at 6.30 p.m.