# PARLIAMENT OF KENYA THE SENATE SENATE BILLS DIGEST THE TECHNOPOLIS BILL, 2024 (NATIONAL ASSEMBLY BILLS NO. 6\_ OF 2024)

Sponsor:	Senate Leader of Majority
Date of First Reading:	4 <sup>th</sup> December, 2024
Committee referred to:	Standing Committee on Information, Communication
	and Technology
Type of Bill:	Ordinary Bill

#### 1. BACKGROUND OF THE BILL

Kenya's Vision 2030 aims to transform Kenya into a middle-income country by developing sustainable smart cities and an innovation ecosystem. The 2030 strategic plan, seeks to create special economic zones which are proposed to be world-class cities, powered by high-speed Information, Communications and Technology (ICT) reliable infrastructure, power and business friendly governance systems. To achieve this, the government recognises the need to take a leadership role in creating an environment that fosters this flow of knowledge through laws and regulations. The establishment of a Technopolis and the Technopolis Development Authority will therefore drive the country towards achieving its economic and development objectives, as outlined in Kenya Vision 2030.

#### 2. <u>PURPOSE OF THE BILL</u>

The proposed Bill intends to-

- (a) provide for the establishment, development and management of a Technopolis;
- (b) create a conducive environment to attract and retain world-class talent by providing state-of-the-art infrastructure;

(c) position a Technopolis as a premier destination for technology-driven businesses, research institutions and innovation ecosystem and to provide for the adoption of sustainable environmental practices and technologies within a Technopolis; offer incentives and other forms of government support to encourage investments in a Technopolis; and

(d) support the development of Kenya's knowledge-based economy.

# 3. OVERVIEW OF THE BILL

#### What institutional measures have been put in place to administer a Technopolis?

The Bill has established an authority known as the Technopolis Development Authority which is a body corporate with perpetual succession and a common seal and shall, in its corporate name, be capable of—

- (a) suing and being sued;
- (b) purchasing or otherwise acquiring, holding, charging and disposing of movable and immovable property;
- (c) borrowing and lending money; and
- (d) doing or performing all other things or acts necessary for the proper performance of its functions under this Act which may awfully be done or performed by a body corporate.

#### What will be the functions of the Technopolis Authority?

The Technopolis Authority shall -

- (a) plan, develop and manage a Technopolis;
- (b) allocate land to investors in a Technopolis;
- (c) establish governance structures for a Technopolis;
- (d) establish and manage science parks, information communication and technology parks and innovation centres;

 (e) facilitate realization of Kenya's digital economy by use of emerging technologies to support businesses within a Technopolis;

- (f) host strategic government infrastructure powered by emerging technologies including data centres, research centres and centers of excellence;
- (g) promote technology oriented creative industries;
- (h) coordinate the knowledge innovation ecosystem in a Technopolis in partnership with research institutions and innovation centres;
- (i) promote and market Technopolises to investors and users;
- (j) coordinate and administer incentives provided for operating in a Technopolis;
- (k) undertake investment in a Technopolis either by itself or through partnerships;
- administer a one-stop-shop for provision of government services required to operate in a Technopolis;
- (m) facilitate research and implementation of innovation programmes within a Technopolis; and
- (n) perform any other function that may be assigned by the Cabinet Secretary or any written law.

#### How will the Technopolis Authority be administered?

The Bill establishes the Board of Authority which shall consist of-

- (a) a chairperson competitively recruited by the Public Service Commission and appointed by the President;
- (b) the Principal Secretary responsible for matters relating to information and communications technology or a person designated by the Principal Secretary in writing;
- (c) the Principal Secretary responsible for matters relating to finance or a person designated by the Principal Secretary in writing;
- (d) the Attorney General or a designated representative;

(e) five persons, not being public officers, appointed by the Cabinet Secretary; and

(f) the Chief Executive Officer who shall be an ex officio member.

The appointment of the chairperson of the board and members shall be by notice in the Gazette.

# What are the powers of the board?

The Board shall have the powers to-

- (a) control, supervise and administer the assets of the Authority;
- (b) determine the provisions to be made for capital and recurrent expenditure and for the reserves of the Authority;
- (c) receive any grants, gifts, donations or endowments and make legitimate disbursements therefrom;
- (d) open such bank accounts for the funds of the Authority as may be necessary; and
- (e) invest any of the funds of the Authority not immediately required for its purposes.

# How is a Technopolis established?

The Cabinet Secretary, upon recommendation by the Authority, may establish a Technopolis by a notice in the Kenya *Gazette*. The notice shall define the geographical area of a Technopolis and its buffer zone, if any.

# What are the features of a Technopolis?

A Technopolis shall—

- (a) be equipped with state-of-the-art integrated infrastructure and facilities;
- (b) prioritise and promote the exploration and adoption of emerging technologies and disruptive innovations;
- (c) intergrate sustainable practices, green technologies and resource efficient solutions into its operations and infrastructure; and

(d) avail a variety of resources and support services including investment opportunities, mentorship programs, networking events and funding.

# How will developments within a Technopolis be controlled?

The Authority shall have powers within a Technopolis to—

- (a) regulate zoning including land use and density of development;
- (b) ensure the proper execution and implementation of approved physical and land use development plans;
- (c) reserve and maintain all the land planned for open spaces, parks, urban forests and green belts in accordance with the approved physical and land use development plans, among other powers.

# What are the licensing requirements for setting up and operating a business in a Technopolis?

Any person who undertakes any activity or render any service in the Technopolis shall apply and obtain a license from the Board that is set up by the authority. The activities to be undertaken in a Technopolis shall be prescribed by the Cabinet Secretary with consultation with the Board.

The authority shall publish in the Gazette the classes of licenses that may issue, together with any additional requirements, or exemptions, provided that the processes and criteria set out in the proposal shall not be departed from to the detriment of the Authority or an applicant.

The Bill also sets out the criteria to be applied by the authority before issuing the license. There is set out the grounds under which the Board may refuse to license a service provider and remedies available to applicants whose applications are not granted.

# Will there be criteria for identifying persons to carry on business in the Technopolis?

The Bill provides that the Authority shall develop and publish in the Gazette the criteria for identifying persons to carry on the business of investors in a Technopolis.

#### Are there any enforcement mechanisms proposed by the Bill?

The Authority may undertake inspections in a Technopolis to ensure compliance with development control and licensing requirements. If, upon inspection, the Authority determines that a person has failed to comply with any provision of this Act, the Authority may issue a compliance order that requires the person to take the necessary steps to comply within a specified period failure to which, sanctions may be imposed as proposed in the Bill.

# Where shall the Authority obtain funds to manage and undertake its duties?

The funds of the Authority shall consist of—

- (a) such monies as may be appropriated by National Assembly;
- (b) such monies as may accrue or vest in the Authority in the course of the exercise of its powers or the performance of its functions;
- (c) monies borrowed by or lent to the Authority;
- (d) grants, donations or gifts to the Authority; and
- (e) any monies accruing to the Authority from any other source.

The Authority shall have the power to use the funds of the Authority in its discretion to carry out its objectives and functions subject to the provisions of this Bill or any other law.

# How will disputes within a Technopolis be resolved?

The Bill establishes the Technopolis Dispute Resolution Tribunal consisting of members appointed by the Judicial Service Commission comprising —

(a) a chairperson who is a person qualified to be a judge of the High Court;

- (b) an advocate of the High Court of Kenya with at least ten years' experience; and
- (c) five persons who have demonstrated competence in, engineering, urban development, property management, information technology or finance.

The Chairperson and members of the Tribunal shall hold office for a term of three years and shall be eligible to be appointed for one further term.

# *Will there be incentives to encourage the establishment of businesses in the Technopolis?*

An incentive granted for special economic zone under the Special Economic Zones Act, 2015 or any other written law shall apply to the Authority and any person in a Technopolis. In addition, the Cabinet Secretary may, grant incentives to investors in a Technopolis.

# Are the any provisions in the Bill that will be operationalized through subsidiary legislation?

The Bill empowers the Cabinet Secretary, to make Regulations as may be necessary for the better carrying into effect the provisions of this Act. The Regulations may provide for—

- (a) planning, development control and governance of a Technopolis;
- (b) complaint procedures and general enforcement of the Act;
- (c) levying of fees, costs and any other charges; and
- (d) any other matter to give full effect to the provisions of the Act.

# 4. <u>CONSEQUENCES OF THE BILL</u>

This Bill revokes the The Konza Technopolis Development Authority Order, 2012 and facilitates the transition from the current Konza Technopolis Development Authority to the Technopolis Authority. Therefore, on the commencement date of this Act—

- (a) all contracts, rights, duties, obligations, assets and liabilities of the former Authority shall vest to the Authority;
- (b) any licence, permit or any approval given by the former Authority in exercise of its functions shall be taken to have been issued by the Authority under this Act;

- (c) all actions, suits or legal proceedings pending by or against the former Authority shall be carried on or prosecuted by or against the Authority;
- (d) a member of the Board of the former Authority in office, shall continue to be a member of the Board of the Authority as though appointed under this Act and shall serve the remainder of their term;
- (e) the Chief Executive Officer of the former Authority in office, shall continue to serve as the Chief Executive Officer of the Authority as though appointed in accordance with this Act and shall serve the remainder of their term;
- (f) the staff of the former Authority shall transition to be the staff of the Authority on the same terms and conditions of service; and
- (g) the pension scheme established by the former Authority shall be the pension scheme of the Authority.

#### 5. WAY FORWARD

#### What next?

Pursuant to standing order 145 (5) of the Senate Standing Orders, the Standing Committee on Information, Communication and Technology shall facilitate public participation and shall take into account the views and recommendations of the public when the Committee submits it report to the Senate.

# What is expected of the members of public?

The members of the public are expected to present their views to the Standing Committee on Information, Communication and Technology for its consideration.

#### Next steps

The Bill was Read a First Time in the Senate on 4<sup>th</sup> December, 2024. Pursuant to Standing Order 148(1) of the Senate Standing Orders, the Committee is required to submit its report to the Senate within thirty (30) calendar days of the committee of the Bill to the Committee therefore by 4<sup>th</sup> January 2024.

#### Note:

- 1. This Digest reflects the Bill as published and does not cover any subsequent amendments to the Bill made after its publication.
- 2. The Digest does not have any official legal status.