

access

**Alliance of Civil Society
Organisations for
Clean Energy Access**

**REPORT OF THE WEBINAR HELD ON 5TH JUNE 2020 ON THE PROPOSED VAT
INTRODUCTION TO CLEAN COOKING AND SOLAR PRODUCTS IN THE
FINANCE BILL 2020**

June 2020

List of acronyms

ACCESS	Alliance of Civil Society Organizations for Clean Energy Access
CAFOD	Catholic Agency For Overseas Development
CCAK	Clean Cooking Association of Kenya
COVID	corona Virus Disease 2019
CSOs	Civil Society Organizations
DREs	Decentralized Renewable energy
EAC	East Africa Community
GBV	Gender Based Violence
GDP	Gross Domestic Product
GHG	Green House Gases
GIZ	German Agency for International Cooperation
KCCWG	Kenya Climate Change Working Group
KCJ	Kenya Ceramic Jiko
KEREA	Kenya Renewable Energy Association
KOSAP	KenyaOff-Grid Solar Access Project
LPG	Liquefied Petroleum Gas
MOE	Ministry of Energy
MPs	Members of Paliament
NDC	National Determined Contributions
PAYE	Pay As You Earn
PWC	PricewaterhouseCoopers
SDG	Sustainable Development Goals
SEAF-K	Sustainable Energy Access Forum
SEForALL	Sustainable Energy for All
UN	United Nations
VAT	Value Added Tax
WED	World Environmental Day
WWF-K	World Wildlife Fund Kenya

1.0 Introduction

The Finance Bill 2020 was tabled in the National Assembly for its consideration on 6th May 2020. The National assembly is expected to resume sitting in June 2020 for the approval of the Bill to allow its implementation at the beginning of the government calendar on 1st July 2020. The Bill proposes introduction to VAT on items previously exempted under concessions accorded by the Cabinet Secretary. Particularly, the Bill introduces a **VAT of 14% to Clean Cooking and Solar Products.**

The overwhelming majority of off-grid consumers and households who access their energy needs through solar-powered energy solutions come from lower-income, rural communities where VAT exemption on the products played a critical role in increasing affordability. On the other hand the clean cooking sector has over the years enjoyed fiscal incentives, with the VAT zero-rating and exemption on clean cooking solutions like liquid petroleum gas, improved cook stoves and excise duty reduction on ethanol fuel for cooking. For instance; LPG usage has increased six times over the last two decades from 1999 to 2018 from approximately 0.6 million to 3.7 million households. This has mostly been driven by the VAT zero-rating on LPG for households. Thus, the introduction of VAT at the rate of 14% will erode numerous gains that have been made towards the achievement of universal energy access by 2022 and Sustainable Development Goal (SDG) 7 which aims at ensuring access to affordable, reliable, sustainable and modern energy for all.

Moderated by Joe Ageyo (add his title), the webinar facilitated dialogue among the selected parliamentarians, Ministry of Energy representatives, private sector, civil society, consumer groups, and individuals among others.

Panelist included:

1. Job Kabochi, Head of Indirect Taxes-PWC Africa
2. David Njugi Chief Executive Officer- CCAK,
3. Rakam Kamar, Supply chain Manager- BURN Manufacturing
4. Kamal Gupta, Chairman -Kenya Renewable Energy Association (KEREAA)
5. Jacqueline Kimeu, International Coordinator ACCESS Coalition
6. Dan Kithinji, Director Renewable Energy -Ministry of Energy

The webinar had a total of over 100 participants with 6 of them being in the panel.

The webinar discussions focused on:

1. Overview of negative impacts of the VAT addition on the clean cooking sector
2. Overview on the impact of the VAT addition on the solar sector and last mile communities
3. Policy implications of the proposed VAT on government's plans and targets, policies e.g. Vision 2030, SDG 7
4. Overview of the proposed amendments on gender

Moderator: Joe Ageyo- Editorial Director Citizen TV Kenya

The moderator gave a brief introduction on the objective of the webinar. On 6th of May 2020 the Finance bill had been tabled in parliament and it had elicited conversations among stakeholders in the clean cooking sector. He indicated that the timing of webinar was critical and would pave way for advocacy ahead of the reading of the budget on June. If passed, the bill will have key implications in the development and achievement of vision 2030, on the economy and achievement of SDG 13 targets on climate change as well as realization of commitments under the Paris agreement through the Nationally determined contributions..

To start off the meeting Mr. Joe invited Mr. John Kioli the chairman-KCCWG and Maimuna Kabatesi Program Manager at Hivos to give their opening remarks and officially open the webinar.

2.0 Opening Remarks

2.1 Welcoming remarks by John Kioli- Chairman KCCWG

Mr. Kioli begun by stating that over the last 46 years the world had been celebrating the World Environmental Day, on 5th June each year, and having the webinar on 5th June 2020 meant celebrating another World Environmental Day which had its theme: “celebrating biodiversity”. He noted that over 3 billion people are still using open fires and cannot access clean cook stoves; and 4 million people die annually due to indoor air pollution related diseases.

He mentioned that the finance bill that was scheduled to be tabled in parliament for the 2nd reading on Tuesday 9th June 2020. He explained VAT inclusion in the proposed tax amendment bill on clean cooking and solar products would contribute to the erosion of gains achieved over SDG7 targets that were ongoing globally. The health sector would be affected because the government would have to use more money to provide medical care to conditions caused by indoor pollution. Education sector would also be affected since most people in the rural areas have been using solar to support children to read in the evening and other related facilities like health centers that have been able to refrigerate vaccines using solar as well as offering life-saving care for expectant mothers. He stated that the Kenyan economy would be the biggest loser if the bill was to pass with the introduction of the VAT.

Mr. Kioli concluded by thanking the organizing partners including CCAK, ACCESS, SEAF-K, WWF-K and Hivos for supporting the energy agenda and for ensuring the meeting was fruitful. He appreciated the 100 participants as it was a good indication of how important the clean cooking agenda is to the country. He appealed to Kenyans to reach out to their members of parliament to review the amendment in the bill.

Welcoming remarks by Maimuna Kabatesi- Projects Manager Hivos

Maimuna thanked Members of Parliament, stakeholders and other participants for joining the meeting. She seconded John’s discussion on World Environmental Day and its connection to

clean cooking. She explained that clean cooking has been associated with women and seen as a women issue but in reality clean cooking is a development issue. “Having worked in the energy sector I have seen government and the stakeholders moving away from the narrative of it being an extension to gender issues and using it for development of investment in clean cooking technologies, fuels, research and development” stated Maimuna.

She stated that the sector had already attained numerous gains in clean cooking and solar. She noted that Kenya had an ambitious goal of 100% electrification by 2022. She reported that despite the national grid being extended Decentralized Renewable Energy options are also playing a major role in the remote/rural areas where most population use solar. Solar is one of the most efficient and sustainable source of energy

She stated that one of their primary concern at Hivos was to ensure that humans lived with dignity and in freedom and people without access to clean cooking could be categorized as those without dignity. Women and girls spending hours in search of firewood and not attending school or engaging in income generating activities would lessen their quality of life. Introducing VAT would erode all the gains that had been achieved over the past years.

3.0 Questions to the panelists

The meeting had a strong and diverse panelist of 6 people drawn from different organizations within the energy sector. The panelist had vast knowledge in renewable energy, policy, clean cooking and solar.

The panel session was moderated by Joe Ageyo who gave a brief introduction of each panelist.

Job Kabochi: Head of Indirect Taxes PWC Africa

The moderator started by highlighting a concern that had been raised by PWC in their Tax regulatory alert report, where they noted an interesting development in the finance bill in regard to renewable energy which seemed to counteract the increased adoption renewable energy. He then asked Mr. Job to give his inputs on the question “What is in this finance bill with regard to renewable energy in Kenya?”

Response:

Mr. Kabochi responded that, within the Finance Bill 2020 the government had deleted the exceptions that had been available to the renewable energy sector; and manufacturing and production of solar products which meant that deleting these items from the exception schedule would attract VAT on them which is currently at 14%.

He explained that investors would undertake a cost analysis by considering the investment costs against the selling costs; also comparing all these with the cost of importing products which would attract importation VAT. This analysis would then help investors to make decisions and increase their selling cost, forcing the consumers to buy the products at a higher cost.

He noted that the introduction of the VAT would increase the cost of products and hence the consumers must be willing to buy the products at a higher cost. This would cause diminishing

purchasing power and with the COVID pandemic the purchases would decrease further meaning over and above the increased production cost, most businesses would be affected and would not manage to absorb the 14% VAT hence it would be hard to continue with the business.

David Njugi CEO, CCAK,

The moderator requested the representative from CCAK, Mr. Njugi to give a perspective from where he sits on the effect/ implications likely to be caused by the introduction of the VAT on CCAK members from across the value chain, what are your fears, what do you see as the likely disruptions?

Response

Mr. Njugi started by stating that CCAK changed its name from clean cook stoves to Clean Cooking Association of Kenya, with a focus on all aspects of clean cooking and not just the cook stoves. CCAK is the sector representative body advocating for an enabling environment, capacity building, creating awareness and promotion of adoption and use of clean cooking technologies.

Mr. Njugi gave a baseline to the discussion through an analysis study by CCAK which showed that 58% of households use open fire/ the 3 stones in the 21st century; 70% of households use biomass (firewood and charcoal) for cooking; and 19% of households use LPG. LPG adoption was at 3% 10 years ago, but because of the policy and the registration that was put in place to zero rate it from VAT, this made it more affordable to consumers contributing to its growth by 6 times to the current 19%, he suggested that the growth needed to increase to 70%.

On Greenhouse gas emissions he stated that the sector contributes around 18% of the total emissions in Kenya, making the energy sector core in achieving the NDCs climate change targets.

Focusing on jobs, Kenya Ceramic Jiko (KCJ)/the Juakali industry contributes 38% of the improved cook stoves in the market and has employed young people hence introduction of VAT would make the cost of production high affecting the many jobs in the sector. BURN has invested close to 2 billion shillings in Kenya to put up a facility and cumulatively we would be talking of around 5 billion invested in the sector. This could be attributed to an enabling fiscal environment in Kenya, hence this investment would be affected by introducing VAT.

In terms of health, there are 21,000 people dying each year due to indoor pollutions mostly affecting the vulnerable groups (women, children and the poor).

As Maimuna alluded, that “humanity is living in dignity and freedom” and denying them these technologies is denying them the dignity that we all deserve as human beings. Also as mentioned, this is a development issue that translates to loss of opportunities for education and increased incomes. Our appeal today is to the members of parliament and to all listening today, to advocate for a clean and healthy environment, advocate for dignity for all of us. We all interact with these clean cooking products and if they are expensive we cannot buy them and as

such we are drawing back the gains we have so far and we will not attain our targets of achieving universal access to modern and clean energy solutions by 2030.

Rakam Kamar, Supply chain Manager- BURN Manufacturing

Having worked under the 2 eras of having the VAT in place (2013-2016) and having the exceptions (2017-2020), the moderator asked Mr. Kamar to share his perspectives on the issue and the implications of reintroducing the VAT in 2020 would have on clean cooking

Response:

Mr Kamar, explained that BURN manufacturing- based in Ruiru produces clean cook stoves that are 50% less in fuel consumption with 65% less smoke emissions. Adding that before the VAT exception the annual growth was less than 10% but after the VAT exception the growth increased by 30%, enabling the company to invest in more than 1 million dollar for new machines, research and development and technology. The company was able to increase its employees from 100 to 350 employees despite COVID, most of who were women, expressing the importance of VAT removal within the sector.

Kamal Gupta Chairman Kenya Renewable Energy Association (KERA)

The moderator requested Mr. Gupta to give his perspectives on: gender, issues of cooking and solar products, explaining the disruptions that would occur in terms of renewable energy uptake and market regulations, which the problems arising out of this VAT question should the parliament pass the bill as it is?

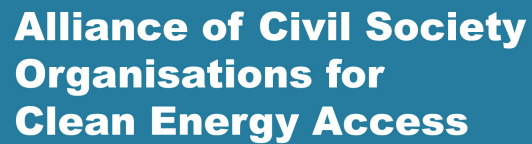
Response:

Mr Gupta appreciated the 100 participants who joined the meeting, stating that they were people with renewable energy at heart.

He gave a brief about KERA which is a business member organization in the renewable energy in Kenya, with the motive of influencing and impacting towards achieving the goal of having universal energy by 2022. He explained that the country was at 74.9% in energy access with grid contributing 50.4% and solar contributing 24.5% (report 2019), this showed that private sector was in line with the targets of achieving the 100% energy access by 2022. However the sector required combined efforts in achieving the targets.

Explaining on the effects the VAT would have he stated that an increase in price would cause a decrease in the sale of products and sometimes reduction of the products in the market, meaning the affordability of the products would be affected.

On job creation, it was clear that the sector had created many opportunities including; manufacturing and sales of the products where most people working in the sector relied heavily on this for their livelihoods and families, with the VAT introduction this would affect most jobs within the sector.

The logo for ACCESS, featuring the word "ACCESS" in a bold, white, sans-serif font on a dark orange background.The text "Alliance of Civil Society Organisations for Clean Energy Access" in a white, sans-serif font on a dark blue background.

He urged all the stakeholders to understand the implications and seriousness of the situation and work together in ensuring that energy remains affordable and available to all. Emphasizing that energy cost is one of the most important component in any product or service.

Finally he requested all stakeholders to play a significant role in ensuring the VAT was not introduced, so that for all players in the sector either the investors, manufactures, business and even the consumers had a conducive and comfortable working environment.

Jacqueline Kimeu International Coordinator ACCESS Coalition

Mr. Joe posed a question to Jacqueline in line with a comment from Mr. Gupta, who had mentioned that Kenya was a role model for many countries within the region, asking her to explain how Kenya compared with other countries in Africa and more so our neighbors Uganda and Tanzania with regard to solar and clean cooking solutions in the country. He also asked her to comment on gender perspectives in relation to energy

Response

Jacqueline coordinates ACCESS coalition which is a global coalition of CSOs working on energy access issues across the globe but with a specific focus on Sub-Saharan Africa.

She highlighted that earlier in the week the global SDG 7 tracking report for 2020 had been released, pointing out that globally there were 620 million people who would remain without access to electricity by 2030 and 85% of those people are in Sub Saharan Africa where Kenya is one of them. She further explained that globally, 2.3 billion people live without access clean cooking fuels. Jacqueline reported that the issue of clean cooking and DREs was very critical more so in Africa. She further noted that in Kenya, the government was committed to having 200 million people having access to energy through off-grid solutions such as solar.

Jacqueline explained that in Africa, Kenya was a front runner in terms of energy compared to her neighbors such as Tanzania and Uganda and this was attributed to by the fiscal incentives that the government had given out and in terms of policy perspectives. She noted that introducing VAT on clean cooking and solar products would cause Kenya to lag behind. She gave an example of Ghana in Western Africa stating that Ghana was also a front runner in the African context as their governments had allowed incentives in clean cooking and solar. Ghana had over 80% of its population having access to clean cooking and access to electricity. She explained that there were many lessons that East Africa countries could learn from Ghana. She reminded members to note that despite Kenya leading in the East Africa the country was still lagging behind globally and this would delay Kenya's targets of having universal access by 2030.

Dan Kithinji Director, Renewable Energy, Ministry of Energy

The moderator stated that the government had set some important targets which included: 2022 target of universal energy access, reduction of GHG emissions by 30% by 2030; and the vision 2030 on issues such as the off grid initiative supported by World Bank. He asked Mr. Kithinji to give his perspectives and explain how that would work out and the impacts it would have

Response:

Mr. Kithinji started by stating that the discussion was important for the Ministry of Energy and that the Ministry had renewable energy as a priority, through the various policies that were in place, as it had endeavored to have robust policies that would promote renewables and provide citizens with clean energy.

Mr. Kithinji highlighted some policies that Ministry had prepared in the recent past which included; Energy Policy 2018; Energy Act 2019 and a gender policy in energy 2019 adding that these policies were in place to enhance in the attainment of Kenyan targets of having every citizen access modern energy services.

On global targets, Kenya has produced a national action agenda and investment prospectus for SEforALL – an initiative being led by UN - and is on track to ensure we attain SDG 7 goal on sustainable and affordable energy by 2030. Kenya has gone ahead to fast track some of the targets such as the achievement of electrification which is set to be achieved by 2022, hence the ministry is concerned with the introduction of the VAT on solar products by 14%.

The gains we have so far achieved is as a result of the exception of the VAT on solar products and more so to those who are living off grid through DREs in the rural areas have benefited from the initiatives. The ministry of Energy is in constant communication with the national treasury to ensure the VAT is removed and the ambitious targets of 2022 are achieved.

Under clean cooking, there is a bit of a challenge since 70% of our communities rely on biomass that is use of 3 stones and this has health effects on our people especially through indoor pollution. The Ministry of Energy has put a clear target of having transited 100% of Kenyan citizens to using modern clean cooking solutions by 2030. Currently the targets are low but we have some positive results such as LPG adoption. We understand the challenge is big hence we need to work together on this to ensure no one is left behind.

Having VAT on clean cooking would make it unaffordable to most Kenyans as gains achieved would be eroded. In the past 2-3 years investments had increase within the sector creating more job opportunities. The sector therefore requires more investments to enhance realization of its targets.

On climate change we are aware that the sector contributes a lot to the GHG emissions. Kenya has committed to a 30% reduction on our GHG emissions which is within our National Determined Contributions (NDCs) and we are sure if everybody adopts clean cooking solutions we will contribute to the reduction of these GHG emissions. Clean cooking can reduce the GHG Emissions by 10% which is a big contribution.

The health benefits are critical since majority of the people are exposed and this has gender implications hence a lot of investment is required across sectors. Currently we have different

stakeholders working on this issue. The Ministry recognizes that clean cooking and access to energy are developmental issues and have prioritized it to ensure it is attained.

The Ministry of Energy has promoted the adoption of some initiatives including LPG, biogas, ethanol and biomass through use of improved clean stoves to ensure we attain the ambitious targets that have been set.

The policy environment is right and the Ministry has been engaging with the treasury in the process so that we are able to maintain where we were and spur the socioeconomic growth in our country.

Q&A discussions

Q&A discussions

From 991. : My first question is during the CCA Forum 2019, the MoE announced that Kenya has its target to achieve clean cooking in 2028 which is 2 years before the global target. How is Kenya going to achieve this if all the benefits already gained are being eroded?

Response: The global and national targets are to be attained by 2030, but during the global clean cooking forum that was held in Kenya the Ministry of Energy and the leadership committed to achieving the goals by 2028 for clean cooking through some interventions so that we can achieve it earlier before the global target year and this is similar to electrification targets which Kenya has committed to achieve by 2022 although the global targets are to be achieved in 2030

From 991. : My second question, awareness is a big barrier to change of behavior in clean cooking adoption. One thing that has come out very clearly during COVID 19, is that people can embrace change if the government enforces policy and guidelines they put in place. Indoor air pollution is killing women and children mainly especially in rural areas, how can the government assist in changing behavior of cooking in households, to protect lives during the COVID 19 pandemic and mitigate on GBV which is on increase. CCAK member & clean energy entrepreneur

Response: It is true that indoor pollution is killing and as John alluded to 21,000 women and children in Kenya are dying. Energy access has a gender dimension for instance globally 70% of the world's poorest people are women and children, in our efforts towards achieving energy access these people should not be left behind, and we have seen them being involved in the sector, for example in the solar sector they are involved as distributors and entrepreneurs. Most stakeholders have been involved in women entrepreneurship hence involving them in this discussion is a very critical thing that needs to be in place.

Energy access will increase household savings for women and children and improve the wellbeing of women in rural areas.

The ministry was engaging the treasury to attract funding and fiscal incentives to create awareness and promote renewable energy. The treasury was concerned that if the VAT was removed then the private sector should pass the benefits to the consumers by ensuring the

products are affordable. Mr. Kithinji urged all in the private sector to ensure that they create awareness to the consumers so that they understand the costs to avoid over pricing. He also explained that Kenya had received some funding from GIZ which would be used for creating awareness in clean cooking.

From naftal : What are the exact or appx figures on employment does Renewable energy sector contribute to the economy? Another: What is the GDP contribution of Renewable to the economy?

Response:

The number of those engaged directly in the business of solar home systems is more than 20,000. More than 70% of the current electricity is from renewable energy including the solar, off grid solar and wind making the renewable energy sector quit huge and contributing greatly to our to our economy

There is a huge nexus between what we are talking about and the economy. Some countries like Tanzania where electricity has been pointed out as the greatest tool to economic growth and in Ghana research shows that 19% female headed households lack access to electricity and in the rural areas where solar play critical role, they don't have access which affects their growth hence there is a huge nexus between the economy and access to energy.

From Paul Kanja : There is also a challenge that with the signing of the Bill, there will be high influx of sub-standard and counterfeit energy products flooding the market with their perceived low costs but ultimately unsustainable and impacting of financial models of off-grid energy solutions.

Response:

This is true Paul, since the manufactures of these products are going to incur an extra 14% during manufacturing including the use of energy to produce these products and this will affect the local manufacturers making them to revisit the costs of selling this products and mostly the cost will go up, this may result in low consumption forcing the manufacturers to find alternative and cheaper products compromising the quality of products.

Most manufactures may also view importing products to be cheaper than producing due to the different VAT costs that will be incurred at the manufacturing process unlike the one off VAT cost for importation. This also allows importation of lower quality products which are cheaper.

From Daniel Wanjohi: As a result of the past conducive policy environment, (3-4 years) we had seen an accelerated investment and innovations but what do you think the introduction of VAT will have on solar and cooking solutions will have on this front?

Response:

The sector is at a growth phase which requires considerable amounts of investments for people to get into the buying in of clean cook stoves, having the right technology, research and

development on what are the best practice, what is more energy sufficient solutions which we have done in totality. All business start with a motive of making profit but at the beginning phase of business you take hit in terms of margins so that you can develop the idea, reach out to more people and invest more in research and development. If there is no profit and even after projections in the future you don't see any potential of making profits then you quite the investment and think of alternatives. From this background I believe investors with start thinking twice in investing in this sector in Kenya. Also some investors may choose to take their investments elsewhere outside Kenya where they can make profits and the business terms are more conducive for them and I don't think Kenya is ready to get to that level. For instance burn has grown its employees from 100 to 350 people if you add to what other investments are employing the number is quit high. The sector has also indirectly employed people where investors buy equipment and machines, these are supplied by the local people, hence this is an indirect employment opportunity.

In the clean cooking sector a lot of investment is going into manufacturing; investments; research and development and innovate to bridge the gap that exists and such if policies come in to make it hard for businesses to invest or innovate what happens is that some will leave the country those looking to invest in Kenya will look elsewhere and as such we lose revenue, jobs and opportunities to actually lead in Africa.

We can note that the demand for clean cooking is quite low as we still have 70% of Kenyans still using traditional methods of cooking then it means that we to up the demand and one way is by providing the sector incentives such as tax incentives that is removing taxes on key essentials goods and services such as clean cooking solutions and solar products will make them more affordable to consumers and creation awareness to ensure consumers are aware of the needs and benefits of adopting these solutions.

On the counterfeit products, allowing VAT on clean cooking and solar products will contribute to increased electronic waste in our country, for instance Marsabit County there were over 2 million e-waste products from solar products and this is when the products have been of high quality; that means when we allow this VAT to continue the counterfeit products will come in and increase the electronic waste in the country and contributing negatively to the environment. We are therefore requesting the VAT to be stopped because of the impacts of this on the environment

From Isaac Mwathi: My question is to Kithinji of the Ministry, What is the Ministry doing to ensure the VAT taxes are not introduced cause it directly affects the sector?

Response:

The ministry was in constance government to government consultation with the national treasury and other agencies to ensure that bill would be reversed and the gains continue and accelerating the solar and clean cooking penetration in the country.

The MOE was aware that the VAT would affect the KOSAP Programme which was an initiative that targeted the off grid areas within the country to ensure that Kenya attains universal energy access by 2022. The initiative targeted the mini grids using solar and DREs which would be affected if the bill is passed, the initiative had a component of clean cooking targeting adoption of clean cook stoves which would be affected too. In all these the ministry was in consultation with the national treasury to ensure all the programmes are reversed to initiatives could attain the targets they were set to meet.

From Zacchariah Ross : As an annex to my previous question: what can we - as individuals and those listening in elsewhere - do to keep solar and clean cooking products VAT 0 rated?

Response:

Members were encouraged to discuss the impacts of the VAT within their networks and using various platforms to ensure that the message reached the MPs and parliamentarians, so that they could be our mouth piece during their meeting.

Comments from Participants

Daniel Wanjohi from CCAK

He stated that the conversation was timely taking into account the role of clean cooking sector as a nexus issue that cuts across the health, gender, environment, urging the MPs to support the agenda. He explained that over the past three 3 there has been a lot of positive change in terms of investments and innovation making Kenya a leader within the region on clean cooking solutions. Introduction of VAT would water down all the gains that have been achieved.

Rachel Mwangangi- Assistant Director Energy- Kitui County

She appreciated the discussion and appreciated the panelist.

She stated that during the COVID times indoor air pollution was in the rise as most people (mothers, children and the fathers) were home and there was a lot of cooking more so in the rural areas where they used traditional methods and biomass energy. Within the informal settlements most mother were trying to use anything form of energy including tyres, polythne bags as most could not even afford kerosene or briquettes or charcoal.

On the VAT, she commented that the budget levels at the county were not increasing and introduction of the VAT would affect their projects negatively forcing them to reduce on their activities and this would affect the achievements they had gained.

Irene Mwaura- WWF-K

She stated that the discussion was timely since reintroducing the VAT would have a big implication on the environment more so the forestry sector, as it would force people to illegally harvest tree products to meet their cooking needs inform of firewood and charcoal causing them to go back to the 3 fireplace. She noted that having the VAT removal would be a great beneficial for all

Focusing on solar products she stated that the country had attained good millage as most people had adopted on using solar for irrigation, power cooling, use of technologies such as fridge in

hospitals, those in horticulture and fisheries have also benefited. Introduction of the VAT would mean some shying away from their investments and this would have an impact on our economy and the GDP.

Ms. Irene emphasized that it was the responsibility of all to sensitize our members and communities on the possible implications of the VAT in the country, She also asked all the members present to think on the implications the VAT would have on the regional East African Community (EAC) with regard to financial policies in terms of VAT charges to these products. In conclusion she stated that the theme for WED was on biodiversity that is nature and the future of people, where she explained that energy is a nexus issue that is connected to all other sectors, that needs to be addressed to ensure all have access to energy. She requested the MOE to have discussion with their counterpart ministries and include some stakeholders from the energy space to push for this agenda

Final Remarks from each panelist

Job:

He stated that at times one would sympathize with government due to the pressure it was facing to reduce debts and increase revenue collection through tax. However, the government needs to factor in the socio-economics impacts that the decision would have, For instance introducing VAT on clean cooking and solar products would end up creating a situation where the government might end up losing on cooperate/ business tax, and PAYE if people are laid off. He emphasized that the government needed to involve all the stakeholders and have a holistic approach which would result in a win-win situation for both the government and the private sector.

He concluded by saying that PWC was taking its role as an advisor on tax matters and he appreciated being part of the panel.

David:

He appreciated all who participated in the meeting, stating that the comments were interesting and enriching. For Kenya to attract investments and create an enabling environment there is need for a stable policy mechanism that speaks the intentions of the government. Policies impacts should be futuristic. He hoped the government would listen and revise the bill.

“Clean cooking affects a lot of livelihoods especially those in the rural areas, there are huge opportunities in the sector for investments, jobs and health as we would save close to 200 billion Kenya shillings that we spend annually on health by consuming clean cooking technologies”

David urged the participants to advocate their MPs and Senators to push for this agenda as it would affect all Kenyans. He appreciated the Ministry of Energy for their continued support to CCAK in their advocacy work and their participation in the inter-ministerial committee where the MoE chairs the meeting; and good work by the Ministry of Health as they work closely with CCAK, he requested these ministries to share the views of the webinar with the National Treasury and parliament. He finally appreciated the opportunity to be in the panelist.

Kamal:

He appreciated the organizations that planned for the meeting stating that the meeting was an opportunity to share ideas. He explained that the sector was still growing, and with reintroduction of the VAT the growth rate would decline hence the decision needed to be rethought through. “A good government invests in the future and a healthy working population is one that helps in the future growth of a country” Mr. Kamal stated, explaining the need to maintain jobs and support local manufactures.

In conclusion, he highlighted the role of media stating that they have great influence and could bring a lot of impact on the citizens if they choose what to air and focus on shaping the future of Kenya.

Dan: He appreciated the moderator and highlighted the targets challenges that had been put across during the meeting. He further alluded that for the targets to be achieved, combined efforts are required including private and public participation.

He stated that the ministry had received many submissions on the VAT issue from different stakeholders and they were processing these petitions to ensure that they are looked into.

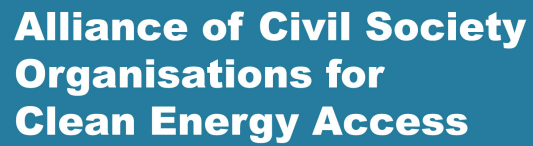
He explained further that for the energy sector to grow there was need to have a regulated sector with proper standards in place to ensure we have good quality products to enhance adoption of the technologies more so in the renewable energy.

Jacqueline: She appreciated the moderator and all who joined the meeting. She emphasized on the need to close the energy access gap at the national and global level which would require combined efforts from the private sector, the government, individuals, and the CSOs to ensure that we achieve universal energy access by 2030. On clean cooking she stated that cooking should not kill, that no one should die while cooking hence the need to work together on the issue to ensure access to universal energy.

Vote of thanks by Ms. Elizabeth Wanja, Projects Officer- KCCWG

Ms. Wanja on behalf of KCCWG, and the organizing partners for the webinar, gave a vote of thanks. She thanked God almighty for the gift of life and for having sustained us through the difficult times of COVID-19. She appreciated the panelists for their rich insights from their different perspectives and for bringing the stakeholders to speed with the implications of the proposed amendments not only on the sector but also on the economy and other nexus sectors due to the co-benefits associated with access to energy. She appreciated the moderator for ensuring the smooth flow of webinar agenda.

She thanked the participants for participating and being part of the meeting, “without your presence we could not have had the fruitful discussion” stated Ms. Wanja.

The logo for ACCESS, featuring the word "ACCESS" in a bold, white, sans-serif font with rounded letterforms, set against a dark orange rectangular background.The text "Alliance of Civil Society Organisations for Clean Energy Access" in a white, sans-serif font, positioned on a dark blue rectangular background to the right of the ACCESS logo.

She appreciated the dedicated team who worked behind the scenes to make the webinar a success, with special thanks to the KCCWG secretariat, CCAK, ACCESS Coalition, CAFOD, Hivos, WWF-K and SEAF-K.

She urged the members to continue with discussions and keep the momentum, encouraging them to continue working in their small and big ways and having the last mile communities at heart. When overwhelmed or discouraged to always remember the story of the humming bird, not to relent but remain strong and steadfast.