

A Monthly from the East African Sustainability Watch Network founded by Uganda Coalition for Sustainable Development (UCSD), Tanzania Coalition for Sustainable Development (TCSD) and SusWatch Kenya

New Kenya Tax on Solar Products Could Obstruct Path to Universal Energy Access by 2022



President Uhuru K.
at the Garissa Solar
farm (Photo:
Standard Media)

Kenyan National Assembly on 23 June 2020, passed the 2020 Finance Bill that will result in the introduction of a 14% Value Added Tax (VAT) on off-grid solar products. The adopted Bill removed the current VAT exemption for “specialized equipment for the development and generation of solar and wind energy, including deep cycle batteries which use or store solar power upon the recommendation of the Cabinet Secretary responsible for matters relating to energy.” This in effect meant that, likely effective 1 July 2020, the status of solar equipment and accessories which were exempt would be subject to VAT at the rate of 14%.

According to Global Association for the off-grid solar energy (GOGLA), the introduction of VAT will result in an increase in price of solar equipment, as most companies will have no choice but to transfer this increase to the final consumer. This will have a significant impact on the ability of low-income households in Kenya to purchase solar powered equipment including the basic solar powered lights.

GOGLA and the local industry have been heavily involved in discussions and negotiations related to the introduction of the VAT over the last few months. A similar previous proposal to reintroduce VAT proposed by the National Treasury in April was rejected by the National Assembly through efforts of GOGLA and other stakeholders. This was on grounds that it would conflict with Kenya’s national priorities to realise universal energy access.

GOGLA also warns that this tax will erode Kenya’s progress made towards the achievement of universal energy access by 2022 and its development agenda to achieve the Sustainable Development Goal 7 which aims at ensuring access to affordable, reliable, sustainable and modern energy for all.

In the same way, the tax brings into question the sustainability of the well-established and unique PAYGo business model, together with an effective door-to-door distribution model that has created many jobs in the rural communities. In effect the tax is a threat to these jobs.

This aside, Kenya is well poised to make significant progress in bringing energy access to vast areas of the country through off-grid solutions that government already acknowledges cannot be served otherwise. Therefore, introduction of the VAT on solar products will hamper this progress in rural transformation including the improvements in quality of life for the hard-to-reach communities.

‘We remain confident that the government is still committed to realize universal energy access by 2022, as His Excellency President Uhuru Kenyatta reiterated at the 2020 Off-Grid Solar Forum in Nairobi’, concluded GOGLA, in a Policy Alert issued June 26, 2020. Over the next few weeks and months, GOGLA will continue to engage with the Kenya Government and all relevant stakeholders to pursue a suitable policy solution that will enable the off-grid industry to effectively help reach this goal.

JEEP Follows up Energy Trainees in the Aftermath of Floods and COVID-19 Lockdown in Nakasongola District



Trainee - Mr. Ssekadde from Kakooge with his new stove during follow up (photo: JEEP)

Joint Energy and Environment Projects (JEEP) is an implementing partner for the East African Civil Society for Sustainable Energy (EASE-CA) through practical interventions on clean cooking; access to water; introduction and access to solar energy; food security and income generating activities. JEEP's EASE&CA assignments are meetings, workshops, advisory services, development of solutions, as well as close follow up. From June 16 to 19, 2020 JEEP carried out training for 93 trainees (TOTs) selected from two sub counties (Nabisweera and Kakooge) that involved local leaders from 51 community groups.

These were exposed to both theory and practical sessions to equip them with knowledge and skills in construction of energy saving stoves using locally available materials. Trainees were also given stove construction manuals for further reference, molds to help them to make uniform stoves and Information Education and Communication materials

Despite the COVID-19 pandemic, JEEP conducted training follow ups after one month to check on the trainees' progress, quality of the stoves made and to provide technical back stopping if necessary, as well as encouraging the trainees to construct more stoves in their respective communities. The energy saving stoves are meant to reduce firewood consumption and time spent in collecting it or money spent on it (for those that have to buy firewood), as well as dropping occurrence of fire accidents and smoke related diseases.

However, in addition to the COVID-19 pandemic that has limited community meetings and actions due to less working hours and interactions, Nakasongola (Nabisweera Sub County) is one of the districts that have been affected by rising water levels in major lakes (Lake Kyoga). These have displaced about 717 people in the district and many of them are camping at schools and churches (*The Daily Monitor*, July 6, 2020).

The flooded roads made it difficult for communities to be trained by the trainees. In addition, this has made follow up exercise, expensive and time consuming. Worse still, some trainees that have been adversely affected by floods were forced to migrate from their homes to other safe places. "The floods have partly inconvenienced normal service delivery because several families have been displaced and forced to seek shelter in areas that are far from the health centre," according to the Nakasongola District Health Officer - Dr Agaba Byamukama (quoted by *The Daily Monitor*, July 6, 2020).

According to JEEP's September 2019 district baseline (Nakasongola, Nakaseke and Nebbi in Uganda), the major environmental problems and challenges in Nakasongola District are soil exhaustion, lack of soil conservation practices, overgrazing, Bush fires, deforestation, poor environmental health, low safe water coverage, inadequate environmental awareness, wetland degradation, lake exhaustion and inadequate institutional capacity in environmental management. According to the baseline, firewood was found out to be the most commonly used fuel for cooking accounting for 72% of the respondents.

The overall objective of the EASE&CA Project (2019 – 2022) is increased access to sustainable energy and other climate solutions for local communities in Kenya, Tanzania and Uganda. **Read more about progress of the EASE&CA Project from:** <http://inforce.org/africa/EASE.htm>

Civil Society Side-event Spotlights Importance of Local Climate and Energy Solutions in East Africa



The International Network for Sustainable Energy (INFORSE) in collaboration with Solar Cookers International (SCI), All India Women Conference (AIWC), Grameen Shakti, INSEDA, India; CRT, Nepal; IDEA, Sri Lanka; Suswatch Kenya; Uganda Coalition for Sustainable Development (UCSD) & Joint Energy and Environment Projects (JEEP), Uganda; TaTEDO, Tanzania organized a virtual side event on July 15, 2020. This was part of the High Level Political Forum (HLPF 2020) on sustainable development that was held from 7 July to 16 July with a theme "Accelerated action and transformative pathways: realizing the decade of action and delivery for sustainable development".

The side-event titled: 'Local Sustainable Energy and Climate Solutions in East Africa and South Asia, 100% Renewable Scenarios', had presentations on local sustainable energy and other climate solutions: improved cookstoves & water mills, solar cookers, solar dryers, biogas, solar home systems, solar street light, organic farming, rainwater tank; the Eco-Village Development Concept; and the 100% renewables scenarios.

From Uganda, Kimbowa Richard (UCSD) highlighted the challenges of access to sustainable energy technologies and services as well as the swelling vulnerability of the poor communities due to climate change in East Africa. He pointed out that East African CSOs: UCSD, JEEP, Centre for Sustainable Energy Services (TaTEDO) and SusWatch Kenya who are members of INFORSE – East Africa, are now cooperating on the East African Civil Society for Sustainable Energy and Climate Action (EASE&CA) Project (2019–2022), in partnership with INFORSE Network secretariat & the Nordic Folkecentre for Renewable Energy (Denmark) with support from CISU (Denmark). He noted that the key results and future actions under the EASE&CA Project include sustaining CSO Voice through policy briefs and other publications that are shared with other actors at national, regional and global levels. Also the Project seeks to strengthen and mobilize communities, local leaders, NGOs and CBOs to take up local climate and energy solutions; as well as amplifying knowledge and information exchange amongst CSOs on climate action and sustainable energy options.

From Tanzania, Mary Swai (TaTEDO) elaborated on the Catalogue for East Africa Local Sustainable Solutions that is under preparation as part of the EASE&CA Project. She noted that the Catalogue that will be made available online and in print for ease access, presents local solutions which are popular in East Africa and used by more than 1000 people. It will provide details on social and economic benefits of the technology, costs for construction, lifespan, problems and limitations, motivation for success, contribution to climate effect, financing models, business models and short video on construction and how it works.

From Kenya, Justus Munyoki (SusWatch Kenya) gave an update on the 100% Renewable Energy Plan for Kenya by 2050 to be launched in August 2020. He provided a snapshot of this forthcoming report, pointing out the energy status in Kenya including potential for renewables, Kenya's demand for energy, and the proposal for a 100% Renewable Energy Development for Kenya. Among others, the Report proposes a need to double the efficiency of charcoal production and to strengthen energy efficiency.

The side event proceedings are available, including downloadable pdf format presentations (from East Africa and South Asia) from: [www.inforse.org/INFORSE at HLPF2020.php](http://www.inforse.org/INFORSE_at_HLPF2020.php)