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# Report Launch: Economic Impact Assessment of VAT and Import Duty on SAS Products

Kenya through the Kenya National Electrification Strategy (KNES), 2018 identified Stand Alone Solar (SAS) as a preferred mode to electrify 1.9 million households by 2022 while recognizing that affordability would be a core barrier in this regard.

In a setback to the sector, 2020 saw the introduction of new taxes in the form of VAT and some import duties on renewable energy products including off-grid solar solutions. Existing VAT exemptions for stand-alone solar products were removed through amendments to the Value Added Tax Act, No. 35 of 2013 that was enacted through the Finance Act, 2020. In addition, Legal Notice No. EACC/89/2020 removed import duty exemptions for some stand-alone solar products through amendments to the East Africa Community Customs Unions Management Act, 2004.

The Africa Clean Energy Technical Assistance Facility (ACE TAF) has been working to support the Kenya Renewable Energy Association (KEREAA) and GOGLA - with the support of the Ministry of Energy to conduct an economic impact assessment on the impact of VAT and import duty on SAS products. The assessment considered the impact on both energy access and more specifically tax revenues and economic gains for the country.



Impact of VAT and Import Duty on the Stand-Alone Solar Sector in Kenya



Economic Impact Assessment on Removal of Tax Exemptions on Stand-Alone Solar Products in Kenya



GOGLA