The Government of Kenya has joined the Government of Rwanda, as the second nation in the East African Community (EAC) to exempt clean cookstoves from VAT. The Finance Committee of the Kenya Parliament was compelled by the strong health, economic and especially environmental benefits of clean cookstoves. The Finance Bill 2016, which was signed by President Uhuru Kenyatta on the 13th of September, also has a provision for the exemption of stove parts and raw materials, for those who manufacture cookstoves within Kenya. The cookstove VAT exemption is expected to level the playing field and increase the adoption of clean cookstoves in Kenya that suffers from continuous and severe deforestation.

The VAT exemption came in addition to a recent EAC duty reduction on clean cookstoves, which went from 25% to 10%, which was initiated by EEP Beneficiary BioLite, which manufactures and distributes an innovative woodstove that is 90% smoke-free, 50% more fuel efficient and that also charges a phone or an LED light from an inbuilt USB port in the stove. The VAT exemption proposal in Kenya was initiated by the the Clean Cookstove Association of Kenya (CCAK), which brought together a range of other stakeholders in the sector, including other cook stove manufacturers such as the EEP beneficiary Burn Manufacturing that since 2013 have sold over 200,000 cookstoves and changed the lives of 1,000,000 people.

The VAT exemption is expected to be really big for the cookstove industry which expects volumes to increase by ~10%.