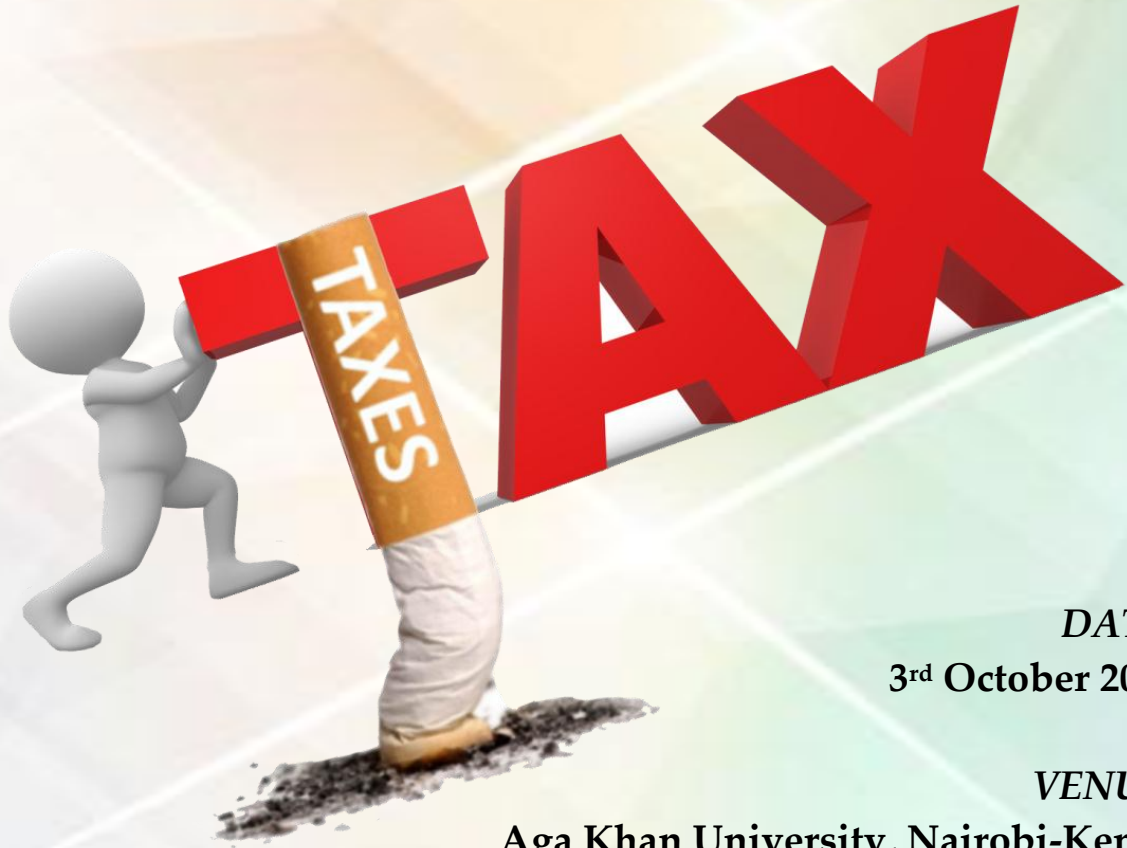


TOBACCO TAXATION CONFERENCE



DATE:
3rd October 2023

VENUE:
Aga Khan University, Nairobi-Kenya

THEME:
Tobacco Tax Reforms for Optimal Health
and Socio-economic Benefits

CONCEPT NOTE

Organized by:-



BACKGROUND



Governments across the globe face adverse consequences of tobacco use and over 8 million people die annually from tobacco-caused diseases¹. In Kenya, more than 8,100 individuals die annually. As a result, there are both global and domestic initiatives to control the use of tobacco². Locally, the government has over time put in place

institutions, policies and reforms for controlling the use of tobacco. However, amidst these tools, Kenya is still one of the highest consumers of tobacco in sub-Saharan Africa (SSA) in per person terms. Insufficient financial resources for tobacco control is one of the most frequently reported constraints affecting the operations of established institutions and the implementation of interventions on tobacco control. This implies the need to enhance domestic resource mobilization – among other interventions. Numerous studies indicate that tax policy is a key avenue for resource mobilization. Specifically, higher taxes on tobacco products is the most effective tool in reducing tobacco consumption and consequently improving public health while also increasing government revenues that can be used to fund health, priority national investments and programmes.

Conversely, Kenya is still grappling for answers regarding an improved tax structure for cigarettes that ensures the achievement of public health objectives without compromising tax revenues. The choice of the most appropriate tax can lead to the desired result of reducing the consumption of tobacco, curtailing non-communicable diseases and promoting public health in general³. Other pertinent issues to stakeholders including the government are the impacts of taxes on employment, health and smuggling.

It is against this backdrop that the National Taxpayers Association⁴ together with partners who advocate for tobacco control have planned to host a conference themed *'Tobacco Tax Reforms for Optimal Health and Socio-economic Benefits'*.

¹ <https://www.who.int/activities/raising-taxes-on-tobacco>

² NTA Website, 2023. Available at <[Policy Brief Tobacco Tax.pdf \(nta.or.ke\)](https://www.nta.or.ke/PDF/Policy%20Brief%20Tobacco%20Tax.pdf) > Accessed on 3rd July 2023

³ [WHO technical manual on tobacco tax policy and administration](https://www.who.int/publications-detail/who-technical-manual-on-tobacco-tax-policy-and-administration) > Accessed on 3rd July 2023

⁴ NTA Website, 2023. Available at <https://www.nta.or.ke/> Accessed on 14th August 2023



CONFERENCE FOCUS

The conference theme *'Tobacco Tax Reforms for Optimal Health and Socio-economic Benefits'* offers a platform for engagement on how to leverage progressive reforms in tobacco taxation to support the health sector and socio-economic wellbeing of the public. Tax reform remains key in strengthening policy measures that can concurrently save millions of lives, reduce poverty, and increase countries' domestic resources for financing development⁵. Despite the progress made in global recognition of the importance of tobacco control in the development agenda and to the protection of public health, new tobacco control challenges are constantly arising. Tobacco industry interference continues to be considered by countries as the most serious barrier to progress. Other challenges include emerging tobacco products and their increase in sales volume. Lastly, investing in tobacco control is pivotal to achieving poverty reduction and economic growth and to countering the Non-Communicable Diseases (NCD) epidemic. The conference will therefore focus on unpacking how tobacco tax reforms can support the transformation of the health and socio-economic status of Kenya.



Thematic Overview

With the above considerations in mind, the Conference proposes to address the following thematic streams through three identified sub-themes:

Sub-theme 1: Best Practices in Tobacco Taxation

There is enough evidence that significantly increasing tobacco excise taxes and prices are the single most effective and cost-effective measure for reducing tobacco use⁶. Further, Article 6 of the WHO Framework Convention on Tobacco Control⁷ supports this approach as a way of reducing demand for Tobacco products. In addition, the raising of tobacco tax results in increasing tobacco prices and reducing tobacco consumption hence accruing benefits to the government in the form of revenue and on the other hand to public health through reduced tobacco-related diseases. With the expansion of government expenditures for development and the potential of widening

⁵ <https://www.imf.org/external/np/exr/ib/2000/120100.htm>

⁶ [WHO report on the global tobacco epidemic 2021: addressing new and emerging products](#)

⁷ [WHO Framework Convention on Tobacco Control](#)

fiscal deficit⁸, Kenya is crucially in need of focusing on the channels of tax revenue generation. Tobacco, as an excisable product, hence stands as a potential source of higher revenue through its taxation and at the same time serves the public health goal by reducing tobacco consumption considerably.

Conversely, the progress in Kenya has been inconsistent, for instance, the current Finance Act, 2023, repealed Section 10 of the Excise Duty Act, 2015, on inflation adjustment. Informed by past tobacco tax policy changes and their effects on cigarette consumption and revenue in Kenya⁹, the Finance Act 2023 might negate the gains made towards a harmonized tax system and ultimately incur greater losses in public health via higher levels of cigarette consumption and smoking prevalence as well as lowered levels of revenue.¹⁰ It is therefore of greater interest to understand the current taxation regime and how it can be improved. This sub-theme aims at specifically covering discussions on the impact of taxes on tobacco use, earmarking revenues for tobacco control, industry price marketing, myths and facts, and a summary and impact of a tax increase in Kenya.

⁸ Odero et al., 2015

⁹ Cigarette Taxation in Kenya at the Crossroads: Evidence and Policy Implications, 2015. Available at <https://tobaconomics.org/files/research/272/Nargis_ITC_Cigarette_Taxation_in_Kenya_Report_10-29-15.pdf> Accessed on 8th June 2023

¹⁰ Cigarette Taxation in Kenya at the Crossroads: Evidence and Policy Implications, 2015. Available at <https://tobaconomics.org/files/research/272/Nargis_ITC_Cigarette_Taxation_in_Kenya_Report_10-29-15.pdf> Accessed on 8th June 2023

Sub-theme 2: Intersection between Social Justice and Tobacco Tax Reforms

Social justice recognizes the need for the 'the distribution of wealth, opportunities, and privileges within a society'¹¹. The connection between tobacco tax reforms and social justice intersected when auditing the common tobacco risk factor amongst Non-Communicable Diseases (NCDs), women's rights and environmental justice¹². For instance, the tobacco-related burden of disease and death has shifted from high-income countries to lower-income countries, with over 80% of the world's 1.3 billion tobacco users now living in low-income and middle-income countries¹³. This can be attributed to tobacco industry marketing, industry influence in policy making and aggressive litigation tactics.

Kenya is a middle-income country, there is a need to understand how tobacco tax reforms can be able to safeguard its citizens and ensure that progress is made towards a more socially equitable society.



¹¹ Oxford L. Available at: <https://www.lexico.com/definition/social_justice> Accessed on 14th August 2023.

¹² <<https://tobaccocontrol.bmj.com/content/31/2/352>> Accessed on 14th August 2023.

¹³ World Health Organization. Available: <[Tobaccohttps://www.who.int/news-room/factsheets/detail/tobacco](https://www.who.int/news-room/factsheets/detail/tobacco)>Accessed on 14th August 2023.

Sub-theme 3: Tobacco Taxation and Health – Care Financing

Evidence shows that a well-administered tobacco tax leads to the desired result of reducing consumption and its crippling health consequences, and not producing the terrible economic outcomes often portrayed by the tobacco industry¹⁴. Increased taxes and prices for tobacco benefit governments by increasing revenues, which can then be used for state services, such as healthcare. This sub-theme aims at understanding the win-win result of reducing consumption and increasing revenues through taxing tobacco, when governments face increasing needs to find new ways to fund spending, particularly for health care.

Organization and Structure

The conference will be very interactive in nature and held in the form of plenary sessions and panel discussions. It will be moderated by specialists in the field and aimed at maximizing the involvement of the participants. The conference will last for a day, specifically involving the below activities:

- Opening ceremony
- Keynotes by government heads and policymakers in the field;
- Research paper presentation - the NTA will present a research paper on novel tobacco products in Kenya;
- Tobacco Excise Tax Simulation Model for Kenya - the University of

Cape Town (UCT) who supported in the development of the model will take lead in the discussion;

- Dynamic Plenary sessions to encourage broad participation; and
- Networking opportunities



Conference output

The conference is expected to yield the following outputs that will be developed further in cooperation with the stakeholders that will attend the conference:

- i. Develop actionable policy recommendations that CSOs can advocate for to adopt a better tobacco taxation regime;
- ii. Develop actionable policy recommendations for health financing and social justice;
- iii. The launch of the Tobacco Excise Tax Simulation Model for Kenya; and
- iv. Knowledge sharing and experience exchange amongst the tobacco control advocates.

¹⁴ https://apps.who.int/iris/bitstream/handle/10665/44316/9789241563994_eng.pdf;sequence=1 >Accessed on 14th August 2023.

Audience and Venue

The conference aims at bringing together representatives of government ministries and government agencies, civil societies, policy consultants, academicians, media practitioners, representatives of professional associations and students. Though the webinar will be a hybrid one, the in-person attendees will be selected from those who advocate for tobacco control.

The conference will be held at the Aga Khan University (Nairobi) on 3rd October 2023.

Click to register: [Registration Form](#)

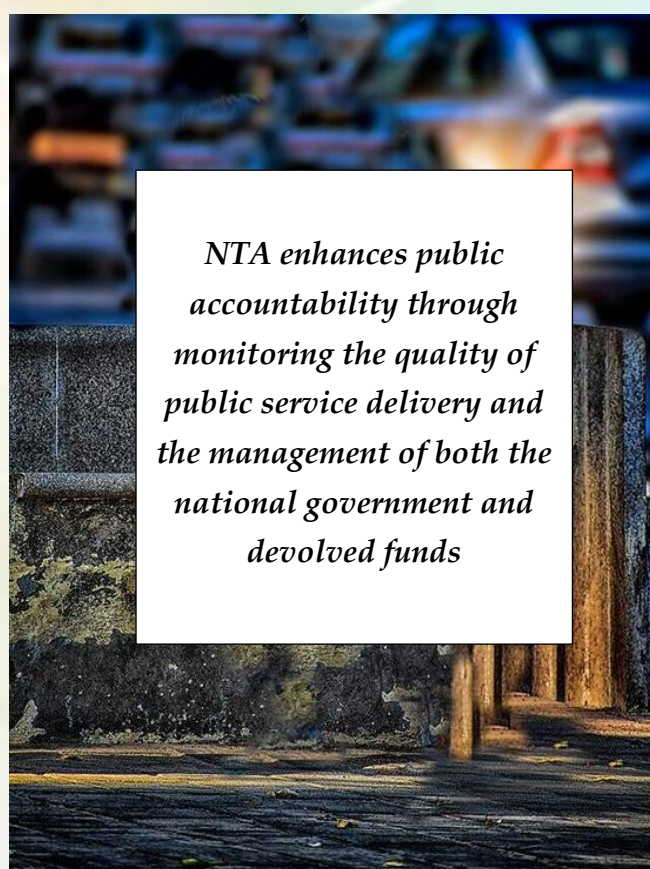
About The Conference Organizer



The National Taxpayers Association

National Taxpayers Association¹⁵ (NTA) is an independent, non-partisan organization focused on promoting good governance in Kenya. Since 2006, NTA has been implementing programmes focused on enhancing public accountability through

monitoring the quality of public service delivery and the management of both the national government and devolved funds. It has achieved this through the development of social accountability tools (Citizen Report Cards (CRCs)), civic awareness, citizen capacity-building, and partnerships with government agencies, service providers, the private sector, civil society and community action groups.



NTA enhances public accountability through monitoring the quality of public service delivery and the management of both the national government and devolved funds

¹⁵ NTA Website, 2023. Available at <<https://www.nta.or.ke/>> Accessed on 3rd July 2023

For further information about the Conference you can contact us via;

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