



African Population and
Health Research Center

EVIDENCE BRIEF



PROMOTING HEALTHIER DIETS IN KENYA THROUGH FISCAL POLICIES

Purpose of the Evidence Brief

This evidence brief presents lessons from countries that have successfully implemented fiscal measures to promote healthy diets. It provides policy recommendations to guide the adoption and implementation of similar measures in Kenya, addressing the burden of non-communicable diseases (NCDs).

Methodology

This evidence brief was developed through a comprehensive desk review of credible online resources, including systematic reviews on fiscal policies, peer-reviewed literature, and key guidance documents from the World Health Organization.

Background

Kenya, like many Low and Middle-Income Countries (LMICs), faces a rising burden of non-communicable diseases (NCDs) such as obesity, diabetes, cancers and heart diseases. This challenge stems from a significant shift in dietary patterns toward processed foods high in sugar, salt, and unhealthy fats, which are aggressively being marketed. The 2022 Kenya Demographic and Health Survey (KDHS) indicated that **20% of the population** reported consume sugary drinks daily, while

**20% of Population
Consume Sugary Drinks Daily**

70.4% and **34.5%** of women aged **15–49** consume sweetened beverages and unhealthy foods respectively.¹

70.4% Men | **34.5% Women**
of 15 - 49 Years Old
Consume Sweetened Beverages & Unhealthy Foods

Another national population study, the STEPS Survey 2015, shows that only **5% of the population** meets the recommended fruit and vegetable intake, while over **40% regularly consume unhealthy foods**. This unhealthy food consumption trend has a significant impact on population health outcomes as revealed by the Global Burden of disease study in 2017, highlighting diet as the leading behavioural risk factor for deaths worldwide. Currently, **50% of hospital admissions** and **55% of hospital deaths** in Kenya are attributed to NCDs². In terms of economic burden, Kenya was estimated to have lost approximately **Ksh 230 billion in 2016** due to medical expenditures and indirect productivity losses, equivalent to **3.4 percent of its GDP**. These losses are projected to increase to **KSh 607 billion by 2030** if no interventions are put in place.³

1 Ministry of Health. (2022). Kenya Demographic and Health Survey (KDHS), 2022. Nairobi: Government of Kenya. <https://dhsprogram.com/pubs/pdf/PR143/PR143.pdf>

2 Government of Kenya. (2020). Non-communicable diseases (NCD) strategic plan 2020/21–2025/26. Ministry of Health.

3 Mensah, Julia, Julius Korir, Rachel Nugent, and Brian Hutchinson. 2020. "Combating Noncommunicable Diseases in Kenya: An Investment Case." Development Knowledge and Learning. World Bank, Washington, DC. License: Creative Commons Attribution CC BY 3.0 IGO.



Fiscal policies, particularly taxes on unhealthy foods and beverages, are globally recognized as effective tools to reduce the consumption of harmful products, encourage industry reformulation, and generate revenue for health initiatives⁴. These measures include taxes, levies, and sometimes subsidies designed to raise the price of nutrient-poor items or encourage the sale of healthier alternatives. The World Health Organization (WHO), through its 2022 Manual on Sugar-Sweetened Beverage Taxation Policies to Promote Healthy Diets and 2024 Fiscal Policies to Promote Healthy Diets, strongly recommends such interventions to combat obesity and related diseases⁵. One of the challenges countries face is the legislation and implementation of such taxes, as well as industry interference.

Context

Kenya currently imposes a considerably low excise duty rates on sugar-sweetened beverages (SSBs)⁶, and this measure does not extend to other prepackaged foods high in sugar, salt, or fat. This narrow application limits the effectiveness of fiscal policies in tackling the growing burden of diet-related non-communicable diseases. There are frameworks and guidelines on which diet-related fiscal measures in Kenya are anchored. The Constitution of Kenya, 2010 provides a robust legal framework for such fiscal measures. The human rights provisions (Articles 43 (1) (a), 46, and 53(1)(c)) uphold the rights to health, consumer protection, and nutrition respectively, supporting government action to regulate unhealthy foods.

Additionally, the public finance provisions (Articles 201, 209, and 210) on principles of public finance, powers to impose taxes, and the imposition of taxes authorize the national government to impose taxes such as excise tax and value-added tax (VAT), provided these are implemented transparently and with public participation. Collectively, these constitutional principles justify and empower the national government to introduce and enforce taxes aimed at reducing the consumption of unhealthy foods while protecting vulnerable populations, especially children.

Recently, the Ministry of Health in collaboration with various government agencies developed the Kenya Nutrient Profile Model (KNPM), a technical document that provides a scientifically grounded method for classifying foods and beverages based on their nutritional quality. The KNPM is essential for categorizing foods and providing nutrient thresholds which will be integral in designing and implementing effective tax measures. The revenues generated from such taxes could be reinvested in public health initiatives.

Understanding the Taxing Model

Fiscal policies such as taxes come in different forms and rates, including value-added taxes (VATs), excise taxes, and import tariffs⁷. Tax policies can effectively increase the prices of unhealthy foods such as those with high levels of sugar, salt, and unhealthy fats. These taxes are designed to raise product costs of unhealthy foods with the goal of making them less appealing to consumers. One common type which has been used to achieve this goal is the excise duty taxes. Excise duty taxes can be structured in different forms which include ad valorem tax (based on a product value) or specific tax (which is a fixed fee based on quantity/quality content of the product). They can also be applied uniformly or in tiered systems, and are frequently used in public health to reduce the consumption of harmful products⁸. Tariffs, another form of consumption tax, apply only to imported goods, making them more expensive than locally produced items⁹. However, tariffs are not typically considered a health tax because they don't affect local prices and primarily influence production locations rather than consumption patterns. Historically, tariffs have been used in countries with limited domestic food processing or weak tax systems to regulate unhealthy food and beverage imports¹⁰.

In addition to imposition of taxes, subsidies can encourage healthier choices by lowering prices through discounts. For instance, subsidizing the promotion costs of healthier products through traditional and modern forms of advertisements goes a long way to shaping healthy feeding patterns for Kenyans,¹¹.



4 Organization for Economic Co-operation and Development (OECD). (2015). Fiscal Policies for Diet and Prevention of Noncommunicable Diseases. https://www.who.int/docs/default-source/obesity/fiscal-policies-for-diet-and-the-prevention-of-noncommunicable-diseases-0.pdf?sfvrsn=84ee20c_2

5 WHO manual on sugar-sweetened beverage taxation policies to promote healthy diets, <https://www.who.int/publications/item/9789240056299>

6 Excise Duty Act, Cap 472 Laws of Kenya First Schedule (Part 1)- non-alcoholic beverages are levied KES 6.41 per litre. https://new.kenyalaw.org/akn/ke/act/2015/23/eng@2024-12-27#att_1_part_1

7 Dogbe, W., Akaichi, F., Rungapamestry, V. et al. Effectiveness of implemented global dietary interventions: a scoping review of fiscal policies. BMC Public Health 24, 2552 (2024). <https://doi.org/10.1186/s12889-024-19988-4>

8 Fiscal policies to promote healthy diets: policy brief, WHO 2022

9 Q&A on Nutrition-Related Excise Taxes, World Bank - <https://openknowledge.worldbank.org/server/api/core/bitstreams/983abd-fc-efdf-4e68-a5b7-e1c2fc6d1e24/content>

10 Q&A on Nutrition-Related Excise Taxes, World Bank - <https://openknowledge.worldbank.org/server/api/core/bitstreams/983abd-fc-efdf-4e68-a5b7-e1c2fc6d1e24/content>

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Evidence on the Impact of Fiscal Policies to Promote Healthy Diets

Modeling studies suggest that taxes on less healthy foods and beverages would lead to positive dietary changes, and there is growing evidence from country experiences of the benefits of implementing such taxes¹². Several countries have introduced sugar-sweetened beverage (SSB) taxes to improve public health, with the United Kingdom's Soft Drinks Industry Levy (SDIL) standing out for its tiered design based on sugar content. Implemented in 2018, the SDIL prompted early reformulation by manufacturers, resulting in a reduction of the sugar content in soft drinks and leading to significant declines in sugar consumption, even as overall drink purchases increased slightly. Sales of taxed drinks dropped by 50%, while untaxed options rose by 40%, with studies estimating a 6,600-calorie annual reduction per person due to the levy¹³.

In 2018, South Africa introduced the Health Promotion Levy, a tax on sugar-sweetened beverages (SSBs) aimed at reducing rising sugar intake and non-communicable diseases. The SSB tax, applied at a rate of **2.1 cents per gram of sugar beyond 4g/100mL**, has shown impressive results. Daily sugar intake from beverages fell from **28.8g to 19.8g per person**, and average consumption volumes declined by **37%**. These outcomes demonstrate that well-designed taxes can significantly reduce sugar consumption and support broader public health goals¹⁴.

In Barbados, the introduction of a **10% excise tax** of the producer price on SSBs in 2015 resulted in a **4.3% decline in purchases of taxed beverages** and a **5.2% increase in healthier, untaxed alternatives**. Similarly, Chile's 2014-tiered tax structure, which raised rates on high-sugar drinks while lowering them on low-sugar options, resulted in a **21.6% decline in sales of the most sugary beverages**, alongside increased consumption of lower-sugar products. Chile employs a tiered system linking sugar thresholds to ascending tax rates, prompting manufacturers to reduce sugar content to avoid the highest tiers¹⁵. Both cases highlight how fiscal policy can influence consumer choices toward healthier beverages¹⁶.

Mexico introduced a one-peso-per-liter excise tax on sugar-sweetened beverages in 2014, leading to an average **7.6% drop in purchases within two years**, primarily among low-income households^{17, 18}.

Ghana, in 2023, passed the Excise Duty Amendment Act in April. This law imposes a **20% excise tax** of the product's price on sweetened beverages, as well as other products, including fruit juices, energy drinks, and carbonated beverages¹⁹. The tax is part of the government's efforts to improve public health by reducing the consumption of SSBs, which are linked to non-communicable diseases like obesity and type 2 diabetes. The tax is also intended to increase individual healthcare savings and promote the health of Ghanaians, particularly children.

Key Observations on the Outcomes of Fiscal Policies to Promote Healthy Diets

Much of the evidence available focuses on the effects of sugar-sweetened beverage taxes, with countries reporting positive outcomes such as, reduced purchase or consumption for Barbados, and product reformulation and revenue generation by the United Kingdom.

Well-designed fiscal policies can significantly reduce sugar intake and support NCD prevention, as in the case of South Africa.

Recommendations for Kenya

- 1. Enact a Health Promotion Levy on Unhealthy Products** - The government should impose a levy on sugar-sweetened beverages and processed foods exceeding defined sugar, salt and fat thresholds to reduce consumption and encourage reformulation.
- 2. Earmark Health Tax and Levy Revenue for Health Promotion** - Allocate all levy proceeds to fund NCD prevention, health education, primary healthcare, and healthy food programs, especially the school meals program.
- 3. Incentivize Healthy Food Promotions** - Introduce tax incentives for the promotion and advertising of healthy, fresh-from-farm products in mainstream media to encourage healthier eating habits in Kenya.
- 4. Develop a Monitoring and Evaluation Framework** - The framework will help assess and understand the effectiveness of fiscal policy.

12 Fiscal policies to promote healthy diets: WHO guideline, <https://www.who.int/publications/i/item/9789240091016>

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Conclusion

Kenya has a clear opportunity to strengthen its food environment and reduce the NCDs burden by expanding fiscal policies targeting unhealthy foods. With robust legal backing, institutional capacity, and political will, Kenya can adopt evidence-based fiscal measures that not only curb non-communicable diseases (NCDs) but also promote economic resilience and health equity. A coordinated, multisectoral approach involving key stakeholders is key to making this a reality.



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The
**ROCKEFELLER
FOUNDATION**

Canada

Funding for this project was provided by the **International Development Research Centre (IDRC), Canada, and Rockefeller Foundation** to **APHRC**



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