

Workshop: Advancing tobacco taxes in Latin America

28-30 October 2024

Developing a Tobacco Tax Implementation Roadmap

The objective of this activity is to create strategic roadmaps to advance ongoing tobacco tax reforms, addressing challenges, refining policies, and ensuring continued progress based on simulation studies and real-world experiences.

To develop the Tobacco Tax Implementation Roadmap, follow these instructions:

1. **Current status of tobacco tax policy in your country**
 - Identify the main characteristics of your country's tobacco tax policy: taxable products, type, tax structure, tax base, rates, tax share.
 - Assess the alignment of current tax policy with best practices

Resources: PAHO/WHO country profile, national legislation, chart of best practices

Best practices	Country current status (Fully compliance, partial compliance, not-compliance)	Comments
Tax share is 75% - level of tax share		
Affordability trend has been reduced		
Simple tax structure (e.g., uniform tax)		
Tax all tobacco products in a comparable way		
Rely more on specific tobacco excises		
Automatically adjust specific tobacco taxes for inflation and income growth		
If ad valorem excise tax is applied, retail price is used as tax base		
Tobacco taxes have been increased significantly over last years		

2. **Goal and Vision**
 - *Based on the previous analysis, set the shared objective of the tobacco tax policy that meets both health and revenue objectives.*

3. Evidence-Based Policy Design

- Design a tobacco tax policy based on the established objectives and vision taking into account best-practices

Component of tobacco tax policy	Tobacco tax policy proposed	How the proposed element contributes to the objective of tobacco tax policy
Tax structure		
Taxable products		
Specific excise tax		
Automatic adjustment - specific tobacco taxes		
Ad valorem tax (if applicable)		
Tax rate (increase)		

4. Stakeholder Engagement and Consensus Building

- Identify key stakeholders, including government agencies, advocacy groups and other relevant actors; (b) create an engagement plan to secure stakeholders buy-in.

Resources: guiding questions and chart of stakeholders

Guiding questions – stakeholder analysis
<ol style="list-style-type: none"> 1. Who are the key stakeholders involved in the current tobacco tax agenda? Identify the main policymakers, influential stakeholders who can sway decisions, and those who provide expert information or shape discussions on tobacco taxation. 2. Which stakeholders support or oppose the tobacco tax agenda? Categorize stakeholders based on their stance—who advocates for higher tobacco taxes, who opposes them, and who remains neutral or undecided. 3. What motivates stakeholders' positions on tobacco taxation? Explore the underlying beliefs, interests, or agendas that shape each stakeholder's position on tobacco tax policies. Are their motivations economic, public health-related, or political? 4. How much power or influence do the identified stakeholders wield? Assess the relative influence of each stakeholder in shaping tobacco tax policies. Who holds the power to initiate, block, or modify decisions? 5. What incentives or pressures are stakeholders responsive to? Determine which types of incentives—whether material, reputational, or value-based—are most likely to affect each stakeholder's behavior regarding tobacco tax increases. 6. What barriers or challenges do stakeholders perceive in implementing tobacco tax reforms? Identify any bottlenecks, challenges, or missing elements stakeholders believe hinder progress on the tobacco tax agenda. 7. What could shift stakeholders' positions to support tobacco tax increases? For those who have previously opposed or been indifferent to tobacco tax hikes, what changes—whether in the policy environment, incentives, or external factors—might encourage their support now?

Stakeholders	Type of stakeholder: 1) policymaker, 2) influence decisions, or 3) inform discussions	Level of power / influence	Oppose or support tobacco tax agenda	How to approach these stakeholders



5. Identify necessary actions for effective implementation

- List proposed actions

Resources: examples of proposed actions

- Create a joint working group between the Ministry of Finance and the Ministry of Health to develop a tobacco tax policy proposal.
- Identification of research center to generate evidence that counter arguments against tobacco taxes.
- Formulate a comprehensive tobacco tax proposal.
- Share and discuss tobacco tax proposals with regional and global experts.
- Present the tobacco tax proposal with the Ministry of Finance.
- Ministry of Finance will send the tobacco tax proposal to the congress.

6. Implementation Planning

- Comprehensive implementation plan with roles and responsibilities clearly defined. See chart below.

Actions	Timeline (months)	Lead Ministry	Key Milestones	Needs