

PROMOTING HEALTH THROUGH FISCAL MEASURES:

An overview of WHO's
work on health taxes

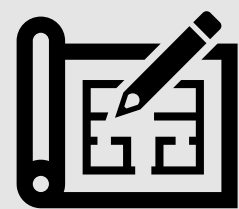


“One of the WHO’s highest priorities is to support countries to promote health and prevent disease by addressing its root causes. Compelling evidence demonstrates that one of the most effective ways to do this is to use health taxes to reduce the consumption of unhealthy products ... Health taxes can help reduce the deaths of the more than 40 million people who die annually from non-communicable diseases caused largely by a combination of tobacco, alcohol and unhealthy diets.”

Dr Tedros Ghebreyesus, WHO Director General



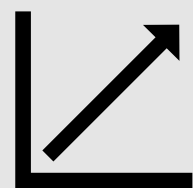
Technical assistance



**Partnerships and
networks**



Guidance and tools



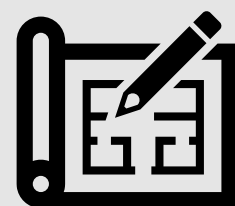
OUR WORK **HEALTH TAXES**

Countries are increasingly interested in using health taxes (or “sin taxes”) to achieve their health, revenue and equity objectives and require assistance with designing, framing, implementing and administering these fiscal measures for health.

Working at three levels, WHO’s response builds on its unique methodological expertise, technical capacity and country-level relationships established over more than a decade of working on tobacco taxation with partners.



How we work:
WHO with Ministry of Finance, Republic of
Indonesia



WHO's assistance with the Ministry of Finance of the Republic of Indonesia has led to the continued reduction of tax tiers for tobacco products, as well as opening doors for other health taxes to be considered in the country.

HOW WE WORK

TECHNICAL ASSISTANCE

WHO has extensive experience in helping governments seeking to adopt, reform or evaluate health tax measures.

We engage with and foster collaboration among key stakeholders including health, finance, and legislature.

Wide range of support offered, including:

- ✓ Excise tax system diagnostics
- ✓ Country- specific modelling
- ✓ Research and how to counter industry arguments



HOW WE WORK

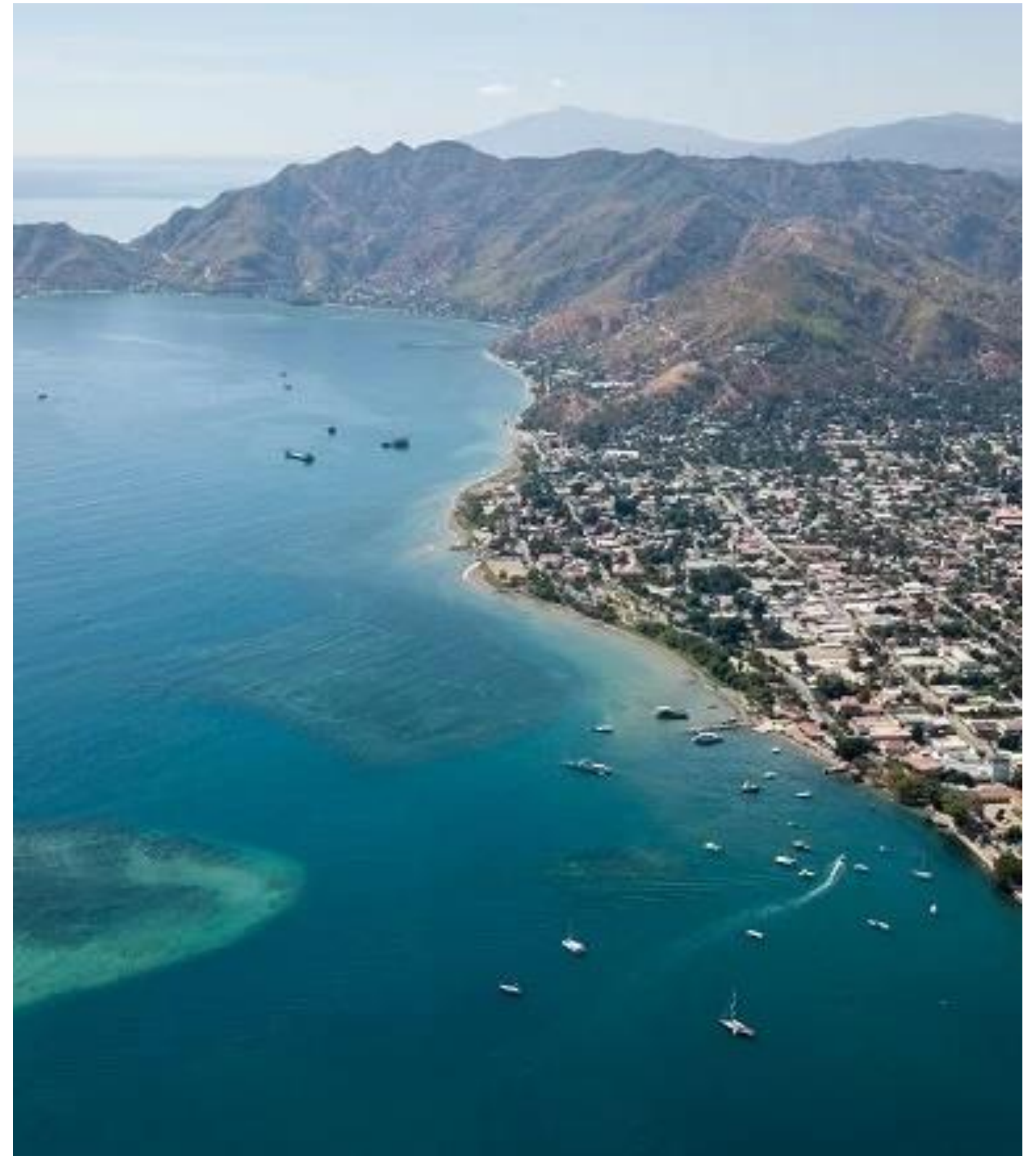
TECHNICAL ASSISTANCE

WHO conducts in-country Technical Assistance to countries interested in furthering health tax reforms, building on tobacco tax work. These work would involve discussions at the technical level as well as with higher level officials, including Parliamentarians.



Country Engagement: Timor-Leste

- WHO working at three levels provided support including economic modelling which became the basis of the country's decision to raise tobacco taxes.
- Excise taxes in Timor-Leste increased dramatically from US \$19/kg in December 2021 to US \$50/kg in January 2022, and US \$ 100/kg in January 2023
- Timor Leste also increased excise on alcohol and introduced a new excise of SSBs of US \$ 3/litre.
- Tax increases in Timor-Leste has led to the increase in the retail price of cigarettes - from US \$2.00 in 2020, to US \$2.25 in 2022, and US \$ 3.50/pack in 2023
 - Share of retail price increased
 - 2020 - 21.8%
 - 2022 - 47.2%
 - 2023 - 59.8%



Capacity Building: Philippines

- WHO provides continuing technical support to the Philippines, including capacity building.
- Importance of political will at the highest level and framing the reform as a health measure.
- Whole of government approach with finance and health officials working closely together with civil society.
- How success in tobacco tax reform leads to other unhealthy products being taxed, ie. sugar-sweetened beverages, heated tobacco products and nicotine products.



Partnerships and networks



HOW WE WORK

RAISE PROFILE OF HEALTH TAXES

WHO provides global leadership and strengthens multisectoral collaboration among partners and players in the global health taxes arena



Inter-agency working group



WHO-IPU collaboration



WHO-ASEAN Engagement



Inter-Agency Working Group (IAWG)

- Is an informal partnership of co-equal agencies bound together by a common goal of advancing the health taxes agenda
- Aims to strengthen collaboration among the various global partners working in health taxes by:
 - ✓ Raising the profile and awareness of health taxes as an effective health and domestic resource mobilization intervention, particularly among policy makers in low- and middle-income countries;
 - ✓ Helping ensure that knowledge products which partners produce are aligned in terms of substantive and advocacy content;
 - ✓ Providing a platform to coordinate and support technical assistance to countries.



Partnerships and networks

How we work: Session on Health Taxes during Parliamentarians' Assembly organized by WHO



HOW WE WORK ENGAGE PARLIAMENTARIANS



World Health Organization



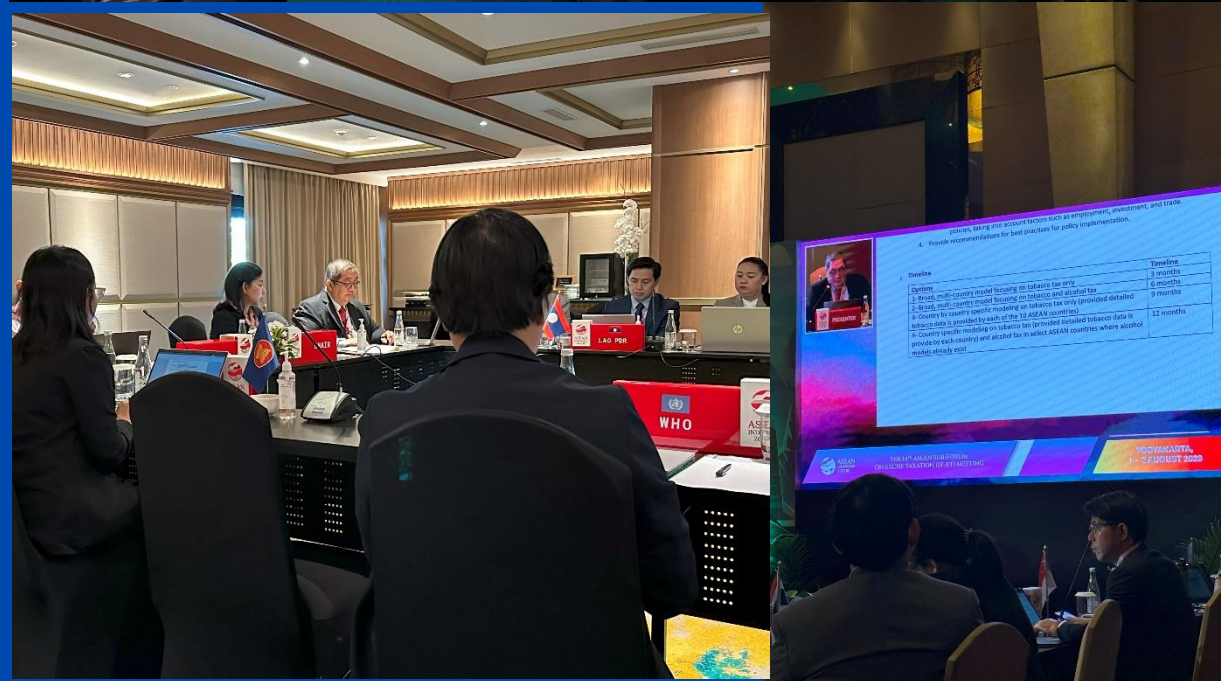
Inter-Parliamentary Union
For democracy. For everyone.

WHO & IPU: supporting MP champions

WHO, together with the Inter-Parliamentary Union (IPU), is implementing a series of health taxes activities aimed at supporting MPs. The goal is to support parliamentary champions in all phases of the legislative process. E.g. Ghana, Ethiopia, Mongolia and Vietnam

Partnerships and networks

How we work: WHO side event on Sugar Sweetened Beverage Taxation during the ASEAN Forum on Taxation in Yogyakarta, Indonesia



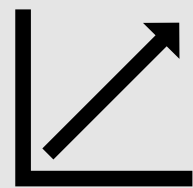
HOW WE WORK ENGAGE REGIONAL BODIES



WHO has been supporting the Association of Southeast Nations (ASEAN) Sub-Forum on Excise Taxation under the chairmanship of Indonesia by providing technical assistance on health tax initiatives in the Region. In partnership with ADB and WB, WHO's goal is to support Ministries of Finance on health taxes work as well as strengthen collaboration between finance and health officials in this area.



Guidance and tools



HOW WE WORK

TECHNICAL PRODUCTS

WHO's health taxes guidance builds on the latest evidence base to support country level work by identifying best practices, guiding policy development, detailing technical requirements and providing data to support and benchmark policy progress

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2021- 2023

KEY PUBLICATIONS



HOW WE WORK

TECHNICAL PRODUCTS

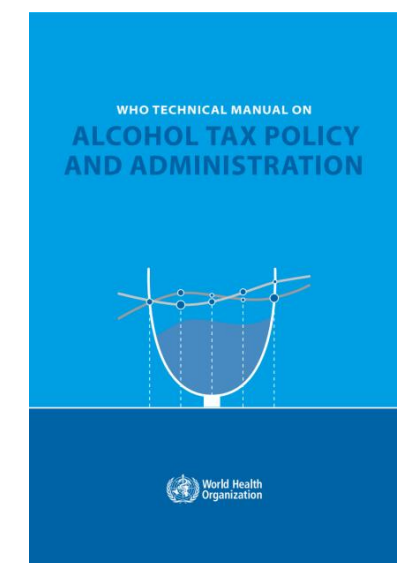
Technical manuals on tax policy and administration



Tobacco
(2021)

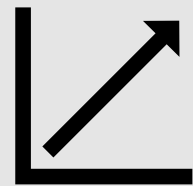


SSB
(2022)



Alcohol
(To be
launched
5 Dec 2023)

Guidance and tools



Guidance and tools



HOW WE WORK

TECHNICAL PRODUCTS

General resources



Health taxes: Policy and Practice (2022)

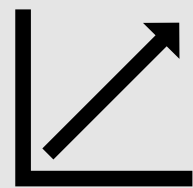
Advocacy materials



WHO-IPU parliamentary action guide
for health taxes (2022)



Guidance and tools



Importance of data. Since 2008, WHO's Global Tobacco Control Report (GTCR) has provided authoritative, biennial data on tobacco taxes and prices, becoming an essential, accurate and independent resource for policymakers, researchers, and advocates.

Beginning 2023, this work on internationally comparable tax and price data expands to alcohol and SSBs

Do your homework: Health taxes are a **SMART** way to prevent NCDs

- ✓ **S**ave lives,
- ✓ **M**obilize revenues,
- ✓ **A**ddress health inequities,
- ✓ **R**educe health system burdens and costs,
- ✓ **T**arget NCD risk factors for SDG fulfilment



“... because powerful companies profit from it, the world allows tobacco to kill 8 million people every year and drain an estimated US1.4 trillion from the global economy ... Increasing tobacco taxes is the most effective way to reduce tobacco use ... But the biggest challenge we face is not fiscal, it's political. ... So all of us must raise our voices for raised tobacco taxes.”

**Dr Tedros Ghebreyesus
WHO Director General**

WHO can HELP countries achieve their health goals through health taxation



- **H** – HELP in providing the science-based evidence to support health tax reforms and counter industry SCARE tactics
- **E** – ENGAGE relevant stakeholders to advocate and support health tax reforms as part of a comprehensive package
- **L** – LEVERAGE its convening power in global, regional and other relevant fora to raise profile of health taxes
- **P** – PROVIDE technical assistance including through capacity building and continuing development of appropriate tools like TaxSiM



- S** – Sowing doubt/
Smuggling & Illicit Trade
- C** – Court & Legal
Challenges
- A** – Anti-poor/Regressivity
Rhetoric
- R** – Revenue Reduction
- E** – Employment Impact



**Do the SMART thing
Reform/Raise Health Taxes!**

Thank you!