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# Health Policy Analysis for Health Taxes in LMICs Colombia – Case study

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# Acknowledgements and Conflict of interest

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Researchers and consultants in these projects do not have any conflict of interest regarding health tax policy. None of them nor Fundación Anáas receive direct or indirect funding from tobacco, alcohol, SSB or ultra-processed food companies.

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# Context – Colombia 2010-2024. Three different tracks

## National tax-administered by sub-national level (Departamentos)

- Tobacco (**first win, but still lagging**):
  - One of the lowest prices/tax levels in the region before 2016
  - Government, local researchers and Civil Society continuous advocacy for a big tax increase
  - 2016 General tax reform includes a **3-fold increase** for specific component of the selective tax
  - Consumption and revenues behaved as expected in the following years. Prices remain at top 5 lowest in the region.
  - New tax initiative under discussion in Congress (led by Civil Society and some Congress members)
- Alcohol (**some interest, no action**)
  - Preferential treatment to beer and low-alcohol content products. Tax burden is low.
  - No official record of per-capita consumption
  - Initial signs of commitment by Academics and Civil Society to push for a tax increase
  - Sub-national tax reform potential opportunity to change tax on beer.

## National tax

- SSB/Ultra-processed food (**a potential disappointment?**):
    - No selective tax until 2022 (3 **lawsuits** challenged it and expecting ruling by **Constitutional Court**)
    - Indicator to monitor results in progress (but not in place... issues with baseline)
    - Civil Society coalition stronger than in the case of tobacco. Government **led** mainly because of new fiscal space.
    - Sugar-cane and SSB industry strong influence. Unions were allies.
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# Obstacles and facilitators

## Visibility in policy agenda

**Tobacco:** high visibility (in 2016); not a priority (2018-to date)

**SSB:** emerging visibility (in 2016); permanent advocacy by civil society (2016-2022) and highly visible since presidential campaign 2022.

**Alcohol:** no visibility from a “health objective” frame

## Adoption (Scenario: Congress debates)

**Tobacco:** Strong commitment by MoF, supported by MoH with evidence of influence by civil society and multilateral organizations (World Bank)

**SSBs:** Strong commitment only of MoH (2016: “nos dejaron solos”); strong commitment MoH+MoF (2022). Concerns about criteria to define final design.

## Administration:

**Tobacco:** weak and disperse information management, limited measures to control supply chain. Since 2015, efforts to improve penalties to smuggling and other tools for customs and tax agencies.

## Monitoring and evaluation

**Tobacco:** prices, consumption, illicit trade monitored by civil society/academia. Limited uptake of this evidence by policy makers. Issues with quality and opportunity of information about revenues.

**SSBs:** information on prices and revenues is more difficult to access and analyze. Limited data on consumption.

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# Obstacles and facilitators

## Governance

- **Evidence of commercial determinants interference** (more details ahead)
    - **More effective interference due to governance conditions**
  - **Institutional arrangements:**
    - **conflict of interest of highly influential stakeholders (FND)**
    - **Limited and fragmented anti-corruption and transparency procedures**
  - **Citizenship participation: active during agenda setting and adoption. Limited effort in monitoring (policy oversight) and communication of results.**
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# Co-occurrences: interference tactics by product

		● ◇ 6.1 Tobacco ③ 255	● ◇ 6.2 Alcohol ③ 104	● ◇ 6.3 SSB ③ 114	● ◇ 6.4 Ultra-processed food ③ 38
● ◇ 3. Interference	③ 6	1	0	0	0
● ◇ 3.1.1 Information use	③ 26	11	1	2	0
● ◇ 3.1.2 Engagement	③ 62	22	7	11	2
● ◇ 3.2 Constituency-building	③ 21	9	4	2	2
● ◇ 3.3 Policy substitution	③ 4	1	0	3	1
● ◇ 3.4 Financial incentives	③ 26	9	0	6	4
● ◇ 3.5 Legal actions	③ 4	0	0	3	3
● ◇ 3.6 Other interference	③ 18	7	3	5	0

Source: Own elaboration based on case study interviews

Interference categories taken from Babor, T. F., Collin, J., & Monteiro, M. G. (2022). *A political economy analysis of health taxes. In Health Taxes: Policy And Practice* (pp. 431-484).

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# The clever industry interference

“Muy inteligente [Philip Morris], porque entonces le llega directo a la escala, al eslabón más débil de la cadena, que es el departamento y de esa manera el departamento no se mete con ellos y no tienen que discutirlo con el gobierno nacional porque lo presionan desde abajo”

“Very clever [Philip Morris], because it reaches directly to the weakest link in the chain, which is the *Departamento*, and in that way the *Departamento* does not mess with them and does not have to discuss with the national government because they put pressure from the bottom”

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# Interference: FND opposing to new tax bill

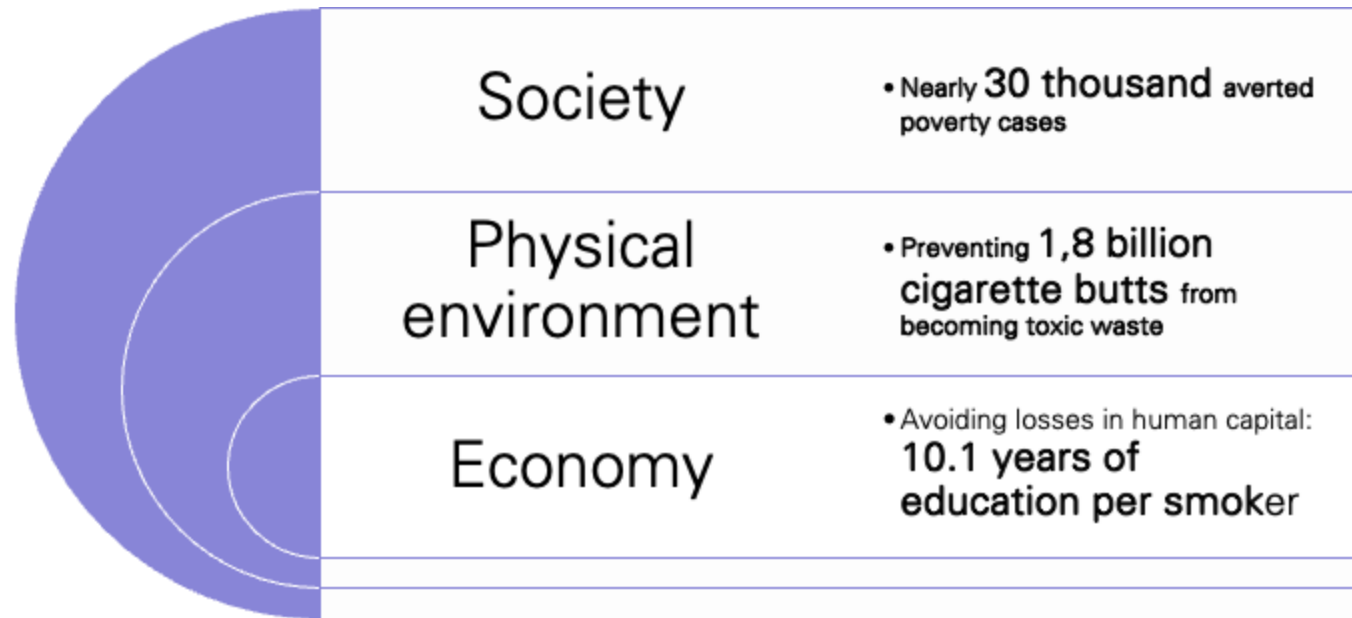
FND submitted a concept to congress members in the past days stating:

1. No tobacco tax increase is feasible:
  - a. misconstruing tax burden information from previous WHO Global Tobacco Reports)- Tax burden is too high
  - b. Citing 34% illicit trade penetration from PMI´s funded survey (current independent estimates are 17-20%)
2. HTB should pay a lower tax based on nicotine content
3. ENDS liquids should pay a lower tariff than the one proposed



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# The unexpected links between tobacco taxation and SDG



Source: [Maldonado N, Llorente B, Reynales-Shigematsu LM, Saenz-de-Miera B, Jha P and Shannon G \(2022\) Tobacco Taxes as the Unsung Hero: Impact of a Tax Increase on Advancing Sustainable Development in Colombia. Int J Public Health 67:1604353. doi: 10.3389/ijph.2022.160435](#)

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# Recommendations

Increase international and domestic efforts to address governance obstacles

- Improve capacity to control supply chain (efficient public management): one step is Protocol adoption
  - Focus on knowledge management (inter-sector at the country level; information exchange across countries)
  - Empower civil society to increase informed participation in accountability processes that include health tax policy performance.
  - Formalization of conflict of interest management in executive and legislative branches.
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Thank you!

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# Stakeholders interviewed

<b>List of stakeholders interviewed</b>	<b>Tobacco</b>	<b>Alcohol</b>	<b>SSB</b>
Academic	3	2	1
Civil Society actor	2	1	2
Congress member	3	1	2
Journalist	2		1
Public servant/advisor (finance, customs, commerce in national and subnational level)	10	11	7
Public servant/advisor (health in national and subnational level)	4	2	3
	<b>24</b>	<b>17</b>	<b>16</b>

Categories adapted from Koon AD, Marten R. Framing health taxes: a scoping review. *BMJ Glob Health* 2023;8:e012055.

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