Plenary multi-stakeholder dialogue 1
Mobilizing stakeholders to support and scale up coherent solutions

Workshop 1.2
Success stories on using taxation and other fiscal policies on tobacco and unhealthy products to reduce NCD risk factors and to finance national NCD responses:

Best practices and lessons learned

INFORMATION NOTE

19 October 2017
11:00-13:00
Radisson Victoria Plaza Hotel

Aim:
The Workshop aims to provide a platform for discussing concrete country-level experiences, lessons learned, and good practices in using taxation and other fiscal policies to reduce NCD risk factors and to finance national NCD responses. It also seeks to identify challenges and key strategies in enhancing policy coherence and collaboration across all sectors and levels in using fiscal policies to help achieve SDG target 3.4, as well as how other SDGs might be leveraged and/or benefit in that regard.

Key messages:
• Taxation and other fiscal policies can be effective tools to reduce NCD risk factors (i.e. tobacco use, unhealthy diet, and harmful use of alcohol) and if implemented well, can reduce NCD burden in countries.
• Tobacco taxes continue to be the most efficient and cost-effective way to reduce tobacco use and raise government revenues (which can be used to finance national NCD responses).
• An increasing number of countries are taking actions to implement taxation of unhealthy food and beverages, in particular sugar-sweetened beverages (SSBs), to reduce their consumption.
• Collaboration between Ministries of Finance and Health as well as other key stakeholders across government and society early on are essential for policy coherence and the successful implementation of desired tax and fiscal policies.
• Earmarking additional tax revenue towards health and/or universal health coverage, where appropriate, enhances the political acceptability of tax increases for tobacco and unhealthy products.
• Beware of industry tactics to prevent government moves to increase taxation on tobacco and other unhealthy products as well as undermine the gains from tax increases: anticipate and pre-empt arguments against their benefits and closely monitor implementation of the policy.

Questions to be addressed:
1. What are the experiences and lessons learned by countries in using taxation and other fiscal policies on tobacco and unhealthy products as tools for addressing NCDs – both in terms of reducing its risk factors and in financing national NCD responses?
2. How can tax and fiscal policies on tobacco and other unhealthy products be improved in order to translate to effective reduction of NCD risk factors and/or increased financing to address NCDs?

Key words:
taxation, fiscal policy, unhealthy products, tobacco, alcohol, sugar-sweetened beverages (SSBs), financing, noncommunicable diseases (NCDs), policy coherence, collaboration
Context: (epidemiological, political, technical)
NCD prevention and control programmes have remained chronically underfunded, despite it being the leading cause of death in most countries. Innovative approaches such as raising taxes on tobacco and other unhealthy products have emerged as effective tools that can help reduce consumption and increase revenues, which could then finance national responses to NCDs. Both mechanisms of action help accelerate progress towards meeting the relevant SDGs and other health targets.

Progress to date:
In the case of tobacco, only 32 out of 194 Member States have sufficiently high taxes on cigarettes, making it the most underutilized tool among the recommended best-buys for tobacco control. Moreover, over 30 countries have implemented, or are about to implement taxes on sugar-sweetened beverages. For alcohol, the 2015 Global Questionnaire on Progress in Alcohol Policy found that only 25 countries had substantially increased and 52 countries somewhat increased alcohol taxes since 2010. There is still big room for improvement in all these areas, which highlights the significant potential for further reducing NCD risk factors and raising revenue that can be used to address NCDs.

Challenges:
Successful implementation of taxes and other fiscal policies require not only strengthened regulatory capacities for implementation, monitoring and enforcement, but also close collaboration between different ministries of government, as well as the involvement of civil society and other stakeholders. This is especially true when confronted with powerful and organized industry lobbies that seek to prevent policies unfavorable to their business.

Innovative solutions:
Encourage a whole of government approach and engage allies from civil society and other stakeholders during the course of reform. Make sure that taxation is being implemented as part of a wider policy package, including restrictions of marketing, labelling, and dissemination of information and communication. Consider earmarking additional revenues for health as a way to increase political support for the measure and finance complementary health interventions in support of vulnerable population groups.

Country cases / Success-stories:
(The policy coherence and multisectoral engagement aspects of the initiative should be highlighted, as applicable)

Thailand – Increased taxes on alcohol products helped result in a reduction in the harmful use of alcohol and raise revenues for health promotion activities.
Mexico – The story of Mexico highlights how it implemented SSB taxation as part of an integrated approach to reduce unhealthy diets, and how it overcame strong resistance from the SSB industry through engagement of different government sectors, parliamentarians, civil society and academia.
Philippines – The Philippine experience shows that significantly increasing tobacco taxes using a whole of government approach can result in substantial revenue gains to finance Universal Health Care while significantly reducing tobacco use prevalence.

Relevant resources for further information:
NCI-WHO Monograph on the Economics of Tobacco and Tobacco Control
(http://www.who.int/tobacco/publications/economics/nci-monograph-series-21/en)
Resource Tool On Alcohol Taxation And Pricing Policies
(http://www.who.int/substance_abuse/publications/tax_book/en/)
(http://www.who.int/dietphysicalactivity/publications/fiscal-policies-diet-prevention/en/)

References/Bibliography:

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