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# Introduction to the Center for Global Development & Task Force

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Pete Baker

# Background: The Task Force on Fiscal Policy for Health

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- Task Force initially convened in 2018; 2019 Report concluded that **health taxes** on tobacco, alcohol and sugary beverages are **effective but underutilized** tools.
- Re-convened in 2024 to **examine progress on health taxes** and **regain initiative** following the COVID-19 pandemic and global fiscal and economic crises.
- Experts from finance, health and development examined the evidence and made recommendations on effective fiscal policies for health.
- Chaired by Mia Mottley, Mike Bloomberg, and Larry Summers.
- Center for Global Development acted as secretariat.
- Produced a final report in September 2024 supported by 4 background papers.

# Task Force Members

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**Michael R. Bloomberg**, *Co-Chair*, Former Mayor of New York City (United States)

**Mia A. Mottley**, *Co-Chair*, Prime Minister of Barbados

**Lawrence H. Summers**, *Co-Chair*, President Emeritus of Harvard University and Former Secretary of the Treasury (United States)

**Masood Ahmed**, President Emeritus, Center for Global Development (United States)

**Zeti Aziz**, Former Central Bank Governor, Malaysia

**Kaushik Basu**, Professor of Economics, Cornell University (United States)

**Gordon Brown**, Former Prime Minister of the United Kingdom

**Mauricio Cárdenas**, Former Minister of Finance, Colombia

**Helen Clark**, Former UNDP Administrator; Former Prime Minister of New Zealand

**Jason Furman**, Former Chair of Council of Economic Advisors (United States)

**Amadou Hott**, Former Minister of Finance, Senegal

**Cathrine Lofthus**, Secretary General, Ministry of Health and Care Services, Norway

**Zhu Min**, Director of National Institute of Financial Research, Tsinghua University (China)

**Sania Nishtar**, CEO of GAVI, the Vaccine Alliance (Pakistan)

**Muhammad Ali Pate**, Minister of Health and Social Welfare, Nigeria

**Cesar Purisima**, Former Secretary of Finance, Philippines

**Minouche Shafik**, Former Deputy Managing Director, IMF; Former Deputy Governor, Bank of England (United Kingdom)

**N. K. Singh**, Chairman of Fifteenth Finance Commission of India

**Nísia Trindade Lima**, Former Minister of Health, Brazil

**Andres Velasco**, Former Minister of Finance, Chile

# 2025 Health Financing Context

- Steep cuts to international aid → how to fill gaps?
- Domestic resource mobilization ever more key
- Afghanistan, Laos, Myanmar & Bangladesh received US GH aid equivalent to >10% GHE
- Risk of donors reducing support to Asia

BLOG POST

## 26 Countries Are Most Vulnerable to US Global Health Aid Cuts. Can Other Funders Bridge the Gap?

> | DOWNLOAD THE DATA

by Pete Baker, Katherine Klemperer, Sam Hughes, Janeen Madan Keller and Javier Guzman

FEBRUARY 25, 2025

The Trump administration's recent actions on foreign aid are dramatically shifting the global health funding landscape and triggering a health financing crisis in many countries. The US is the largest global health funder, providing an estimated \$12.4 billion each year. Nearly 70 percent of this (\$8.5 billion) is allocated as bilateral health aid, which has been heavily disrupted by the administration's actions. And for many of the lifesaving services supported by US assistance—from antiretroviral therapy and tuberculosis treatment to emergency care for mothers and newborns—even a temporary pause can have deadly consequences. These actions are also particularly concerning because other major global health donors, namely European governments, are slashing aid budgets and low- and middle-income countries (LMICs) are facing mounting debt pressures.

<https://www.cgdev.org/blog/26-countries-are-most-vulnerable-us-global-health-aid-cuts-can-other-funders-bridge-gap>

# Task Force Plans in 2025

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- Promoting uptake of the report findings:
  - Op-eds
  - Events at key moments such as UNGA HLM on NCDs
- Policy briefs on key policy questions, e.g.
  - Extending the role of IMF on health taxes
  - Role of regional development banks & regional economic communities in supporting countries' implementation
- ADB secondment opportunity
  - Recruiting Health Taxes Fellow to CGD DC office, 12mths

# Health Taxes

## A Compelling Policy for the Crises of Today

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The Task Force on Fiscal Policy for Health

# Report Released September 2024

## Health Taxes:

A Compelling Policy for  
the Crises of Today

The Task Force on Fiscal Policy for Health Report 2024



Report and Supporting Materials found here: <https://www.bloomberg.org/program/public-health/task-force-fiscal-policy-health/>

The Task Force on Fiscal Policy for Health

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# Key Findings - stock take

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# Rising non-communicable disease, fueled by preventable risk factors, and exacerbated by COVID-19

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- Non-communicable diseases (NCDs) are increasing and costly
  - 75% of all deaths by 2030
- COVID pandemic disrupted routine NCD care.
- Tobacco, alcohol and sugary beverage consumption continues to account for a large and growing health and economic burden
  - >4trillion USD annual cost
  - Smoking prevalence decreasing, but absolute numbers of smokers increasing
  - Alcohol decreased pre COVID but then increased?
  - Sugary beverage consumption increasing, especially in sub-Saharan Africa

# ...and combined with geopolitical conflict precipitated a fiscal crisis

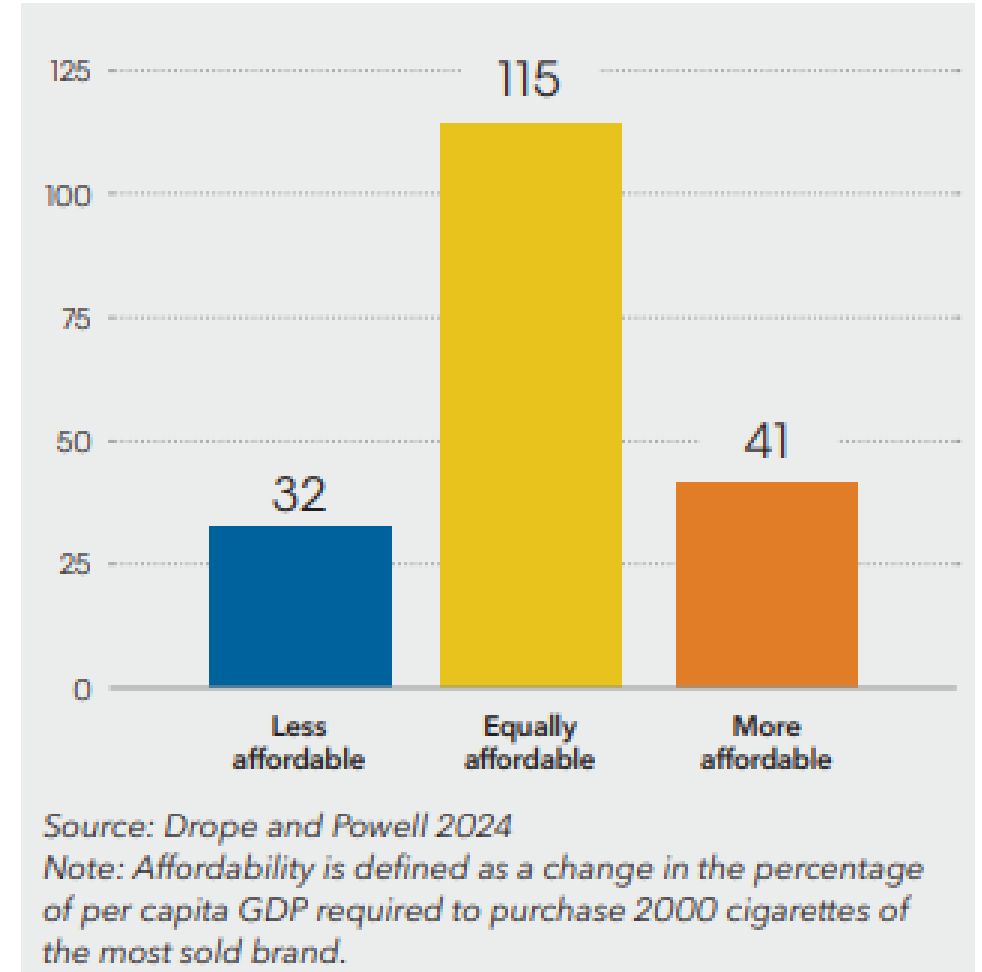
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- Slowest half-decade of GDP growth in 30yrs
- High borrowing in the pandemic → high debt today
- Debt repayments constrain fiscal space
  - 60% of LICs in/ at risk of debt distress
  - 3.3billion people live in countries which spend more on interest payments than on health or education
- Will the 2020s be a lost decade for development?
  - 110 countries where government expenditure in 2027  $\leq$  2019 expenditure

# Progress on health taxes has stalled since 2019

- Average tax share of cigarettes hardly increased
- 87% of people live in countries where cigarettes are **equally/ more affordable** than in 2016
- Decreasing number of countries report using alcohol taxes
- Many SSB taxes implemented – but extremely **low rate**
- **Inflation** is eroding “specific taxes”

Number of countries by change in affordability of cigarettes, 2016 - 2022

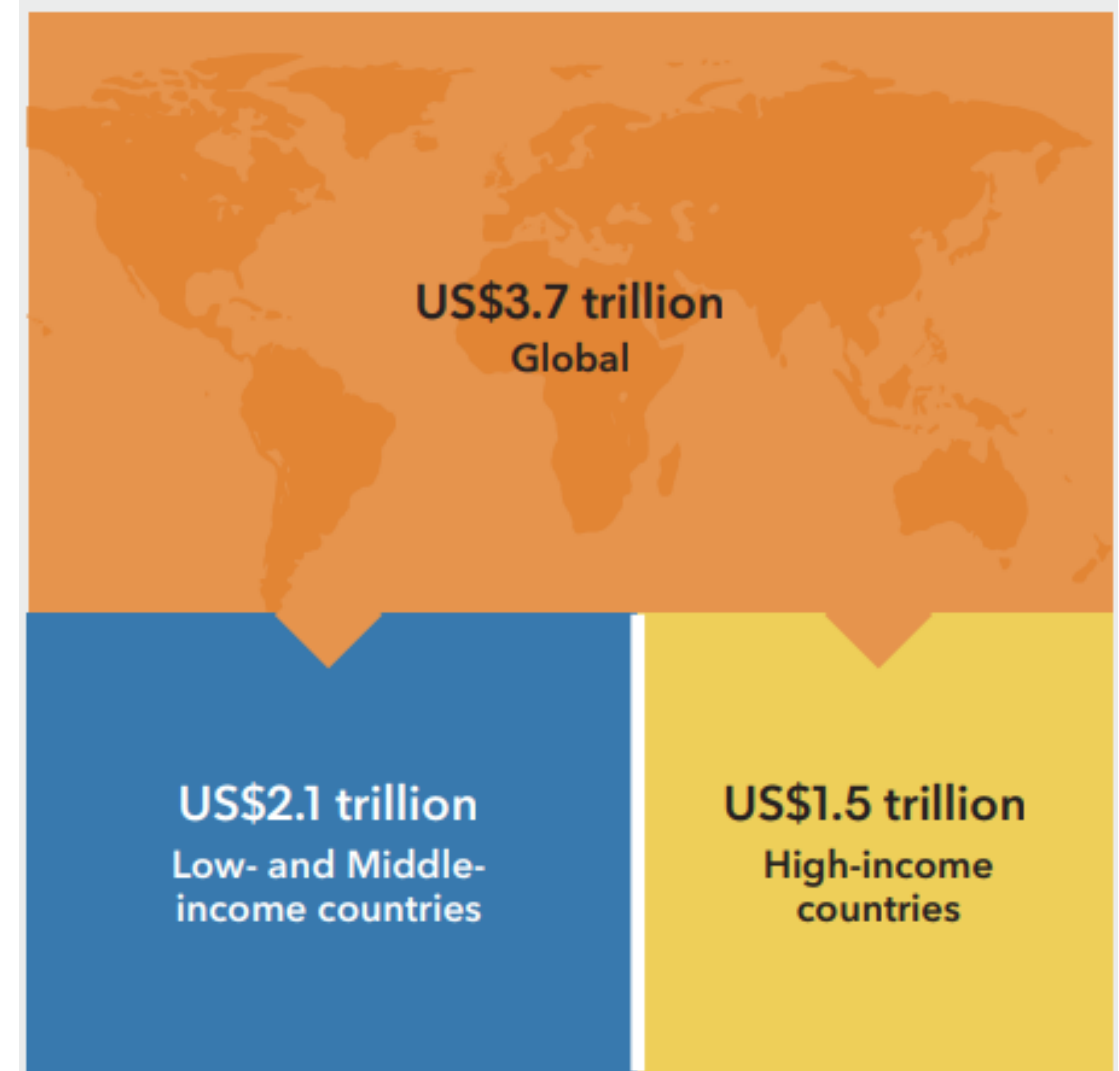


# Key Findings – potential impact

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# Health taxes are a quick and efficient revenue source

- Raising health taxes enough to generate a 50 percent increase in prices would generate **\$3.7 trillion** over just **5 years**.
  - *\$1tr from East Asia & Pacific*
  - *\$580bn from South Asia*
- If allocated to health, this would increase global government **health budgets** by 12% and in LMICs by **40%**.



# Health taxes save lives

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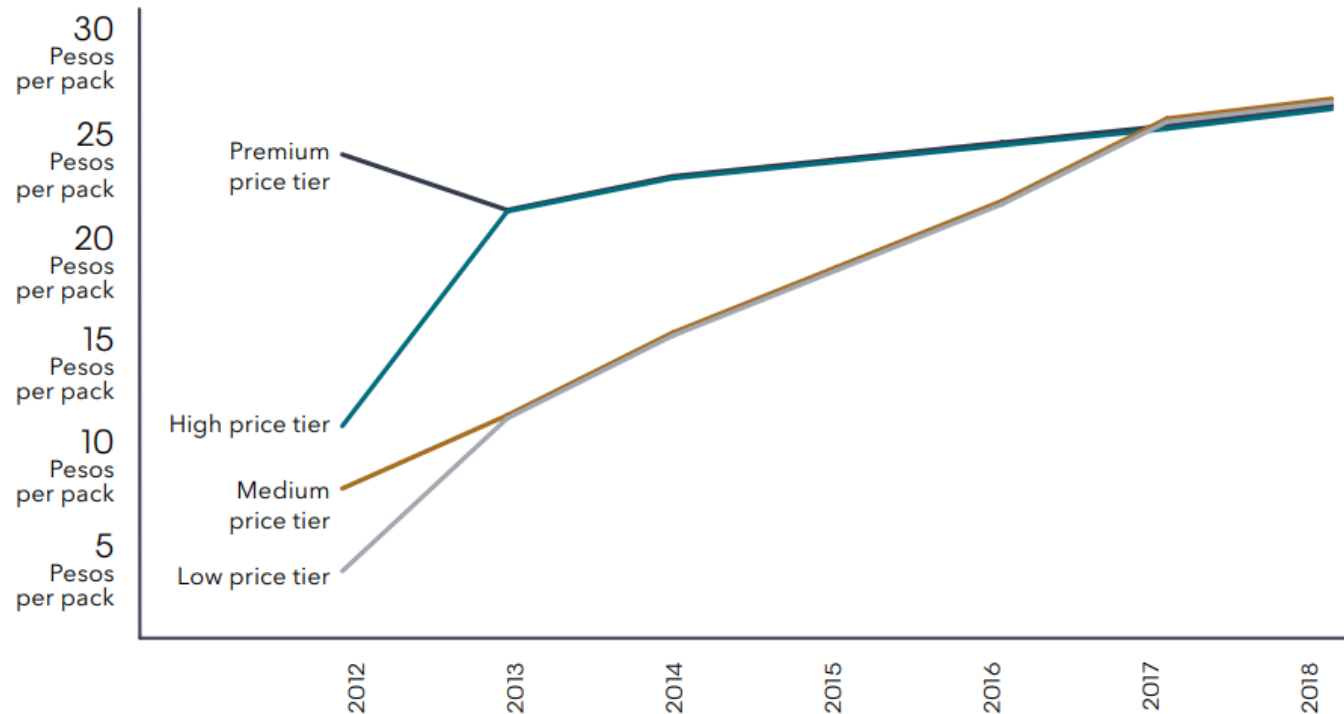
- Raising taxes on all three products to increase prices by 50 percent, would lower consumption so much as to **avoid 50 million premature deaths over 50 years**.
  - 27.2 million from tobacco taxes
  - 21.9 million from alcohol taxes
  - 2.2 million from SSB taxes
- **Tobacco taxes are the highest priority**, as they cause the most deaths and illness worldwide.
- If tobacco taxes were raised such that prices increased by 50 percent, **>100 million people** — 10 percent of the world's smokers — would **quit smoking**.
  - 85 million of these live in LMICs

# Key Findings – political strategies

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# Progress is possible: the Philippine example

- Since 2012, increased tobacco excises in **four successive reform bills** under two different administrations.
- 2012 Sin Tax Reform Act: simplified the tiered tax system, and **mandated annual increases** to protect the real value of the tax against erosion by inflation.





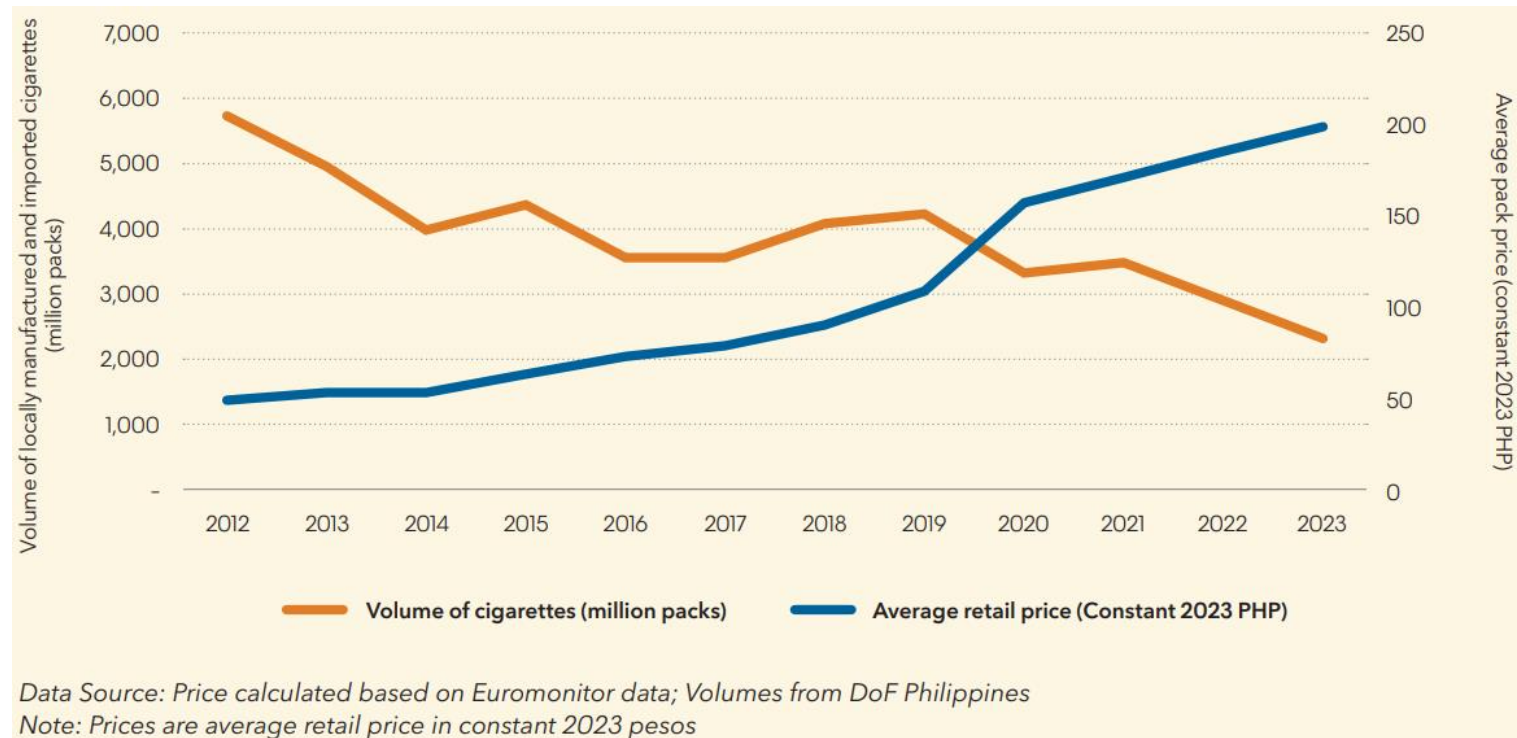
# Progress is possible: the Philippine example

- 2012 Act framed as a **health reform**, not revenue measure, to increase support
  - 85% of incremental revenue **soft earmarked for health**.
    - 15% for tobacco-producing regions to mitigate impacts
- Partnership between DoF and DoH: “**whole of government approach**”
- Supported by health campaigners, evidenced by **data**

➔ **113% reduction in cigarette affordability from 2012 to 2016**

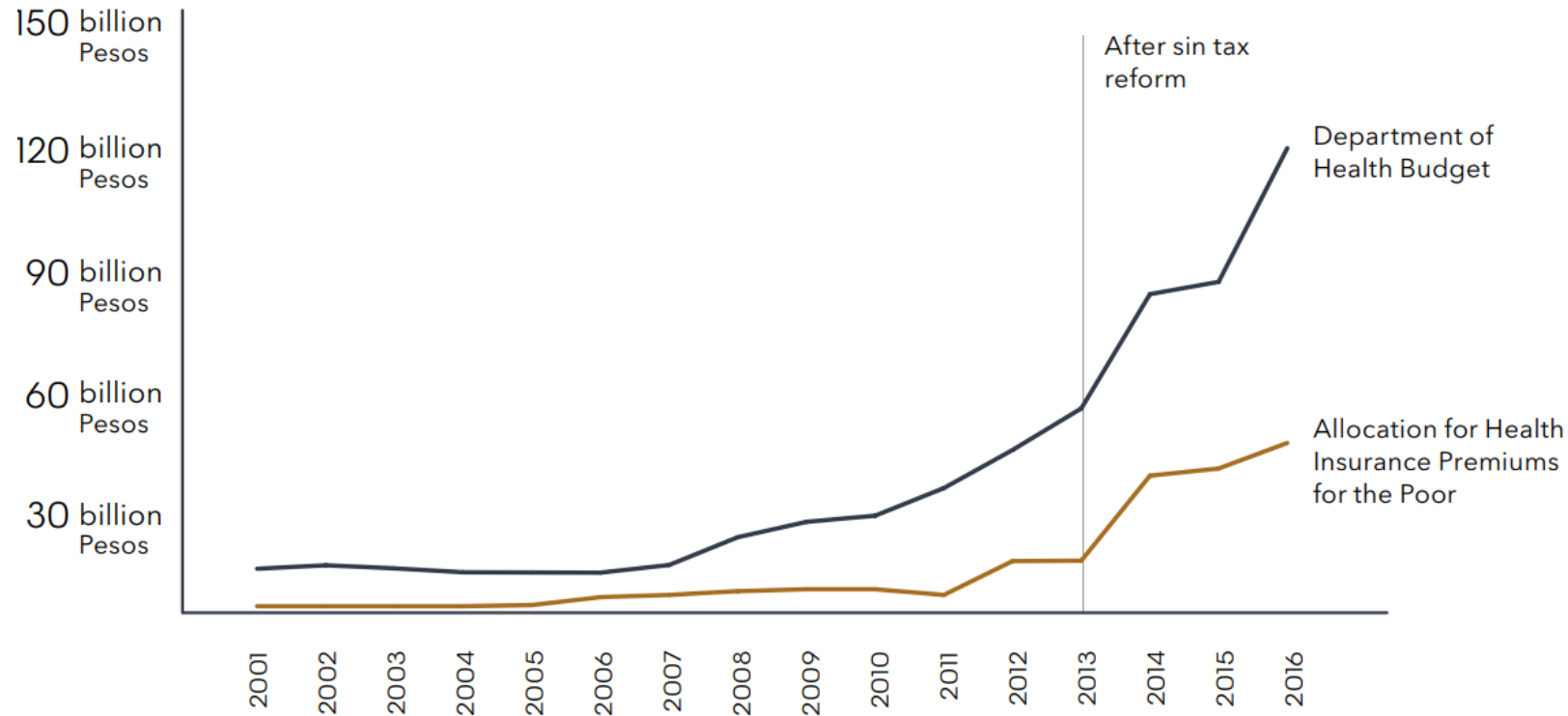
➔ **Smoking prevalence dropped**

- 30% (2009) → 20% (2021) among adults
- 18% (2007) → 10% (2019) among youths



# Progress is possible: the Philippine example

➔ Excise revenue nearly trebled from 2012 to 2022, equivalent to an increase from 0.3 to 0.7% of GDP



➔ ***Tripled DoH budget from 2012 to 2016***

➔ ***Funded expanded health insurance coverage***

# Health taxes are not a partisan issue

- Governments that raise health taxes **span the ideological spectrum**.
- Substantial **support** for health taxes – **including from consumers** of the products.
- Public support is often higher when revenue is **earmarked** to popular programs such as health or education.

	Tobacco	Alcohol	High-sugar drinks
Colombia	66%	61%	61%
India	59%	63%	60%
Jordan	66%	91%	59%
Tanzania	74%	74%	69%
USA	65%	55%	47%
Average	66%	69%	59%

Source: Gallup Measuring Public Perceptions of Noncommunicable Diseases survey, 2021-2022; Dugan 2022.

# Governments must show sustained political will to counter the opposition from affected industries and their allies

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## Strategies to Raise Health Taxes

Frame the issue

Mobilize support

Be Persistent

Communicate Strategically

Actively counter  
industry opposition

# Recommendations

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- Countries should:
  - Significantly **increase health taxes**, improve their design, & strengthen enforcement.
  - Prioritize **tobacco excise** taxes given they have the greatest impact on lives saved.
  - Regularly increase health taxes **above the level of inflation** to ensure products become **less affordable** over time.
  - Counter industry resistance through **framing the debate**, **mobilizing support**, and enacting **legislation and policies to limit industry influence**.
  - Ensure **policy coherence** by reducing production subsidies & limiting marketing.
  - Utilize technical and financial **resources** from the IMF, WB, WHO, regional health authorities and development banks.
- Multilaterals institutions should: **proactively promote effective health tax increases** whenever they engage countries in fiscal policy dialogues.