

SUBMISSION TO THE CONSULTATION ON WORLD HEALTH ORGANIZATION DRAFT GUIDELINE ON FISCAL POLICIES TO PROMOTE HEALTHY DIETS FEBRUARY 2023

About this submission

The George Institute for Global Health is pleased to contribute to the public consultation on the World Health Organization (WHO) draft guideline on fiscal policies to promote healthy diets

Research produced by The George Institute for Global Health and other world-leading health and medical research institutes across the world indicates that implementing fiscal policies to promote healthy diets is a powerful tool to decrease unhealthy food consumption, alter preferences, stimulate healthier purchases, and improve human health. Unhealthy diets are associated with increased rates of diet-related non-communicable diseases (NCDs), including overweight and obesity, dental caries, diabetes, and some cancers. Based on this work and the broader evidence base, we strongly recommend the implementation of fiscal policies, such as taxes on less healthy foods and beverages and subsidies on healthier foods and beverages.

We congratulate the WHO on the development of the Guideline and stand ready to collaborate to address research gaps and considerations identified through the systematic review, scoping review, and review of contextual factors conducted by the WHO. We welcome the opportunity to further engage on this critical issue.

The George Institute has supported a complementary, joint submission developed with the NCD Alliance, NCD Child, World Cancer Research Fund International, and World Obesity Federation.

About The George Institute for Global Health

The George Institute is a leading independent global medical research institute established in Sydney, with additional major centres in China, India, and the UK, and an international network of experts and collaborators. Our mission is to improve the health of millions of people worldwide by using innovative approaches to prevent and treat the world's biggest killers: non-communicable diseases (NCDs) and injury.

Our work aims to generate effective, evidence-based, and affordable solutions to the world's biggest health challenges. We research the chronic and critical conditions that cause the greatest loss of life and quality of life and the most substantial economic burden, particularly in resource-poor settings.



Our food policy team works to reduce death and disease caused by diets high in salt, harmful fats, added sugars, and excess energy. The team conducts multi-disciplinary research with a focus on generating outputs that will help governments and industry deliver a healthier food environment for all.

Our health systems research program conducts evaluations of complex interventions (including health policies and regulations), implementation science, economic analysis, and public health law research. It has particular focus on the impact of chronic conditions, and the policies and programs implemented to address those conditions, on socioeconomically disadvantaged populations. It has advised numerous governments and organisations such as the WHO.

The George Institute also owns and manages FoodSwitch, a mobile app that empowers consumers to make better food choices by providing simple nutrition information on a scanned product and suggesting healthier alternatives to 'switch' to. FoodSwitch collects nutrition information in 18 countries via annual in-store supermarket visits and crowd-sourcing images of new products through consumers who use the app. The data collected informs our research and advocacy work to improve food environments.



Overall clarity of the Guideline

The structure and overall clarity of the Guideline could be much improved as follows:

- **The Guideline should be set out more clearly for ease of readability and navigation.** Overall, it is long, and the Member States would benefit from a shorter, more concise document with recommendations brought to the forefront; background material should be provided in annexes or a companion discussion paper, as well as a brief executive summary that solely includes the three recommendations and the key findings, restrictions, and research gaps identified.
- **Several sentences could be refined to improve the overall clarity of the Guideline.**
 - **Page 11 (objectives):** The statement “*provide Member States with recommendations and implementation considerations, based on evidence specific to taxation of foods and SSBs and to a subset of food subsidies with the primary intention to change consumer behaviour by lowering prices of targeted foods*” implies that the evidence on taxation intends to assist with lowering prices, but taxes first increase prices. If a comma were to be added after ‘subsidies’ to make a separate clause, the sentence would relay a more accurate and clearer message to readers.
 - **Page 12:** The sentence “*The NUGAG Subgroup on Policy Actions considered the outcomes of price change, purchases: direct effects, purchases: substitution effects, consumption: direct effects, consumption: substitution effects, and dietary intake as critical for decision-making.*” is difficult to understand.
- **Page 14 (and subsequent references):** The reader should be able to read the Executive Summary without reference to other sections of the document. The inclusion of confidence intervals is not relevant in this context. Where systematic review results are reported, the relative term ‘less certain’ is also used frequently, and it is not clear how objectively uncertain this makes the findings.
- **Page 17 (and subsequent references):** It would be helpful if the document could more clearly delineate the degree to which the Member States should consider elements and/or act on the recommendations. The inclusion of ‘strong’ and ‘conditional’ recommendations that are aligned with the [Grading of Recommendations, Assessment, Development and Evaluations \(GRADE\) Framework](#) is helpful, but it is possible that the implications of conditional recommendations will not be easily understood by Member States. The Guideline downplays the importance of considering other fiscal policies for healthy diets beyond taxes on sugar-sweetened beverages (SSBs). It should explicitly mention that the availability and certainty of evidence is linked to the level of implementation; and therefore “conditional” recommendations, if well designed, would be expected to have a desirable and large effect.
- **Page 18-19 (and subsequent references):** The language in recommendations 2 and 3 should be stronger. “WHO suggests” is very weak as a recommendation, even though



we appreciate the modest strength of the evidence outlined. We suggest replacing “suggests” with “recommends” in both cases.

- **Page 31:** Ideally this section outlining the nature of the Guideline Development Group (and the missing external peer-review group section on a later page) would explicitly note whether any members are food or related industry representatives.
- **Page 33:** Figure 2 (Logic model depicting pathways from fiscal and pricing policies to behavioural, health and non-health outcomes) is too small and difficult to read.

Adaptation and implementation of the Guideline

The implementation considerations of the Guideline could be further strengthened as follows:

- The Guideline should more clearly outline how it aligns with other WHO sets of recommendations and policy guidelines for promoting healthy diets and nutrition to prevent obesity and diet related NCDs (including policies to restrict food marketing, nutrition labelling policies, and school food and nutrition policies).
- The Guideline should emphasise the importance of working with communities (patients, consumers, people living with NCDs (and their carers), communities, civil society, and the public) during the development, implementation, and review of fiscal policies. The engagement of lawyers is also important to guarantee that regulations not only achieve their health objectives, but also conform with domestic and international law.
- The Guideline has a broad target audience and must specify that its primary audience is Member States, and in particular finance authorities. Furthermore, more specificity on suggested recommendations for different audiences would be helpful. For instance, academia could be nominated as an appropriate group to investigate changes in levels of taxation applied to SSBs over time to allow comparisons between countries through standardised monitoring systems.
- To maximise the efficiency of fiscal policies and take inflation and income growth into account, the Guideline should emphasise the significance of active implementation and reform over time. It is common to refer to fiscal policy as static and unchangeable, but whether policies are carried out in a way that promotes better health can depend on power imbalances, necessitating ongoing evaluation and revision. Detailed analyses that consider cultural factors, how food is cooked, where it is purchased, availability, accessibility, and quality, as well as how industry reacts to policies, can provide important insights.
- Overall, the issue of substitution needs more attention in the Guideline because this will be critical in determining the effectiveness of taxes (since they can be undermined by consumers switching to other unhealthy food). In discussing implementation issues,



the sentence below should be revised to make a clearer indication of what is being recommended:

- *“The impact a tax will have on purchases and consumption is affected by substitution. Consumer responses to a tax-induced price increase can be optimised if close substitutes are available that do not attract the tax. These close substitutes should be healthier to minimise substitution with less healthy (and untaxed) foods.”*
- Reformulation can make a major contribution to the overall effectiveness of food and beverage taxes, and the Guideline should emphasise the importance of designing taxes that promote reformulation (e.g., tiered taxes, where the tax rate increases with the content of an undesired nutrient or dietary factor). Reformulation policies should encourage manufacturers not only to reduce the quantity of undesired nutrients (i.e., sodium, sugar) but also to replace ingredients and additives with whole or minimally processed foods.
- **Page 59 (Section 5.6):** This section focuses exclusively on industry, an obvious source of opposition. However, what seems to have been overlooked is opposition of an ideological nature. Fiscal policies often appeal more to progressive political parties. Strategies to support the implementation of these initiatives needs to be developed e.g., for securing bipartisan support or establishing the right legal and administrative architecture.

Context-specific issues that have not yet been captured

The George Institute has identified several gaps concerning context-specific issues and makes the following recommendations to strengthen the Guideline:

- Although there is a strong policy case to be made for health taxes in terms of health impact and cost, the Guideline needs to address more directly the legitimate equity concerns of consumers and other stakeholders. It will be important to gauge consumers’ reactions in the context of any complementary initiatives designed to address the burden placed on low-income families (e.g., subsidies on fruit and vegetables). To maximise the health benefits of taxes, the document must acknowledge under the remarks of recommendation #3 (subsidies for healthy diets) the need to consider affordability and accessibility of healthy foods.
- As the Guideline acknowledges, policies need to be tailor-made for the country and there are many decisions to be made based on the country’s nutritional situation, cultural context, locally available foods, dietary customs, available resources and capacities, and existing policies and governance structure. This understanding should inform the:
 - Inclusion and exclusion criteria for taxed foods
 - Targeted nutrients and dietary factors
 - Tax rate(s)
 - Food sources to tax (e.g., supermarkets vs traditional markets)



- **Page 8:** The Objectives, Rationale and Purpose section should refer to the right to food and human rights, stressing that the Guideline's recommendations support Member States that have ratified the 1966 International Covenant on Economic, Social and Cultural Rights (CESCR) to uphold their obligations.
- **Page 8:** In addition, reference should be made to all elements of the UN Declaration of Human Rights (UDHR) that are relevant to taxation and subsidies. Beyond the right to health (Article 25), a range of other rights are relevant, including the right to life (Article 3) and right to education (26). Highlighting the relevance of the UDHR provides further impetus for countries that have ratified the Declaration to implement fiscal policies.

Any errors of fact or missing data

The George Institute believes the WHO has thoroughly analysed the data to develop an evidence-based Guideline document. However, we believe the document could be further strengthened as follows:

- **Recommendation 1 and 2: Taxation of SSBs and food or nutrients**
 - It would be useful if the rationale for the SSB tax directly addressed the issue of non-nutritive sweeteners. SSB taxes may lead to the increased purchase and consumption of beverages sweetened with non-nutritive sweeteners, and the potential health risks of this should be factored in the SSB tax policy design. Referring to a related forthcoming guideline is not adequate.
 - Often used to bolster the appeal of the health tax argument is an add-on proposition that the revenue generated would then be earmarked to support health improvement programs, including the provision of fresh fruit and vegetables to low-income families. Under recommendations #1 and #2, we urge WHO to consider including a remark about this in the section on implementation considerations, not just to increase public acceptability but also as part of the resource considerations (given the return on investment). The establishment of the [Thai Health Promotion Foundation](#) using surcharge excise taxes is an example of an innovative health promotion program.
- **Recommendation 3: Subsidy of foods that contribute to a healthy diet**
 - The conditional recommendation was formulated based on a very low certainty of evidence on a subset of targeted food subsidies and was supported by favourable cost-effectiveness. Given that effectiveness is a necessary condition for cost-effectiveness, it is unclear how an intervention with a 'low certainty of evidence' can at the same time be 'probably' cost-effective.
 - The need to consider the accessibility of food should be acknowledged. Subsidies to encourage the purchase and consumption of healthy foods can only be effective if these foods are available and accessible for purchase.



- **Page 6:** The terms “Healthy Diets”, “Subsidies”, “non-alcoholic beverages” and “Discretionary Foods” should be added to the glossary and clearly defined.
- **Page 60 (Box 1):** Several other useful publications that provide global guidance and tools could be outlined in the Guideline. For example:
 - Fiscal policies to promote healthy diets: Policy brief (2022) World Health Organization. World Health Organization. Available at: <https://www.who.int/publications-detail-redirect/9789240049543>
 - Lauer, J.A. et al. (2022) Health taxes policy and practice. Hackensack, NJ: World Scientific.
 - Pettigrew S, Booth L, Dunford E, Scapin T, Webster J, Wu J, Tian M, Praveen D, Sacks G. An examination of public support for 35 nutrition interventions across seven countries. Eur J Clin Nutr. 2022 Sep 27. doi: 10.1038/s41430-022-01211-5. PMID: 36167980.
- **Additional recommendations to consider:**
 - The Guideline acknowledges the limited evidence to support implementation of fiscal policies, and we support the inclusion of a further recommendation that more research needs to be done to shed light on this issue, particularly in Low- and Middle-Income Countries (LMICs). Modelling studies are particularly helpful to support countries in the design of policies as they allow prediction of the relative impact of multiple different taxes.
 - We suggest adding a recommendation to consider gender-responsive budgeting for fiscal policies. This will dictate how funds are raised and used, and exactly who benefits. A budget of this kind can optimise existing revenues, expenditures, and allocations to benefit all. Revenue is essential to fulfilling human rights. This is reflected in the human rights legal framework – including the International Covenant on Economic Social and Cultural Rights (ICESCR).

Other comments

The WHO has a significant role in providing technical assistance and sharing information and country experiences. Beyond the comments made above, we would like to reiterate our support for the following elements in particular:

- We welcome the processes established within the development of the Guideline to manage conflicts of interest in external peer reviews and this public consultation process. This is crucial to the integrity of such guidelines and the optimisation of their downstream impacts on public health.
- We welcome reference to the need for future studies with data disaggregated by socio-economic status (SES), sex, gender, and geographical location to enable analysis of the impact on health equity of fiscal policies to promote healthy diets.
- We support the Guideline protecting adults and children and including recommendations covering not only sugar sweetened beverage (SSB) taxes, but also subsidies and taxing unhealthy food products.



- We endorse the specific reference to taxing a broad range of beverages containing free sugars beyond just carbonated soft drinks.
- We support the acknowledgement of industry opposition and direction given to relevant WHO resources.
- We support the consideration of learnings from other domains (e.g., tobacco) in the Guideline.

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This submission was prepared by Claudia Selin Batz, a Policy and Advocacy Advisor within The George Institute's Impact & Engagement team, based on input from a team of leading NCD researchers around the world.¹

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