



2 February 2023

## **Submission to the call for comments on the draft WHO guideline on fiscal policies to promote healthy diets**

As members of the public health nutrition research community from the Global Food Research Program at the University of North Carolina at Chapel Hill, we thank the World Health Organization (WHO) for opening the draft guideline on fiscal policies to promote healthy diets for public comments. We also commend the WHO for recognizing the need for and importance of providing Member States guidance and for their efforts in developing recommendations for promoting healthy diets through fiscal policies. We encourage WHO to promptly finalize and disseminate the guideline upon review, consideration and potential addition of comments received. We have two major comments:

**One is with regards to the need to strengthen and clarify recommendation #2 (tax on unhealthy foods) and recommendation #3 (subsidies for healthy diets) indicating that the judgment of benefit from the policy recommendations is favorable and that they should work in concert with each other.** These are promising policies, especially now as diets are getting worse and more people are struggling with affording food. There is some initial evidence from Mexico and Hungary that taxes on ultra-processed foods high in sugar, sodium and saturated fats can reduce their purchases and Colombia's new ultra-processed food tax that will increase over time (10% in 2023, 15% in 2024, and 20% in 2025) show there there is recognition of their promise. In addition, as detailed in the following pages, there is growing evidence around the impacts of subsidies or incentives for healthier items that should be included. Given the precautionary principle on public health, it is essential to move forward with the available evidence even if sparse at this time, and encourage uptake of promising policies in order to allow for the generation of more evidence.

**The second is with regards to the need to include the evidence around such policies have no negative employment and macroeconomic impacts, which was overlooked in the guidance.** This is a critical addition as these are claims often used by the private sector/industry. There is clear evidence that the food and beverage industry is able to shift their portfolio mix and update their products to mitigate any profit losses. Employment shifts have yet to be found to be associated with the implementation of these policies.

Below we lay out more detailed comments and relevant citations, color coded in response to the areas of comments requested for your consideration.

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## 1. Recommendations

- a. Consider using the terms “evidence-informed” or “evidence-driven” recommendations
- b. Recommendation 1: While we generally agree with Recommendation 1, more specifics are needed.
  - Page 17: Please include more details such as what type of tax (excise, etc.), what potential minimum effective rate of tax (by “effective” this would be in relation to any prior price level given any pre-existing VAT or tax in place or not)? The “large effect” of the observational evidence is based on particular tax design decisions that are not included in this recommendation. This is added upon on page 22 of the guideline, but the recommendation for the specific excise tax design (made in paragraph 3) should be stated more clearly and prominently within the document.
  - The definition of SSBs seems comprehensive, however, it is not clear whether it should include non-sugar sweeteners (mentioned in footnote #11 as well). This should be clarified in subsequent drafts of this guideline. Further, the point on page 18 regarding reformulation seems to potentially suggest reformulation as a positive outcome of a tax policy, however, this is not necessarily true as the evidence is still mixed on this issue.
  - For recommendation 1, point 7, regarding the design and administration, countries could use more specific recommendations on what is the gold standard for: the type of tax, effective tax rate, taxable products and the nutrient profile model. Countries look to the WHO to make those recommendations, of course with the ability for countries to make their own decisions autonomously. This is repeated on page 19 in relation to an unhealthy food tax policy, and should be made more specific.”
  - **Recommendation 1:** There should be clarifications on whether the recommendations refers only to pre-packaged beverages or beyond.
- c. **Recommendation 1 & 2: These recommendations are framed in a way that is limiting to taxes on unhealthy drinks/foods. There are also examples of reduction of prior taxes such as in Brazil.** These should also be noted and included in the evidence to show the alternative case:
  - Paula Pereda, Carolina Policarpo Garcia, 2020. Price impact of taxes on sugary drinks in Brazil, Economics & Human Biology, Volume 39: 100898, <https://doi.org/10.1016/j.ehb.2020.100898>.



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- d. **Recommendation 2: There should be a clearer definition on what constitutes unhealthy foods**, ideally pointing to the WHO's own recommendations on the limits of sugar, sodium, saturated fat and trans-fat should be consumed a day to prevent health harms.
- e. **Recommendation 3: Other countries have also reduced existing taxes on healthier items, such as Chile and Colombia's beverage tax restructuring.** These should also be noted and included in the evidence as examples.
- f. **Recommendations 2 & 3: The guidance rates both taxes on unhealthy foods and subsidies for healthy foods as recommendations of low certainty** because the systematic reviews did not find enough evidence on these policies having an impact. However, these are promising policies, especially now as diets are getting worse and more people are struggling with affording food. Given the precautionary principle on public health, it is essential to move forward with the best available evidence and encourage uptake of promising policies in order to allow for the generation of more evidence. The GRADE design for recommendations does not fit the precautionary principle approach, and also is contradictory to the point on page 62, which states that natural experiments are likely to be the most appropriate for evaluating fiscal policy impact.
- g. **Recommendations 1-3: There should be strong alignment with a proven nutrient profile model and/or classification to ensure consistency across food policies implemented.**
- h. **All the recommendations should explicitly state that that no single policy is expected to solve all negative health outcomes, that there is a need to pass a package of policies to promote diets and provide better access to healthy foods for low income and other vulnerable populations.**
- i. Annex 7 is an important table (evidence-to-decision table) that should be emphasized more throughout.
- j. **Guidance should be provided on methods and tools for preventing and managing potential conflicts of interest and industry interference** in the development of fiscal policies to promote healthy diets.

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## 2. Evidence that such policies have no negative macroeconomic or employment impacts

### a. There is a need to include evidence that points to the fact that the food and beverage companies have an ability to shift their portfolio mix and update their products to mitigate any profit losses under NCD prevention policies such as taxes or labeling regulations:

- Law C, Cornelsen L, Adams J, Pell D, Rutter H, White M, Smith R. The impact of UK soft drinks industry levy on manufacturers' domestic turnover. *Econ Hum Biol.* 2020 May;37:100866. doi: 10.1016/j.ehb.2020.100866. Epub 2020 Feb 20. PMID: 32224445.
- Law C, Cornelsen L, Adams J, Penney T, Rutter H, White M, Smith R. An analysis of the stock market reaction to the announcements of the UK Soft Drinks Industry Levy. *Econ Hum Biol.* 2020 Aug;38:100834. doi: 10.1016/j.ehb.2019.100834. Epub 2020 Feb 17. PMID: 32081676; PMCID: PMC7397522.
- Hattersley, Libby; Fuchs, Alan; Gonima, Alberto; Silver, Lynn; Mandeville, Kate. 2020. Business, Employment, and Productivity Impacts of Sugar-Sweetened Beverages Taxes. Health, Nutrition and Population Knowledge Brief;. World Bank, Washington, DC. © World Bank. <https://openknowledge.worldbank.org/handle/10986/34082>
- Sarah Mounsey, Lennert Veerman, Stephen Jan, Anne Marie Thow. 2020. The macroeconomic impacts of diet-related fiscal policy for NCD prevention: A systematic review. *Economics & Human Biology*, 37. <https://doi.org/10.1016/j.ehb.2020.100854>.

### b. There is also a need to include evidence showing that contrary to claims by the food and beverage industry, taxes on or similar policies like warning labels on their unhealthy products do not result in unemployment, as studies from real-world experiences in Mexico, San Francisco, Chile and Peru show:

- Carlos M. Guerrero-López, Mariana Molina, M. Arantxa Colchero, 2017. Employment changes associated with the introduction of taxes on sugar-sweetened beverages and nonessential energy-dense food in Mexico, *Preventive Medicine*, Volume 105, S43-S49. <https://doi.org/10.1016/j.ypmed.2017.09.001>
- Marinello S, Leider J, Powell LM (2021) Employment impacts of the San Francisco sugar-sweetened beverage tax 2 years after implementation. *PLOS ONE* 16(6): e0252094. <https://doi.org/10.1371/journal.pone.0252094>
- Juan-José Díaz, Alan Sánchez, Francisco Diez-Canseco, J. Jaime Miranda, Barry M. Popkin. 2023. Employment and wage effects of sugar-sweetened beverage taxes and front-of-package warning label regulations on the food and beverage industry: Evidence from Peru. *Food Policy* 115. <https://doi.org/10.1016/j.foodpol.2023.102412>.
- Paraje, G.; Montes de Oca, D.; Wlasiuk, J.M.; Canales, M.; Popkin, B.M. Front-of-Pack Labeling in Chile: Effects on Employment, Real Wages, and Firms' Profits after Three Years of Its Implementation. *Nutrients* 2022, 14, 295. <https://doi.org/10.3390/nu14020295>



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### 3. Pricing policies

#### a. Further clarify what is meant by fiscal policies compared to pricing policies.

The text does include definitions (page 28) but noted the lack of evidence for pricing policies on their effectiveness or harms which precluded their actual inclusion in the review (page 36). It is also not clear if by “pricing policies,” these would include tariffs/quotas and how these would interact with WTO regulations among WTO member states.

#### b. Despite the lack of evidence related to pricing policies as it relates to foods and non-alcoholic beverages, the evidence from similar industries should be considered, including the below articles:

- **The role of agriculture-targeted food price policies:**
  - Dangour AD, Hawkesworth S, Shankar B, et al 2013. Can nutrition be promoted through agriculture-led food price policies? A systematic review *BMJ Open* 2013;3:e002937. doi: 10.1136/bmjopen-2013-002937
- **At least with regard to SSBs, to consider the evidence from implemented price floors on alcohol, such as from these papers below:**
  - Rachel Griffith, Martin O'Connell, Kate Smith, 2022. Price Floors and Externality Correction\*, *The Economic Journal*, Volume 132, Issue 646, Pages 2273–2289, <https://doi.org/10.1093/ej/ueac011>
  - Xhurxhi, I.P. (2020), The early impact of Scotland's minimum unit pricing policy on alcohol prices and sales. *Health Economics*, 29: 1637-1656. <https://doi.org/10.1002/hec.4156>
  - Nicholas Taylor, Peter Miller, Kerri Coomber, Michael Livingston, Debbie Scott, Penny Buykx, Tanya Chikritzhs 2021. The impact of a minimum unit price on wholesale alcohol supply trends in the Northern Territory, Australia. *Australian and New Zealand Journal of Public Health*, 45: 26-33. <https://doi.org/10.1111/1753-6405.13055>
- **With regards to price ceilings, it might be instructive to look at the literature and evidence linked to existing assistance programs that effectively put price ceilings on healthier food items such as in the US's WIC program:** Patrick W. McLaughlin, Michelle Saksena, Tina L. Saitone, Meilin Ma, Richard Volpe, Qi Wu, and Richard J. Sexton. Cost Containment and Participant Access in USDA's Special Supplemental Nutrition Program for Women, Infants, and Children (WIC): Evidence From the Greater Los Angeles, CA, Area ERR-283, USDA's, U.S. Department of Agriculture, Economic Research Service, February 2021. [https://www.ers.usda.gov/webdocs/publications/100393/err-283\\_summary.pdf?v=6181](https://www.ers.usda.gov/webdocs/publications/100393/err-283_summary.pdf?v=6181)



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#### 4. Implementation considerations

- a. The draft discusses the use of nutrient profile models (NPM), which is an important criteria, but **there is also growing evidence on the associations and links between higher consumption of ultra-processed products (UPP) with a slew of poor health outcomes such as those notes below. As such, considering the presences of certain additives and ingredients could be one way to identify UPPs and consider these in combination with NPMs which is often only based on nutrient thresholds.**
  - Harb, A. A., Shechter, A., Koch, P. A., & St-Onge, M. P. (2022). Ultra-processed foods and the development of obesity in adults. *European Journal of Clinical Nutrition*, 1-9. <https://www.nature.com/articles/s41430-022-01225-z>
  - Mesas, A. E., González, A. D., de Andrade, S. M., Martínez-Vizcaíno, V., López-Gil, J. F., & Jiménez-López, E. (2022). Increased Consumption of Ultra-Processed Food Is Associated with Poor Mental Health in a Nationally Representative Sample of Adolescent Students in Brazil. *Nutrients*, 14(24), 5207. <https://doi.org/10.3390/nu14245207>
  - Martini, D., Godos, J., Bonaccio, M., Vitaglione, P., & Grosso, G. (2021). Ultra-Processed Foods and Nutritional Dietary Profile: A Meta-Analysis of Nationally Representative Samples. *Nutrients*, 13(10), 3390. <https://doi.org/10.3390/nu13103390>
  - Hall, K. D., Ayuketah, A., Brychta, R., Cai, H., Cassimatis, T., Chen, K. Y., Chung, S. T., Costa, E., Courville, A., Darcey, V., Fletcher, L. A., Forde, C. G., Gharib, A. M., Guo, J., Howard, R., Joseph, P. V., McGehee, S., Ouwerkerk, R., Raisinger, K., Rozga, I., ... Zhou, M. (2019). Ultra-Processed Diets Cause Excess Calorie Intake and Weight Gain: An Inpatient Randomized Controlled Trial of Ad Libitum Food Intake. *Cell metabolism*, 30(1), 67–77.e3. <https://doi.org/10.1016/j.cmet.2019.05.008>
- b. While the document indirectly recommends the use of the WHO regional NPMs (for marketing) **it is unclear how a country would use those for tax.** It would be helpful to be more specific and provide examples of best practices for NPM either in combination with or independent of UPPs when taxing products.
- c. **The guidance should provide clearer and specific actionable steps on how these recommended policies may “increase equity and may increase human rights.”**
- d. The guidance needs to **include more actionable information about best practice policies for each recommendation, and/or provide manuals for healthy food subsidies and taxes on ultra-processed foods.** For example, Recommendation 3 pointed out that a relevant element is decide which foods are subsidized which needs country context, but might a consideration include food based dietary guidance for example?



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- e. Guidance should be provided on **methods and tools for preventing and managing potential conflicts of interest and industry interference** in the development of fiscal policies to promote healthy diets.
  - f. There should be some discussion about the **evidence around and the potential role of marketing and media campaigns to raise awareness around such fiscal policies and to increase their potential salience**. Some citations include:
    - Murukutla N, Cotter T, Wang S, Cullinan K, Gaston F, Kotov A, Maharjan M, Mullin S. Results of a Mass Media Campaign in South Africa to Promote a Sugary Drinks Tax. *Nutrients*. 2020; 12(6):1878. <https://doi.org/10.3390/nu12061878>
    - Judy Jou, Jeff Niederdeppe, Colleen L. Barry, and Sarah E. Gollust, 2014. Strategic Messaging to Promote Taxation of Sugar-Sweetened Beverages: Lessons From Recent Political Campaigns. *American Journal of Public Health* 104, 847\_853, <https://doi.org/10.2105/AJPH.2013.301679>
5. It would be important to note that the evidence may have grown/evolved since the systematic reviews. For example, **here are some other recent relevant papers not included in the document that speak to questions of interest:**
- a. **Section 3.1.3 Healthy incentives/subsidies**
    - Lowery CM, R Henderson, N Curran, S Hoeffler, M DeMarco, SW Ng. 2022. “Grocery Purchase Changes Were Associated With A North Carolina COVID Food Assistance Incentive Program”. *Health Affairs* 41(11) <https://doi.org/10.1377/hlthaff.2022.00902>
    - Duffy EW, DA Vest, CR Davis, MG Hall, M DeMarco, SW Ng, LS Taillie. 2022. “I think that’s the most beneficial change that WIC has made in a really long time”: Perceptions and Awareness of an Increase in the WIC Cash Value Benefit. *International Journal of Environmental Research and Public Health*. <https://www.mdpi.com/1660-4601/19/14/8671>
    - Berkowitz SA, N Curran, S Hoeffler, R Henderson, A Price, SW Ng. 2021. “The Association of Food Purchases with a Fruit and Vegetable Subsidy Program for Low-Income Individuals”. *JAMA Open Network*. 4(8): e2120377. <https://doi.org/10.1001/jamanetworkopen.2021.20377>
  - b. **Section 3.1.1 should also mention the experience of South Africa given its sugar density tax design and findings on differences in reductions in volume and sugar from taxed beverages purchased by different income groups.**
    - Bercholz M, Ng SW, EC Swart, N Stacy. 2022 “Decomposing consumer and producer effects on sugar from beverage purchases after a sugar-based tax on beverages in



South Africa". *Economics and Human Biology* 46. 11pp.

<https://doi.org/10.1016/j.ehb.2022.101136>

- Ross AA, EC Swart, T Frank, C Lowery, SW Ng. 2022. "South Africa's Health Promotion Levy on Pricing and Acquisition of Beverages in Local Spazas and Supermarkets". *Public Health Nutrition*. 10pp. <https://doi.org/10.1017/S1368980022000507>
- Stacey N, I Edeka, K Hofman, EC Swart, B Popkin, SW Ng. 2021. "Changes in beverage purchases following the announcement and implementation of South Africa's Health Promotion Levy: an observational study". *The Lancet Planetary Health* 5(4): E200-E208. 9 pp. [https://doi.org/10.1016/S2542-5196\(20\)30304-1](https://doi.org/10.1016/S2542-5196(20)30304-1)
- Essman M, LS Taillie, T Jenkins, SW Ng, BM Popkin, EC Swart. 2021. "Taxed and untaxed beverage intake by South African young adults after a national sugar-sweetened beverage tax: A before-and-after study". *PLOS Medicine*. 22 pp. <https://doi.org/10.1371/journal.pmed.1003574>

**c. Section 3.1.1 should include the following new evidence on the impacts of SSB taxes:**

- Changes in sugar-sweetened beverage consumption in the first two years (2018 – 2020) of San Francisco's tax: A prospective longitudinal study. <https://journals.plos.org/globalpublichealth/article?id=10.1371/journal.pgph.0001219>
- Rogers NT, Cummins S, Forde H, Jones CP, Mytton O, Rutter H, et al. (2023) Associations between trajectories of obesity prevalence in English primary school children and the UK soft drinks industry levy: An interrupted time series analysis of surveillance data. *PLoS Med* 20(1):e1004160. <https://doi.org/10.1371/journal.pmed.1004160>

**6. Other gaps and limitations**

- a. The exclusion of South Africa** might have been because the research did not calculate price elasticities of demand, but this was because the tax design does not allow for this. **Limiting the scope of the review to only assess price elasticities of demand is a limitation that needs acknowledging.**
- b. There also should be mention of the impacts on high consumers of SSBs which is the subpopulation of interest.** There is some evidence of this from Mexico and South Africa for example that should be included.

