**Funding NCD Prevention: Are Health Promotion Funds the Answer?**

International attention to the problem of NCDs has grown significantly over recent years. NCDs are now front and centre in a variety of global alliances, international declarations and agendas, and national, regional, and local initiatives – all of which point to a broad recognition that non-communicable diseases pose a serious, and growing, threat to sustainable development and poverty reduction worldwide. However, one important aspect that has yet to receive as much attention is funding. No matter how dedicated we are, and how brilliantly we conduct our advocacy campaigns, finding sufficient funding to implement solutions to the NCD problem remains a challenge.

Australia and Thailand were among the first to adopt what has become an increasingly popular approach: establishing a health promotion fund whose resources come from a surcharge on the sale of unhealthy products. Setting up a health promotion fund is not entirely simple, but it has proven to be successful in ensuring adequate, even generous, funding for NCD prevention in those countries.

More and more governments are looking at the possibility of placing surcharges on unhealthy products. While most countries have placed additional taxes on tobacco and alcohol, others are seeking to expand that to other products. Mexico, St. Helena, and Berkeley (California), for example, have all implemented a Soda Tax, while Norway has an excise tax on all refined sugar products. There is little reason why a similar surcharge could not appear on a range of other unhealthy products, such as fast food, junk food, disposable plastic beverage bottles, etc. Unlike regular taxes, the surcharge goes directly into a dedicated fund that would, in turn, fund health promotion research, policy development and a variety of initiatives designed to decrease NCD risk and create the conditions in which people would live more healthy lives. Possibilities include funding improvements to walking and cycling environments, creating “open street” events that turn road space over to people for cycling and play, providing space for urban agriculture, and so on.

In this issue, we explore Vietnam’s creation of a tobacco control fund, the requirements for establishing health promotion funds, and some lessons learned from those who have been involved in the process already.

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Developing, Financing, and Managing a Tobacco Control Fund: Vietnam’s Experience

During an official study tour to Thailand in 2005, Vietnamese government officials visited the Thai Health Foundation to learn about how the Thai government was addressing tobacco control. In particular, the Vietnamese visitors heard from their Thai hosts about their successful experience with the Thai Health Promotion Foundation. Here was an innovative way to address two problems at once: the need to raise the price on tobacco in order to lower consumption, and the need to find a sustainable fund for tobacco control.

This was a particularly important visit for the Vietnamese officials. Vietnam continues to have some of the highest smoking rates in the world. In 2010, the adult smoking prevalence among men stood at almost 50%. While smoking prevalence is much lower among women (1.4%), significantly high levels of exposure to second hand smoke and high overall rates of tobacco use contribute to an increasing incidence of NCDs.¹ As a result, the government – and the population – carry an enormous burden of tobacco-related health care costs and productivity losses. In 2012, for example, the total direct and indirect health care costs for five tobacco-related illnesses – among active smokers only – totalled more than USD1.1 billion.² Tobacco-related diseases caused almost 40,000 of recorded deaths in 2008; this number is projected to increase to more than 50,000 annual deaths by 2023. A significant proportion of tobacco-related diseases and deaths in the country are preventable, and many different preventive measures and programmes have been implemented over the years by both government and non-government agencies. Until recently, however, the Vietnamese government did not consider tobacco to be a top public health priority. In fact, most of the funding for tobacco control programmes came from external sources, while the government itself allocated only a tiny budget.

Things have changed in recent years. On 18 June 2012, the Government of Vietnam passed its first national Tobacco Control Law.³ To ensure a stable and secure source of funding for tobacco control and prevention programmes and activities, the law included the official creation of the Vietnam National Tobacco Control Fund (VNTCF). Resources for the fund are generated through a surcharge on all cigarettes; initially set at 1%, this rate increased to 1.5% on 1 May 2016, and will increase again to 2% on 1 May 2019. The tax revenue is to be used solely for programmes and activities designed to prevent and control tobacco use and to mitigate its harms. The Prime Minister is responsible for regulating and operating the fund.

¹ The average adult smoking rate among both sexes is 23.8%. Ministry of Health (Vietnam), Global Adult Tobacco Survey (GATS) Viet Nam 2010.
² The five diseases covered by the study were lung cancer, cancers of the upper respiratory and digestive tract, chronic obstructive pulmonary disease (COPD), ischemic heart disease, and stroke. Pham Thi Hoang Anh and Le Thi Thu. (2012). HealthBridge, Health Costs Attributable to Smoking in Vietnam. Unpublished report submitted to International Development Research Centre (IDRC), Canada.
Developing, Financing, and Managing a Tobacco Control Fund: Vietnam’s Experience cont’d

The idea for the fund came from the study visit to Thailand. The visit was followed by a series of local meetings with various stakeholders to determine how to establish a mechanism in Vietnam to fund a long-term health promotion program. Between 2008 and 2009, a working group comprised of representatives from the Ministries of Health and Finance met to discuss the possible creation of ‘VietHealth.’ An intensive movement to support the establishment of a Tobacco Control Fund, as a key starting point, followed. The movement united the efforts of the Ministries of Health and Finance, the Vietnam Steering Committee on Smoking and Health (VINACOSH), the Vietnam Office of the World Health Organization (WHO), HealthBridge, the Southeast Asia Tobacco Control Alliance (SEATCA), the International Union Against Tuberculosis and Lung Disease (The Union), and the Campaign for Tobacco-Free Kids (CTFK). It involved follow-up study tours to Thailand, Malaysia, Singapore, and Hong Kong. It also created new relationships: through its SITT (Southeast Asia Initiative on Tobacco Tax) project, for example, HealthBridge established a new partnership with the Tax Policy Department in the Ministry of Finance (TPD-MOF). The two organisations worked together to meet their common goal of tackling the tobacco epidemic using tobacco tax measures. Creating cross-sectoral partnerships between health and finance, and between the government and non-government sectors, were thus critical for setting a new policy agenda for a more efficient tobacco tax system in Vietnam. They were also key to establishing a tobacco control fund using tax measures.

Over the years, VINACOSH, HealthBridge, WHO, and SEATCA relied on different strategies to strengthen collaboration and to gain broader support for the tobacco control fund. The organisations hosted a series of workshops and meetings with officials of varying ranks and from different government departments; this helped to ensure buy-in from all levels of government. They also organised study trips for top government officials to health promotion boards in Singapore, Malaysia, Australia, and Hong Kong. Learning from the experiences of other countries and being actively engaged in discussions about the tobacco control fund were key to government officials’ successful development of the fund.

Challenges still exist. The government has limited capacity in tobacco control planning, implementation, and assessment. The fund’s operating agency has yet to reach its full capacity. The tobacco industry continues to lobby the government to reallocate the fund’s resources, away from tobacco control and towards controlling illicit trade and smuggling.

Effective implementation of the tobacco control fund requires concerted and multi-sectoral efforts across different ministries at the central and provincial levels. While much work remains to be done before the tobacco control fund fully meets its objectives, the Ministries of Health and Finance have worked closely to set up the proper structure and management mechanism. Technical support has come from regional and international partners. The government has estimated that USD 4.3 million would be collected annually between 2013 and 2016; USD 6.5 million between 2016 and 2019; and USD 8.5 million from 2019 onward. These funds will go a long way to support tobacco control in the country. While the Vietnamese fund remains focussed on tobacco for now, it has great potential to expand into a much broader health promotion fund. Vietnam’s experience offers some important lessons for other countries seeking to move in the same direction.
Health Promotion Funds: A Global Perspective

Although ensuring and protecting the health of its citizens is at the forefront of most governments’ mandates, many face significant difficulties finding sufficient resources to adequately finance their health programs. Where funding does exist, it can tend to focus on treatment, rather than on prevention. After all, funding is more likely to flow to programs that show tangible results, and demonstrating how many people have been successfully treated is much easier to do than showing how many people did not get a particular disease. Government budgets are also subject to inter- and intra-ministerial competition, and funding streams are not guaranteed. A health budget designated for a prevention campaign can be diverted to address an acute outbreak or other type of crisis.

As a result, it is extremely important to put in place a dedicated, earmarked source of funding that cannot be diverted away from health promotion and that does not need to compete with other programs. Adding a surcharge on tobacco sales, or earmarking a percentage of the tax currently applied to tobacco sales, is an excellent, and relatively easy, place to start. Most countries already tax tobacco heavily, and using some of those revenues to pay for health promotion has proven to be popular. Right now, in fact, more than forty countries have already earmarked a portion of their tobacco tax for health promotion; sixteen of these are low-middle or low income: Bangladesh, Cabo Verde, Comoros, Côte d’Ivoire, Democratic Republic of the Congo, Djibouti, Egypt, El Salvador, Guatemala, India, Indonesia, Lao PDR, Madagascar, Nepal, Philippines, and Vietnam.¹

For the many countries that have not yet established a tax-based revenue stream for health promotion, several international treaties and documents make the case for doing so. The guidelines for implementing WHO FCTC Article 6 recommends that “Parties could consider…dedicating [tax] revenue to tobacco control programmes, such as…[the] financing of appropriate structures for tobacco control.” Similarly, the Political Declaration of the 2011 High Level Meeting on NCDs recommends that governments explore “innovative financing mechanisms” to fund NCD prevention programs. The WHO Working Group on Financing for NCDs recognizes that tobacco taxes can be effectively used to finance both health-care costs and NCD risk prevention programs. The International Union Against Tuberculosis and Lung Disease’s recently published discussion paper not only makes a solid case for establishing a dedicated fund to administer resources for tobacco control, but also clearly lays out the primary steps and challenges to consider when doing so.

With such support already in place for tobacco, it is reasonable to consider creating tax revenue streams from other products that are similarly harmful to health and/or the environment, such as alcohol, sugar-sweetened beverages, plastic packaging, junk food, cars, and even televisions. Indeed, The Union argues that “there are some similarities between tobacco taxation and the rationale and methods for increasing taxes on other health compromising goods” and that “NCD prevention has much to gain from the lessons learnt from tobacco control regarding the need for sustainable funding.” The rationale is clear. The next step is to generate the will to move forward.

Establishing a Health Promotion Fund

In its recently published discussion paper on Sustainable Models for Funding Tobacco Control, the International Union Against Tuberculosis and Lung Disease presents a stepwise approach for establishing a tobacco control fund (see figure below). This model clearly and graphically outlines the key administrative and procedural steps necessary for both conceptualising and implementing the fund. As a final step, the model suggests considering a scale-up from a tobacco control fund to one that is more multi-faceted and that addresses additional NCD risk factors.

In order to take this last step, a wide variety of allies is beneficial. Allies working on different health promotion activities are critical for ensuring that the various types of NCD risks are addressed. Partners who are willing to share in the hard work can be as important as those who are willing to sign letters, to occasionally appear and speak at events, or to just offer moral support. As organisations gain a better understanding of the issues, they can start to get the word out. Effective actions may include organizing seminars and press conferences, writing letters to politicians and to newspapers, holding outdoor demonstrations, and directly speaking with politicians. In other words, strong public and political support can be gained in many different ways.

What is critical is broadening the tobacco control fund into one that not only takes account of all different kinds of NCD risk factors, but that also sees the value in ensuring that all harmful products are taxed appropriately.

There are many organizations working on NCDs. They include traditional health groups addressing a disease (diabetes, heart disease, stroke, cancer) or an organ (lung, heart). There are also many other organizations whose mandate coincides with addressing the main NCD risk factors. Beyond tobacco control, this includes groups working on alcohol prevention, as well as pedestrian and cycling advocacy groups, and organisations that promote organic agriculture and farmers’ markets. If the fund will be used for programs that take a broad definition of NCD prevention, then here too one can find potential allies whose work has direct and indirect impacts on NCD risk factors, such as road safety, urban planning, literacy, and community development.
Health Promotion Funds in Action: ThaiHealth

Thailand’s Health Promotion Fund is one of the world’s best known examples. Although the Thai parliament’s initial reaction to the fund was unsupportive, the Ministry of Health’s argument that this approach offered the only sustainable means to fund health promotion eventually won the day. ThaiHealth was created through the Health Promotion Foundation Act 2001. It is administered by an autonomous state agency and governed by representatives of nine different federal ministries plus experts in the fields of health promotion, community development, communications, education, sports, arts and culture, law, and administration. Its budget is financed through a 2% surcharge on tobacco and alcohol products; in 2014, about USD130 million supported a variety of projects and programs, with almost three-fourths of the funding going to community-level initiatives.¹

Some people argue that if the tobacco tax provides the funding, the programme should only support tobacco control. The tobacco industry, after all, has an enormous pool of resources to fund ongoing lobbying against tobacco control. Diverting tobacco tax funds to other programs might weaken tobacco control efforts. ThaiHealth has achieved remarkable success in tobacco control: many more players are now involved in tobacco control, each with specialized roles; tobacco taxes have been consistently increased; point-of-sale advertising and display are banned; and 100% smoke-free environments have been implemented. As well, the smoking rate has decreased from 32% (1991) to 21% (2014).

However, ThaiHealth has taken a much broader view of health promotion, and its NCD risk reduction also focuses on alcohol control, road safety, physical activity, food security, vulnerable populations, and consumer protection. In fact, it has developed fifteen different health promotion action plans, all funded through the surcharge on tobacco and alcohol.