GLOBAL LAUNCH · MAY 2026

Health Taxes for School Meals

A global toolkit for financing a healthy future.

Sustainable Financing Initiative for School Health and Nutrition

ODI Global

The Rockefeller Foundation

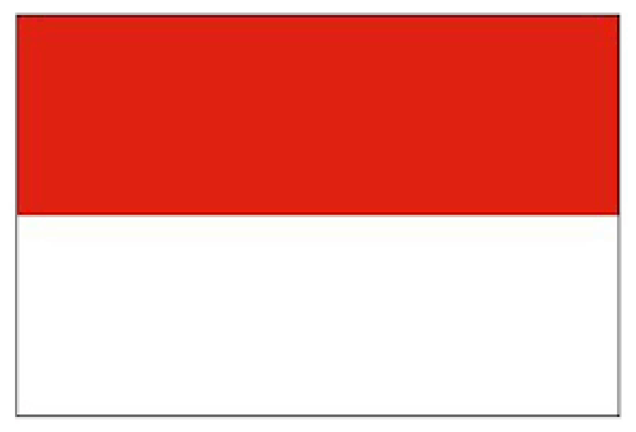
Toolkit Structure

- Introduction: the case for school meals and use of health taxes
- Tax policy principles, options and design
- Practical design considerations
- Earmarking
- Tax policymaking process, political economy and role of consultation

Case Studies

Philippines

RETROSPECTIVE & PROSPECTIVE



Indonesia

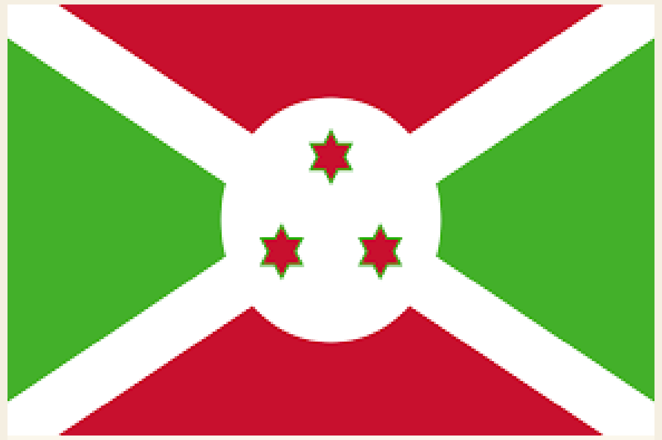
PROSPECTIVE

Kenya

PROSPECTIVE

Uganda

PROSPECTIVE



Burundi

PROSPECTIVE

- Retrospective and prospective
- Large and small countries
- Evidenced applications of toolkit e.g. earmarking challenges, political economy
- Lessons for wider audience

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SECTION 1

Introduction: The case for school meals and the use of health taxes.

Polycrisis and Fiscal Squeeze

GLOBAL SHOCKS REDUCED FISCAL SPACE

LIMITED SPENDING ON SCHOOL FEEDING

SLOWDOWN IN SDG PROGRESS

Wide-ranging impact of school meals

$1 → $7-35

RETURN (WFP)

↓ OBESITY
↓ MALNUTRITION
↓ STUNTING

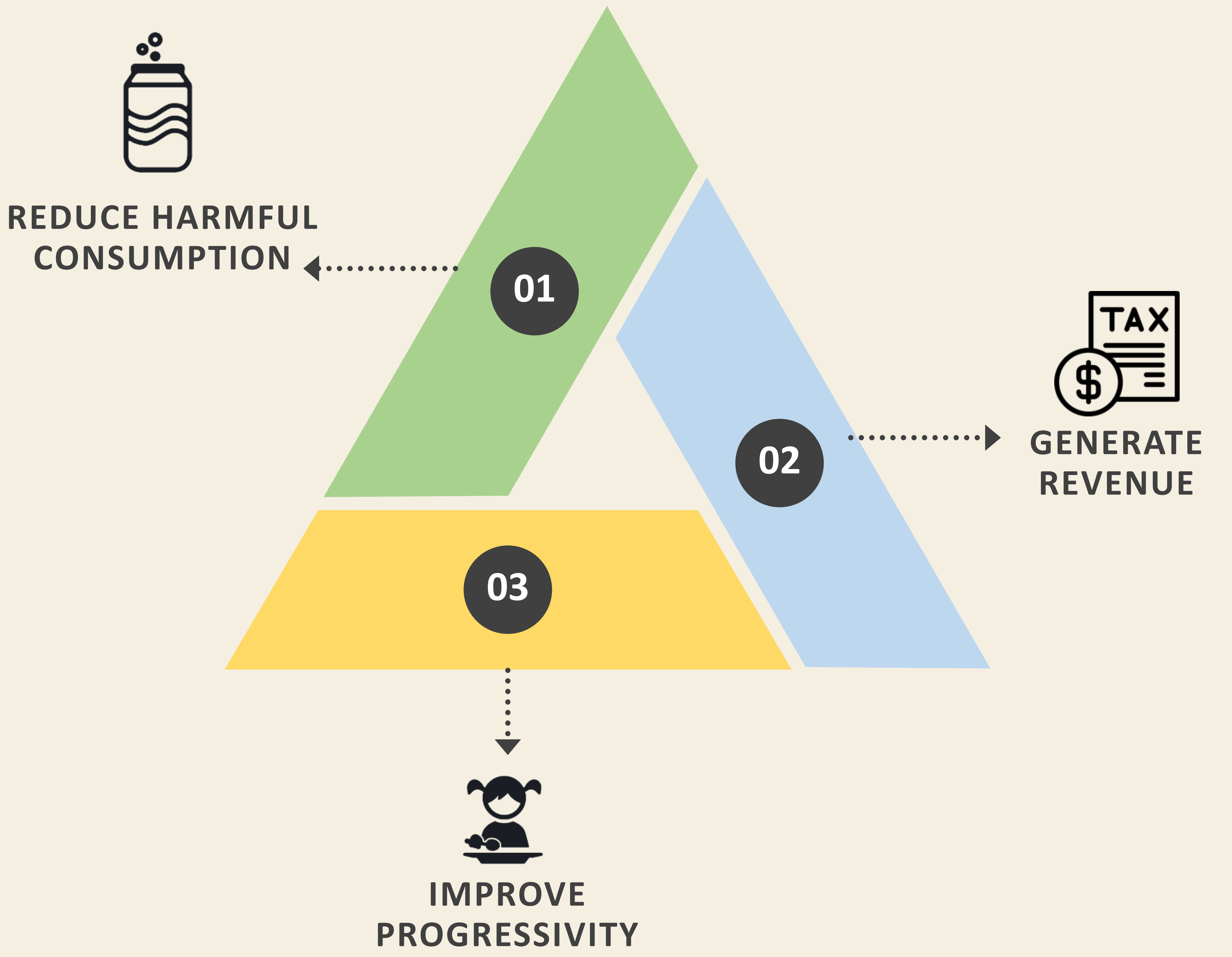
↑ ENROLMENT
↑ PERFORMANCE

↑ PRODUCTIVITY

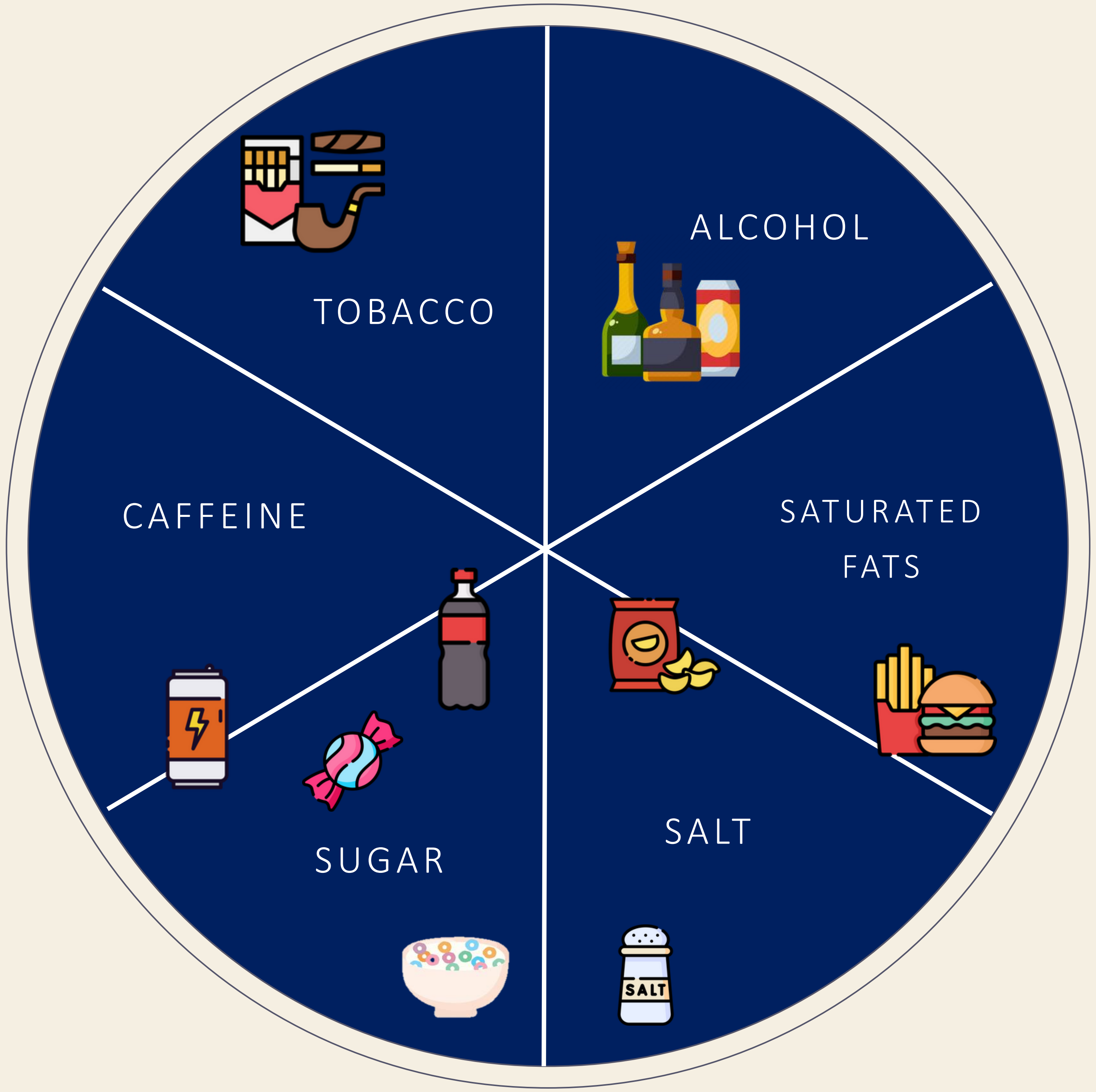
↑ FOOD SECURITY
↑ REGENERATIVE AGRICULTURE DEMAND

↓ POVERTY
↑ RURAL LIVELIHOODS

Health taxes deliver a triple benefit



Product scope of the toolkit



SECTION 2

Tax policy principles, options & design.

Why are some things over-consumed?

NEGATIVE EXTERNALITIES

impacts on others in society

NEGATIVE INTERNALITIES

addiction, habits, irrational choices

IMPERFECT INFORMATION

incomplete information on what they're consuming

Government Policy Toolkit

TAX | REGULATE | INFORM

The toolkit focuses on tax — but recognises it works best alongside the other two.

Balancing objectives and other considerations

DIRECT HEALTH

REVENUE

PRACTICAL DESIGN CONSIDERATIONS

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Balancing objectives and other considerations

AD VALOREM:

TAX ON PRICE

SPECIFIC (VOLUMETRIC):

TAX ON QUANTITY

SPECIFIC (CONTENT BASED):

TAX ON HARMFUL CONTENT

SECTION 3

Practical design considerations

Health tax structure options

AD VALOREM:
TAX ON PRICE

- – doesn't target harmful content
- \+ automatic inflation adjustment
- \+ administratively simple
- – under-reporting risk

SPECIFIC (VOLUMETRIC):
TAX ON QUANTITY

- \+ partially targets harmful content
- – needs inflation adjustment
- \+ administratively simple
- \+ low under-reporting risk

SPECIFIC (CONTENT BASED):
TAX ON HARMFUL CONTENT

- \+ directly targets harmful content
- – needs inflation adjustment
- – administratively complex
- – under-reporting risk
- \+ incentivises reformulation

Practical design considerations

Inflation adjustment

Legislation
Indexation

Enforcement and collection

Verification
NPMs
Cost to RA

Market definition

Trends
Substitutes
Scope

Consumer response

Elasticities
Non-tax factors

Equity

Consumer characteristics
Extended CBA

Supplier response

Opposition
Reformulation

Impact analysis

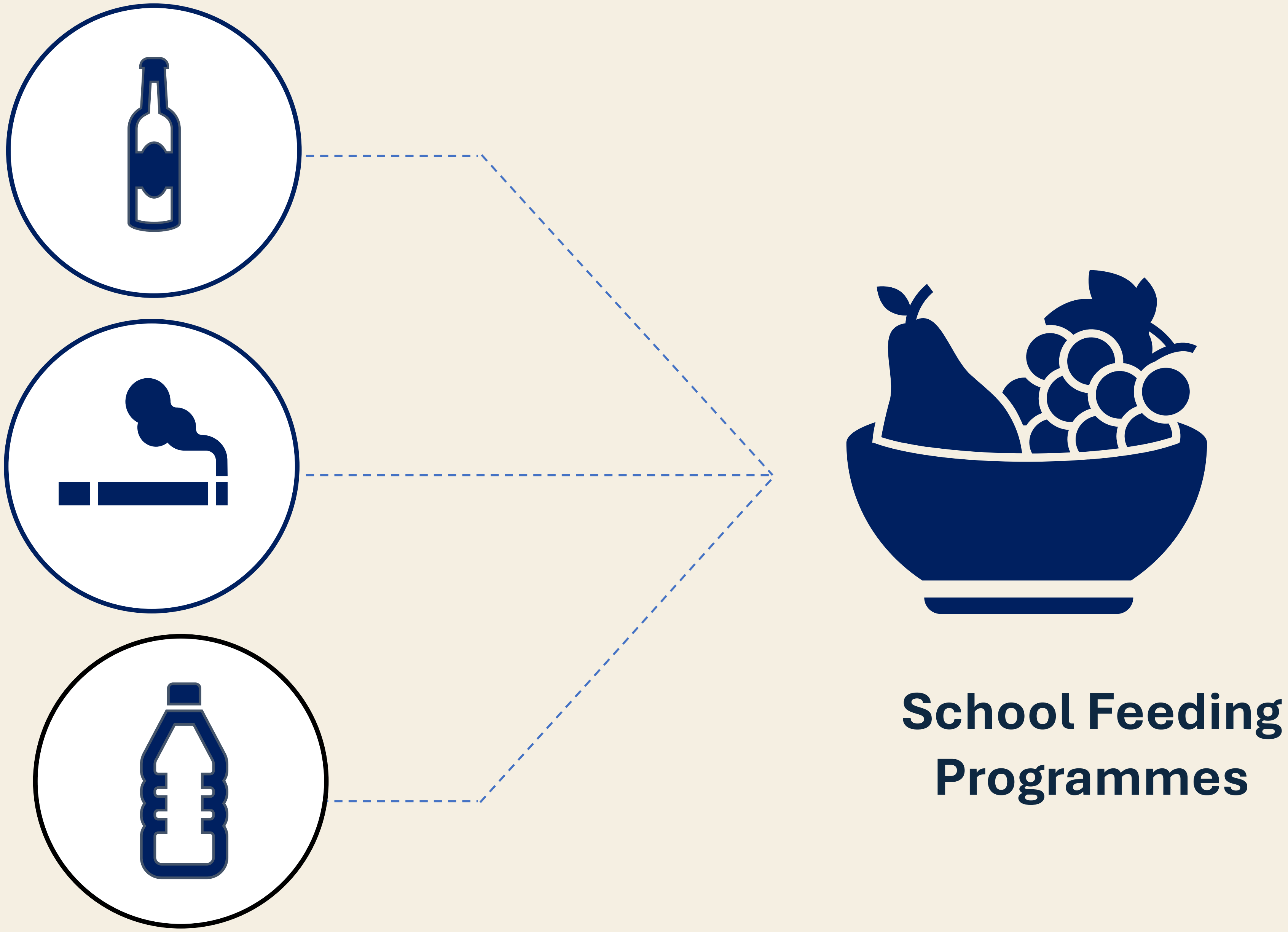
Data
Evaluation

SECTION 4

Earmarking

Earmarking considerations

Increasingly used to fund health, education, and social sectors



BENEFITS

- Funding source certainty
- Public support
- Converts 'public bads' into public goods

CHALLENGES

- Volatile revenue
- Budget inflexibility
- Administrative capacity

TRENDS

- Practiced in **80+ countries**
- Tobacco: **28% earmark** for **health**
- SSBs: **Only 8% earmarked** despite 100+ taxes
- **Colombia** Junk food- reform space opened

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Forms of hypothecation

HARD

LEGALLY FIXED

STABLE

RIGID

SÃO TOMÉ AND PRÍNCIPE

SOFT

INTENT-BASED

FLEXIBLE BUT NOT GUARANTEED

PHILIPPINES

DIRECT

BUDGETED (VIA LINE ITEMS)

CONSISTENT BUT ADJUSTABLE

PHILADELPHIA

COMPLEMENTARY

GOAL ALIGNED

NO REVENUE LINK

MEXICO

Key takeaways

General PFM best practices come first: transparent budget tracking, timely disbursement, oversight mechanisms

Soft earmarking, direct commitment and complementary commitment are safer choices in many contexts. They signal different strengths of revenue and spending intent, without the legal rigidity of hard earmarking.

Complementary commitment gives a narrative advantage by focusing on a common policy objective.

When tax morale is low, **hard earmarking sets a binding commitment** that government can be held accountable to.

Partial earmarking can balance central government needs with SMP financing, depending on a reform's revenue potential.

Funding school meals using SSB and UPF health tax revenues has an intuitive 'carrot and stick' justification because of the strong internality rationale and consumer overlap.

Effective health taxes can mean less stable revenues over time. A direct commitment approach can mitigate this.

SECTION 5

Tax policymaking process, political economy and role of consultation

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Political economy considerations

Identify allies

- Civil society movements
- Government ministries

Policymaking process

- Veto points
- Key stakeholders
- Opportunities fo influence

Leverage commitments

- Align with existing vision, strategies and initiatives

Bundling policies

- Revenue raising with revenue reducing

Easier wins

- Broaden taxable products under existing rationale

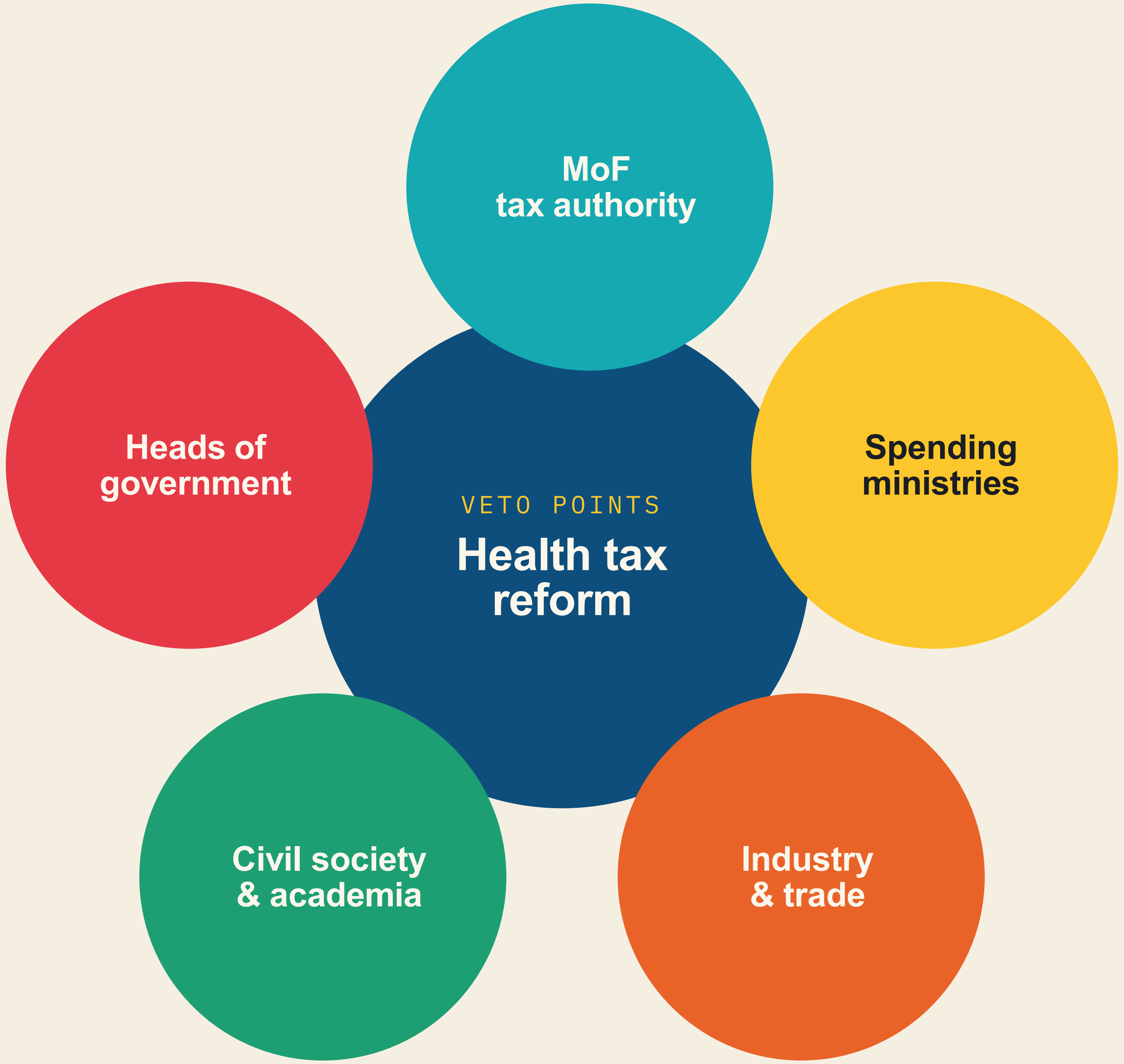
Effective communication

- Civic responsibility
- Practical implications

Careful earmarking

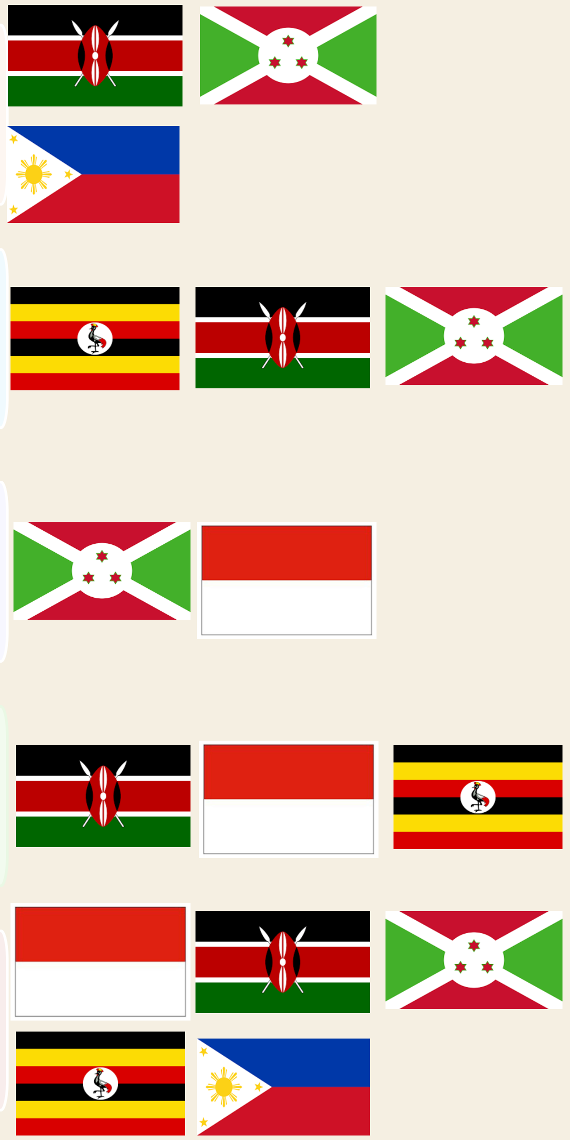
- Build political support
- Technical downsides

Common themes across case studies



Health tax reform requires consultations
among many different actors

- **Phased implementation**
- **Broadening tax bases**
- **Incremental improvements**
- **Complementary initiatives**
- **Meeting point of technical and political aspects**



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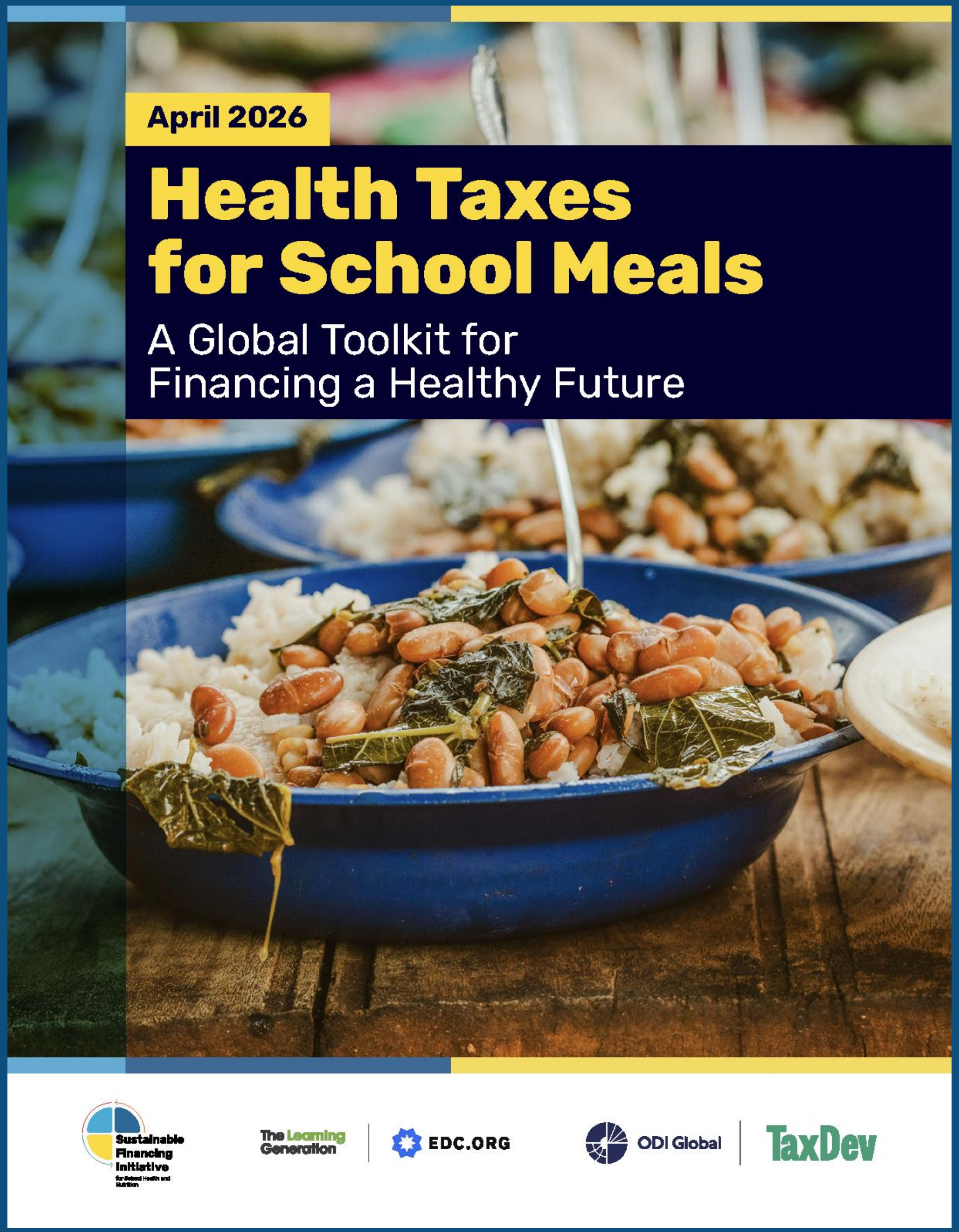

A copy of the toolkit is now available now.

LEAD AUTHORS

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