A Soda Tax to Fund the Global Fight Against Malnutrition
A Fiscal Lever for Public Health

SUMMARY – The Soda Tax: a life-saving fiscal tool

As traditional sources of funding dry up, the time has come to innovate. After introducing groundbreaking mechanisms such as the airline ticket levy and the financial transaction tax, France has the opportunity to go further. We call upon the French government to increase the tax on each can of soda by one cent. This simple measure could generate €82 million annually. If earmarked for the fight against malnutrition, these resources could help save around 2 million children. France has the power to make a real difference.

By allocating the additional revenue from the soda drinks tax to global efforts against malnutrition, France can turn a domestic public health tool into a lever for international solidarity. With $13 billion needed annually to eliminate acute malnutrition, each and every source of funding matters. We urge the government and members of parliament to adopt this proposal, which is in line with the objectives of the Nutrition for Growth (N4G) Summit which was hosted in Paris in March 2025.

Introduction

On March 27–28, 2025, Paris hosted the **Nutrition for Growth (N4G) Summit**. The goal was to place the fight against malnutrition high on the global agenda again. The results, however, were mixed. While some stakeholders stepped up, many others remained far too silent.

In the face of mounting crises - climate, geopolitical, humanitarian, food-related, and health-related - the $28 billion pledged will not be sufficient to meet global needs. Furthermore, most of the funding announced had already been committed prior to the summit, either through existing national or multilateral programs. As a pioneer in innovative financing and the initiator of the **Paris Pact for People and Planet** - which calls for a major funding shift to ensure no country must choose between development and environmental consideration - France is uniquely positioned to lead.

By earmarking a portion of soda tax revenues for nutrition, France could provide a sustainable solution to help end malnutrition. Initially introduced to curb obesity and overweight domestically, the soda tax could also help save lives in the world's most vulnerable regions - addressing all forms of malnutrition.

I. The fight against malnutrition: a global emergency

A world facing increasing food and nutrition challenges

Malnutrition affects the whole world, and it is devastating: in 2022, 149 million children suffered from stunting, 45 million from wasting[1], and over 1 billion adolescent girls and women experienced undernutrition or the harmful consequences of malnutrition[2].
In 2024, global hunger worsened for the sixth year in a row: 295 million people in 53 countries faced food insecurity[3]. The consequences are catastrophic, not only for individuals but also for nations. Undernutrition contributes to half of all child deaths under the age of five, making it one of the leading causes of child mortality worldwide[4]. Even when it does not result in death, it weakens children's immune systems, impairs cognitive development, hinders economic growth, and puts immense pressure on health systems.

Adding to this burden is the growing challenge of overweight and obesity. Due to shifts in food systems, undernutrition and obesity are increasingly interconnected, leading to a "double burden" of malnutrition in many countries. In 2022, 2.5 billion adults and 390 million children and adolescents were overweight[5]. Once considered an issue limited to high-income countries, obesity is now rising rapidly in low- and middle-income countries as well.

Whether it is due to nutritional deficiency or excess, all forms of malnutrition share a common root cause: lack of access to healthy, affordable, and sufficient food[6]. Today's global reality is a two-sided nutritional crisis: on one side, a surge in overweight and obesity driven by the widespread availability of sugary and ultra-processed products, aggressively marketed (especially to children)[7]; and on the other, dangerously high rates of acute malnutrition and preventable deaths amounting to a major global health emergency.

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[1] Malnutrition infantile et alimentation des enfants - UNICEF
[2] unicef.org/reports/undernourished-overlooked-nutrition-crisis
[3] Rapport mondial sur les crises alimentaires (GRFC) 2025 | OCHA
[4] Malnutrition in Children - UNICEF DATA
[5] Principaux repères sur l'obésité et le surpoids
[6] L'obésité et la sous-nutrition, double fardeau de plus d'un tiers des pays à revenu faible ou moyen (OMS) | ONU Info
[7] Les enfants, cibles du marketing de la malbouffe : l'heure de l'action politique | FW FR

A nutritional crisis worsened by budget cuts

Progress in the fight against malnutrition has, unfortunately, always been slow. Now it is being further threatened by wealthier nations stepping back from international solidarity, thereby severely undermining global efforts against malnutrition. **For instance, due to drastic cuts in U.S. development aid, 14 million children may not receive the food and nutritional assistance they need in 2025[8].**

Combined with confirmed aid cuts from other donor countries (including France) these global budget cuts could lead to an additional **369,000 child deaths** annually, simply **due to lack of access to treatment for malnutrition[9].** In the poorest countries, this means vital programs being shut down, stockpiles of ready-to-use therapeutic food (RUTF) running dry, health centers closing, triage systems being put in place, resulting in life-or-death situations for thousands of children who have lost access to treatment. The impact of these cuts is already being felt. In the Democratic Republic of Congo, U.S. funding accounted for 70% of nutrition assistance in 2024. As a result, lifesaving programs are being halted, and children's lives are at risk[10]. In Somalia, Doctors Without Borders (MSF) reports that, combined with a chronic funding shortfall, U.S. cuts are fuelling a sharp increase in cases of severe acute malnutrition, with potentially fatal consequences[11].

II. Underfunding nutrition: a ticking time bomb

The need for financing predates the recent budget cuts

In the face of a massive global nutrition crisis, the international financial response has long fallen short of what was needed, despite existing vulnerabilities being exacerbated by climate change and the multiplication of conflicts. Yet, allowing hunger to persist is a choice. The treatments, programs, solutions, and resources to fight malnutrition already exist. In 2024, the World Bank estimated that an additional $13 billion per year was needed to address all forms of malnutrition, including $1.4 billion specifically for wasting.

Such an investment could prevent the deaths of 620,000 children under the age of five each year[12]. This is a fraction of the cost of inaction. Every year, the financial cost of malnutrition grows.

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8 https://www.unicef.org/fr/communiques-de-presse/en-2025-14-millions-denfants-au-moins-risquent-d%C3%AAtre-priv%C3%A9s-de-services-de

9 Le démantèlement de l'Usaid privera 1 million d'enfants de traitement contre la malnutrition : « Ce sont des décisions criminelles » / The full lethal impact of massive cuts to international food aid

10 RDC: la fin de l'aide américaine change déjà la réponse humanitaire dans un pays qui en est très dépendant

11 https://www.msf.fr/communiques-presse/cent-jours-apres-l-arret-des-financements-americains-des-effets-devastateurs-sur-le-systeme-de-l-aide

12 Investment Framework for Nutrition 2024

Over a 10-year period, it is estimated at $41 trillion—$21 trillion in lost productivity due to undernutrition and $20 trillion in social and economic costs linked to overweight and obesity[13]. Investing in nutrition today means avoiding a much higher price tomorrow: in human lives, healthcare costs, and lost economic output. According to the World Bank, every $1 invested in nutrition yields an average return of $23 in social and economic benefits, making it not only a moral imperative but also a sound investment[14].

A financial gap made worse by budget cuts

Despite these facts, the wealthiest countries are making the opposite choice.
Globally, the latest OECD data revealed a historic drop in official development assistance in 2024: a 7.1% decrease compared to 2023[15]. In the U.S. the withdrawal has been dramatic, and its consequences devastating: 83% of USAID-funded nutrition programs have been halted. This is especially alarming given that with a $42.8 billion budget in 2024, the U.S. was by far the world's largest donor[16] to international humanitarian action and global health, providing more than half of all international nutrition funding.

This reversal is compounded by development aid cuts by several European countries, including France, who recently slashed over €2 billion in ODA. France's retreat was also visible at the last **Nutrition for Growth (N4G)** Summit. Although it hosted the summit and called for ambitious commitments, France pledged only €750 million through 2030, less than the €800 million committed from 2019 to 2023. This is in addition to cuts in the UK, Germany, Sweden, and others[17]. As aid dwindles, the funding gap widens, and needs continue to rise, driven by conflict, pandemics, and climate change. This untenable trajectory makes it urgent to explore new, more sustainable sources of financing and reduce dependence on public budgets.

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13 Investment Framework for Nutrition 2024
14 Investment Framework for Nutrition 2024
15 L'aide internationale recule en 2024 pour la première fois en six ans, selon l'OCDE
16 Démantèlement de l'USaid : les programmes humanitaires financés par les Etats-Unis broyés à la moulinette de l'«America First» – Libération
17 Aide au développement : le grand repli européen

III. A smart fiscal solution: taxing Sugar-Sweetened Beverages (SSBs)

WHO recommendations

In response to the growing health, social, and economic burdens of excessive sugar consumption, the World Health Organization (WHO) has, for over two decades, recommended the implementation of taxes on sugar-sweetened beverages (SSBs)[18].

Poor dietary habits, and a rising sugar intake in particular, are among the leading causes of death from non-communicable diseases (NCDs). In many countries, sugary drinks are the primary source of added sugar, making them a central public health concern. Global SSB consumption has increased by over 20% in the past 15 years[19]. Much of this growth is due to their low cost, as they are often far cheaper than healthier alternatives[20]. The consequences are severe: higher rates of obesity, diabetes, cardiovascular diseases, dental problems, and osteoporosis[21].

The WHO has identified taxes on sugary drinks as one of the most effective ways to reduce sugar intake, especially when the tax is high enough to discourage purchase.

The value of the tax

This type of taxation is now recognised as an essential public health policy, implemented in more than 108 countries[22]. It is particularly well-suited because sugary drinks offer no nutritional value, directly contribute to obesity, and have more harmful health effects than sugar consumed in solid foods[23].

These taxes deliver a triple benefit:

1. **Changing consumer behaviour**: WHO studies show that fiscal measures can significantly reduce consumption[24]. Producers typically pass the tax cost onto consumers, making sugary drinks less attractive. Price increases have a well-documented effect on consumption levels. Taxes can also lead manufacturers to reformulate products, especially when tax rates are tied to sugar content.
   This change in consumer behaviour, in turn, is likely to encourage producers to change their product recipes, especially if the tax rate varies according to the amount of sugar in each liter or hectolitre of beverage[25].

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18 Stratégie mondiale pour l'alimentation, l'exercice physique et la santé
19 9789240084995-eng.pdf p. 1
20 9789240084995-eng.pdf p.1
21 iris.who.int/bitstream/handle/10665/374530/9789240084995-eng.pdf?sequence=1
22 9789240084995-eng.pdf
23 9789240056299-eng.pdf p. 5-6
24 9789240056299-eng.pdf p. 7-8
25 9789240056299-eng.pdf p. 8

In Mexico, two years after introducing a soda tax (1 peso/liter), the volume of sugary drinks purchased dropped by 37%[26]. In the UK, the share of beverages exceeding the first sugar tax threshold fell from 49% in 2015 to 15% in 2019[27]. In Ireland, sugar consumption from beverages fell from 6 kg per person in 2010 to 3.8 kg in 2022[28].

2. **Reducing healthcare costs**: Overweight and obesity cause 4.5 million deaths annually and result in enormous strain on healthcare systems[29]. The WHO estimates that high BMI-related healthcare costs exceed $990 billion per year, obesity's economic impact is $2 trillion, and diabetes costs $1.31 trillion[30]. In comparison, just $13 billion per year would be enough to address global undernutrition[31]. Taxing sugary drinks reduces obesity-related healthcare costs and corrects market failures by ensuring prices reflect real social and health costs[32].
3. **Raising additional public revenue**: SSB taxes are also a major revenue source for governments. South Africa raised $140 million in its first year; Portugal collected $90 million in one year; Hungary generated $200 million in four years[33]. In France, the tax yielded €500 million in 2023 and is expected to reach €800 million in 2025[34].

The **Paris Business Declaration for Nutrition**, adopted at the N4G Summit, emphasises the need for collaboration among governments, civil society, and the private sector to ensure healthy, nutritious foods are available, accessible, and affordable. It highlights the critical role of product reformulation and price strategies in shaping healthier diets[35].

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26 Countries that have implemented taxes on sugar-sweetened beverages (SSBs) | Obesity Evidence Hub
27 La fiscalité comportementale en santé : stop ou encore ? - Sénat Elisabeth Doineau et Cathy Apourceau-Poly.
28 Ireland, Press release, 2024, Minister for Health publishes Evaluation of the Sugar-Sweetened Drinks Tax
29 9789240056299-eng.pdf p. 4
30 9789240056299-eng.pdf p. 4-5
31 openknowledge.worldbank.org/server/api/core/bitstreams/4ca4b739-f713-5a89-aca2-02ec50976e7c/content
32 9789240056299-eng.pdf
33 openknowledge.worldbank.org/server/api/core/bitstreams/4ca4b739-f713-5a89-aca2-02ec50976e7c/content
34 Sodas, thés glacés : les prix des boissons sucrées ont bondi, voici pourquoi
35 Paris_Nutrition_Declaration_2030_mar26.pdf

IV. A taxation model gradually implemented in France

(1/First step: implementation in 2012)

In France, a tax on sugary and artificially sweetened drinks, commonly called the "soda tax," was introduced in 2012 (Article 1613 ter, General Tax Code). The objective of this tax was to fight obesity and raise state revenue through a uniform tax applied at a fixed rate to both drinks containing added sugars and those containing sweeteners[36]. Despite its innovative nature[37], the French tax quickly revealed its weaknesses: its impact on sales was weak and temporary[38].

(2/Second step: revision in 2018)

In 2018, the system was modified: the tax was indexed to the amount of sugar added in the drinks, through about fifteen thresholds designed to encourage consumers to favour healthier products and to push manufacturers to reformulate their recipes. The bill's rapporteur, Olivier Véran, explained at the time that the law's goal was not to increase state revenue but to fight obesity, especially among young people[39].

However, even the new version of the tax had limited effects due to insufficient incentives[40]. Several parliamentarians pointed out the weaknesses of the French model compared to the British tax, which for its part considers the total sugar content in the drink, not just added sugars; but above all, relies on a very small number of tax brackets—creating much larger and more dissuasive tax steps—and a tax level generally higher than the French one[41].

(3/Third step: the latest revision)

In a context marked by severe budgetary constraints and a desire to renew fiscal revenue sources, the examination of the 2025 Social Security Financing Bill revived discussions on nutritional taxation, placing this public health lever at the heart of parliamentary debates through two measures:

1. **The soda tax:** Inspired by the British model, the 2025 Social Security Financing Act strengthened this tax: the tax scales - set according to the amount of added sugar per hectolitre of beverage -were reduced from 15 to 3, leading to a significant tax increase.

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36 La taxe sur les boissons sucrées entrera bien en vigueur au 1er janvier
37 Rapport-recherche_Consortium-Sodatax_2024.pdf May 2024
38 Rapport-recherche_Consortium-Sodatax_2024.pdf May 2024, p. 25
39 Assemblée nationale. Rapport, n° 316 - 15e législature - Assemblée nationale 18 October 2017
40 La fiscalité comportementale en santé : stop ou encore ? - Sénat Elisabeth Doineau et Cathy Apourceau-Poly.
41 Proposition de loi, n° 452 - 17e législature - Assemblée nationale 2024, presented by French MP Cyrille Isaac-Sibille and La fiscalité comportementale en santé : stop ou encore ? - Sénat Elisabeth Doineau et Cathy Apourceau-Poly.

2. **The tax on added sugars in ultra-processed products:** Supported by several parliamentarians, this proposed tax did not gain government support and was not included in the 2025 Social Security Financing Law.

V. Increasing the soda tax and allocating additional revenues to the fight against global malnutrition

(1/Feasibility of tax allocation)

In France, it is entirely possible to dedicate all or part of the revenues from a tax to financing a specific initiative, such as fighting global challenges. Since the adoption in 2021 of the organic law on modernising public finance management, two criteria must be respected:

- **The funded organisation must have legal personality**: Allocating part of the soda tax revenues to the global fight against malnutrition implies creating a recipient with legal personality or directly granting the Solidarity Fund for Development (FSD) legal personality, as allowed by the organic bill aiming to restore the allocation of part of solidarity taxes (FTT and TSBA) to international solidarity financing, supported by Deputy G. Gouffier-Valente and signed by 66 members of parliament.
- **The channelling of the tax revenue to the organisation must be justified by a direct link**: Here, the link is obvious: products responsible for malnutrition in France would contribute to financing public policies to fight hunger worldwide. **Taxing the sweetest drinks could also help hold major industrial players - whose profits are constantly growing - accountable in the fight against food inequality. These companies play a major role in the massive distribution of ultra-processed products, often cheap but nutritionally poor**. Part of this burden should be absorbed by the companies themselves, notably by reducing their margins on these products, without compromising their profitability or automatically passing costs on to consumers. This requires a real political power struggle to ensure the tax does not weigh more heavily on the most vulnerable populations, who already struggle to access healthy, balanced food.

(2/French history in innovative financing)

By using part of the tax revenues to fight global malnutrition, France would reconnect with its longstanding tradition of innovative financing.

Indeed, since the early 2000s, in response to the scale of the HIV/AIDS epidemic, France implemented - under President J. Chirac - a tax on airline tickets (TSBA) to finance the global fight against pandemics via the Global Fund for AIDS, Tuberculosis and Malaria and UNITAID. In 2012, President N. Sarkozy established a financial transaction tax to make the major beneficiaries of globalisation contribute to funding projects supporting the most vulnerable populations suffering the worst effects.

Since their implementation, these taxes have provided stable funding sources for fighting pandemics, improving vaccine access, mitigating climate change, and supporting education.

(3/An idea with international support)

Funding global public goods through dedicated taxes is a solution France regularly advocates for on the international stage. Proud of its experience, France uses it as a diplomatic lever by sharing its model and encouraging other countries to adopt similar mechanisms, like other countries that followed France in creating airline ticket taxes to fund global health through UNITAID (Cameroon, Chile, Republic of Congo, Madagascar, Mali, Mauritius, Niger, South Korea). In 2023, at the Summit for a New Financial Pact, President E. Macron called for a "financing shock" so no country would have to choose between reducing poverty, fighting climate change, and preserving biodiversity. Following this summit, France, alongside Barbados and Kenya, launched at COP28 the Global Solidarity Levies Task Force to explore new international funding sources to guarantee access to essential services for all people worldwide.

An important step was taken a few months ago with the adoption of an international maritime transport agreement, which aims both to reduce carbon emissions from maritime transport and finance the climate transition in least developed countries[42]. Coordinated internationally, solidarity taxes (on air transport, financial transactions, fossil fuels…) could generate huge revenues capable of transforming development financing.

(4/Proposal: Increase and allocate additional revenues from the soda tax to fight malnutrition)

To maximise this virtuous effect, it is being **proposed to increase the current tax on sugary drinks by one cent per can**. Such a moderate and painless increase for consumers could raise about 80 million euros annually.

[42] L'OMI approuve la réglementation "zéro émission nette" pour le transport maritime mondial

These additional funds could be fully dedicated to fighting malnutrition, notably through multilateral financing or targeted projects in the most affected countries. This simple measure would give France a fast, effective, and transparent lever to honour its international commitments and amplify its impact in combating undernutrition.

In the face of decreasing public development aid budgets, **allocating part of the soda tax revenues** (from the tax increase) **to global malnutrition would allow France to fully reclaim its role in this essential fight while doubling its commitment made at the Nutrition for Growth Summit**.

This mechanism would combine the fight against overweight and obesity in France with combating undernutrition in the most vulnerable countries without burdening public finances. This is a catalytic, or doubly virtuous, mechanism, as it both addresses a public health issue - the rise in overweight and obesity - and generates essential resources to fund the fight against malnutrition. Recent studies have shown that taxes on sugary drinks are far better accepted by the public when their revenues are used to finance health initiatives[43]. Allocating part of the tax revenues to projects aimed at people suffering from undernutrition worldwide would give clear meaning to the tax and strengthen its acceptability by consumers and industries. Moreover, creating such an international solidarity tax to fight malnutrition could serve as an example to create a ripple effect, similar to UNITAID's example, thus contributing to increasing funding to fight malnutrition, a global health challenge.

[43] International Journal of Behavioral Nutrition and Physical Activity, 2019 [Political and public acceptability of a sugar-sweetened beverages tax: a mixed-method systematic review and meta-analysis | International Journal of Behavioral Nutrition and Physical Activity | Full Text]

Who are we?

Global Health Advocates is a French NGO whose mission is to carry out political advocacy in France and with EU institutions to ensure that policies and resources effectively address health inequalities.
ALIMA (The Alliance for International Medical Action) is an international humanitarian medical NGO that provides healthcare to vulnerable populations facing health crises, epidemics, or natural disasters.
Doctors Without Borders (MSF) is an international medical humanitarian association founded in Paris in 1971 by doctors and journalists. For over fifty years, MSF has been providing medical assistance to populations whose lives or health are threatened by armed conflict, epidemics, natural disasters or exclusion from healthcare.

Our key messages

- Globally, the nutritional challenge is enormous: 149 million children suffer from stunted growth, 45 million others suffer from wasting; 2.5 billion adults and 390 million children and adolescents are overweight. With global cuts to official development assistance, an additional 369,000 child deaths[44] risk occurring each year.

- The international financial response falls far short of needs, and the budget deficit is widening as the richest countries disengage.

- To combat unhealthy eating habits, which are far too costly for individuals, health systems, and states, the World Health Organisation (WHO) recommends implementing a tax on sugary drinks.

- By allocating part of its soda tax revenues to the global fight against malnutrition, France would send a strong signal: a coherent commitment to health both at home and abroad. It would also create an example in global health financing, inspiring other countries and renewing its innovative role in this area through the creation of a dedicated tax.

[44] Le démantèlement de l'Usaid privera 1 million d'enfants de traitement contre la malnutrition : « Ce sont des décisions criminelles » / The full lethal impact of massive cuts to international food aid

RECOMMENDATIONS

- Support the organic law proposal aiming to restore the allocation of a portion of solidarity taxes (Financial Transaction Tax and Airline Ticket Tax) to finance international solidarity, to ensure, at least in part, the sustainability of official development assistance funding, which has suffered unprecedented budget cuts since 2023.
- On the occasion of the 2026 Social Security Financing Bill, increase the soda tax by one cent and allocate these additional revenues to financing the fight against malnutrition worldwide.

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