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POLICY

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SUBJECT: USAID Policy on Tobacco

1. Policy: By this guidance, USAID recognizes the health burden that the use of tobacco products places on transitioning and developing country populations and that, without action, this burden is expected to greatly increase. USAID also recognizes the role of tobacco production and trade in the economic development of many of these countries, and thereby appreciates the immediate need to identify alternative cash crops and related opportunities. This Policy on Tobacco is designed to support sector goals and objectives as articulated in Agency Strategic Plan and other US Government (USG) policies. This Policy also supports other international community policy and programmatic efforts to curb tobacco production, processing, marketing and use.

While USAID is unable to undertake a large-scale anti-tobacco effort due to staffing, programmatic, and financial constraints, USAID will undertake anti-tobacco actions related to policy dialogue and programming as follows:

a) USAID will contribute to significant discussions related to anti-tobacco policies and programs through its participation in international and national fora, including those convened by multi-lateral organizations such as UNICEF, World Health Organization, Food and Agriculture Organization, and the European Union; other USG agencies such as the Department of State, Department of Commerce, Department of Agriculture, Department of Health and Human Services and the Centers for Disease Control; and through bilateral discussions such as those under the US/Japan Common Agenda. USAID will encourage and support anti-tobacco efforts by these partners and other relevant governmental and non-governmental organizations.

b) USAID will strengthen appropriate linkages between global anti-tobacco efforts and relevant performance goals articulated in the Agency Strategic Plan. Missions, Regional Bureaus, and Central Bureaus will have the latitude to design and implement high impact anti-tobacco activities that are deemed necessary to attain objectives in health,

education, agricultural development, and economic growth and that are consistent with the Agency Strategic Plan and other USG policies related to tobacco.

c) USAID will not support the growth of tobacco as a cash crop nor will it support agribusiness activities that contribute to tobacco production, promotion, and use. By the end of calendar year 1999, USAID will cease support for tobacco growth and related activities that promote tobacco production and use. In countries in which tobacco is a major cash crop and an important source of income for low-income farmers, USAID may work with local agricultural interests to identify crops that are economic alternatives to tobacco and may support the introduction or expansion of these alternative crops.

The above guidance supersedes previous USAID policy guidance on tobacco. Additional programmatic guidance related to phase-out of support for activities related to tobacco production, processing, marketing and other tobacco-related activities and identification of alternative crops will be provided to concerned operational units.

2. Rationale: Tobacco use results in a tremendous health burden worldwide, and is a growing problem in transitional countries and the developing world. There are 1.1 billion smokers in the world today and it is estimated that the number will grow to 1.6 billion by the year 2025, mostly because of demographic shifts, increased incomes, and increased smoking by women. By 2025, 85% of all smokers will be in developing countries. Currently, tobacco causes between 3 and 4 million deaths annually, a figure that could rise to 10 million deaths annually by the year 2020. The economic losses from the medical burden and the years of life lost to morbidity as a result of tobacco consumption is staggering. It is estimated that the world tobacco market produces an annual global lost of \$200 billion annually.

In response to this enormous developmental problem, policy articulation and implementation of tobacco policies are already underway both at the national level and internationally. The Administration is firmly committed to anti-tobacco policies. The Department of Health and Human Services maintains a strong position on the link between tobacco use and adverse health outcomes and is implementing its policies through research, advocacy, and health promotion activities. The Department of State has issued a cable detailing the US position on tobacco, including exports; while addressing health concerns the cable does not address the transition from tobacco as a cash crop.

Internationally, USAID's key partners have already taken strong anti-tobacco positions. For example, the World Bank has had a formal tobacco policy since 1991; the policy specifies that anti-tobacco activities be included in sector work, policy dialogue, and lending operations, specifying that loans will not be provided for tobacco production, processing, imports or marketing. Under the leadership of its new Director General, the World Health Organization has launched a major anti-tobacco initiative which addresses issues in the full life-cycle of tobacco use including the impact of smoking during pregnancy and of environmental tobacco smoke exposure on children's health.

With this USAID Policy on Tobacco, the Agency joins the national and international community in an effort to positively address the negative health effects and development problems exacerbated by tobacco growth and consumption.

Approved by the Administrator, January 25, 1999

Point of Contact: Any questions concerning this Notice may be address to Joyce Holfeld, Senior Policy Advisor for Health, Population and Nutrition, PPC/PDC, (202)712-4727.

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