TOBACCO TAXATION
Win-Win for Public Health and Domestic Resources Mobilization Conference

Washington D.C.
April 18th–19th, 2017

World Bank Group, in collaboration with the World Health Organization, and support from the Bill & Melinda Gates Foundation and the Bloomberg Philanthropies
BACKGROUND

Tobacco use is a leading global disease risk factor and underlying cause of ill health, preventable death, and disability. With around 6 million lives lost annually, tobacco-related diseases claim more lives than HIV/AIDS, malaria, and tuberculosis combined. Smoking-related illness costs billions of dollars each year, imposing a heavy economic toll on countries, both in terms of direct medical care for adults and lost productivity. As such, tobacco use is a significant hurdle to development gains worldwide.

Over the past 10 years, since entry into force of the World Health Organization (WHO)’s Framework Convention on Tobacco Control (WHO’s FCTC), efforts to control tobacco have intensified globally. WHO estimates that 2.8 billion people in 103 countries are now covered by at least one tobacco control measure, up from 1 billion people in 42 countries in 2007.

In spite of these achievements, much more needs to be done to control this health scourge. The good news is that accumulated evidence over the past half century on the causal relationship between smoking and harm to health provides us with a robust scientific foundation to inform policy design and action.

Raising tobacco taxes to make these deadly products unaffordable is the most cost-effective measure to reduce tobacco use or to prevent its initiation among youth. The benefits of higher tobacco taxes and prices are obvious, as there are good health outcomes both for individuals and entire communities that result from reduced consumption of tobacco products. This fiscal measure also helps expand a country’s tax base to mobilize additional domestic resources to fund vital health programs and other essential public services that benefit the entire population. Indeed, data from different countries indicate that the annual tax revenue from excise taxes on tobacco can be substantial.

As we move into the third decade of the 21st Century, the achievement of smoke-free societies should be a critical marker of sustainable development.

The World Bank Group, working alongside WHO and other international partners, is committed to support countries over the short- and medium-terms in implementing global tobacco control efforts outlined in the WHO’s FCTC, particularly tobacco taxation. This commitment is consistent with the United Nations General Assembly resolution on Transforming Our World: the 2030 Agenda for Sustainable Development, particularly Target 3.a, Strengthen the implementation of the WHO’s FCTC in all countries,
TOBACCO TAXATION

as appropriate, in the Sustainable Development Goals (SDGs), and Addis Ababa Action Agenda, adopted by the Third International Conference on Financing for Development and endorsed by the United Nations General Assembly as the framework for post-2015 development financing, which recognizes the role of tobacco price and tax measures in the prevention of noncommunicable diseases (NCDs).

Under the WBG’s Global Tobacco Control Program, a multisectoral initiative funded with the support of the Bill & Melinda Gates Foundation and the Bloomberg Philanthropies, work is under way in several countries across regions combining public health, macroeconomics, tax policy, and tax administration expertise, as well as know-how on reforming the customs systems, to assist in the design and implementation of tobacco tax policy and administration reforms.

At the 2017 Spring Meetings of the World Bank Group and the International Monetary Fund, the WBG, in collaboration with WHO will organize a high-level event to bring country experience on the public health and fiscal impact of tobacco taxation to the center of the global development agenda.

OBJECTIVES

■ To increase awareness and to mobilize a global, multisectoral coalition for the need to scale up tobacco taxation, as a priority intervention in the global health and development agenda.

■ To share country evidence and engage high level government officials from ministries of finance and health, multilateral and bilateral organizations, and civil society on the public health and economic and social benefits of tobacco taxation as a key intervention in the tobacco control arsenal.

■ To identify entry points for renewed action on tobacco taxation at the country, regional and global levels, including consideration of linking the adoption of this measure to broader tax system reforms and fiscal consolidation efforts.
FORMAT

This will be a two-day, high level event, featuring technical discussions centered around the sharing of country experiences, lessons learned, challenges, and results achieved from the adoption of tobacco policy reforms, both excise tax structure and rate levels. The event will also feature lunch time keynote presentations by global leaders and influencers. Panelists will include a mix of high level officials from ministries of finance and health, international experts, and representatives of development partners. The videos: “The Tax that Saves Lives” by the B&M Gates Foundation “Tobacco Taxes and Healthy Populations”, by LIFE-Regional Advocacy Center, Ukraine, will be shown. Structured interviews with selected participants at the event will be filmed, and a summary report of the event will be prepared for sharing with participants.

AUDIENCE

The meeting aims to move tobacco taxation to the mainstream of the global development agenda by raising its profile before ministers of finance, ministers of health, other high level government officials, international development aid agencies, foundations, and civil society.

Participating countries include: Armenia, Bangladesh, Belarus, Bosnia & Herzegovina, Botswana, Brazil, China, Colombia, Ethiopia, Gabon, India, Indonesia, Kazakhstan, Lesotho, Mexico, Moldova, Mongolia, Montenegro, Myanmar, Namibia, Nigeria, Norway, Pakistan, Philippines, Senegal, Sierra Leone, South Africa, Tonga, Turkey, Ukraine, United States, and Vietnam, in addition to the West African Economic and Monetary Union (WAEMU), the Caribbean Economic Community (CARICOM), the African Union Commission (AUC), and the European Commission (EC).
AGENDA*
*Agenda and speakers subject to final approval/confirmation.

VENUE
THE MAYFLOWER HOTEL
1127 CONNECTICUT AVE NW,
WASHINGTON, DC 20036

MONDAY, APRIL 17, 2017

WELCOME DINNER
7:00–9:00 PM
Venue: Chinese Room, The Mayflower Hotel,
1127 Connecticut Ave NW, Washington, DC 20036
TUESDAY, APRIL 18, 2017

BREAKFAST & REGISTRATION
7:00–8:00 AM
Grand Ballroom, The Mayflower Hotel

OPENING
8:00–8:05 AM
Welcome and Introduction to Event
Patricio V. Marquez, Lead Public Health Specialist, and Co-Coordinator WBG Global Tobacco Control Program

OPENING PANEL
8:05–8:50 AM
Why Tobacco Taxation Matters?: A Multisectoral Perspective from the World Bank Group (5-7 minutes per speaker)
Tim Evans, Senior Director, WBG Health, Nutrition and Population (HNP) Global Practice
Moderator: William Savedoff, Senior Fellow, Center for Global Development
Rapporteur: Shiyong Wang, Senior Health Specialist, WBG
KEYNOTE PRESENTATION 1
9:00–10:30 AM

“Global Effects of Smoking, Quitting, and of Taxing Tobacco” (15 minutes)

Prabhat Jha, Endowed Professor in Global Health and Epidemiology, University of Toronto, Canada Research Chair at the Dalla Lana School of Public Health, Director of the Centre for Global Health Research, St. Michael’s Hospital, Toronto, Canada, and lead author of seminal 1999 WBG report “Curbing the Epidemic. Governments and the Economics of Tobacco Control.”

Comments (5 minutes each)

Botswana: Haruna B Jibril, Deputy Permanent Secretary, Ministry of Health and Wellness

Mexico: Juan Arturo Sabines Torres, Director, National Office for the Control of Tobacco and Alcohol, Health Secretariat

Moldova: Aliona Serbulenco, Deputy Minister of Health

PAHO/WHO: Anselm Hennis, Director, Noncommunicable Diseases Program (NCD) for the Americas, PAHO/WHO World Health Organization

EURO: Jill Farrington, Coordinator, Noncommunicable Diseases Program (NCD) Europe and Central Asia Region

Q&A (20 minutes)

Moderator: Feng Zhao, Human Development Program Leader, Ukraine, Moldova and Belarus, WBG

Rapporteur: Renzo Sotomayor, Health Specialist, WBG
10:30–11:00 AM

Coffee

PLENARY PANEL 1:
11:00–12:30 AM

Tobacco Taxation, Tax System Reform, and Fiscal Consolidation: Recent Country Experiences (10 minutes per speaker)

Armenia: Arman Poghosyan, Head, Taxation Department, State Revenue Committee, Ministry of Finance.

Colombia: Luis Fernando Villota Quiñones, Deputy Director, Territorial Institutional Strengthening, (Fortalecimiento Institucional Territorial) Fiscal Support Directorate, Ministry of Finance.

Moldova: Veronia Vragaleva, Deputy Minister of Finance.


Ukraine: Oksana Syvak, Deputy Minister of Health, and Konstantin Krasovsky, Head, Tobacco Control Unit, Ministry of Health of Ukraine.

Q&A (20 minutes)

Moderator: James Brumby, Director, Governance GP, WBG.

Rapporteur: Roberto F. Iunes, Senior Health Economist, WBG.
12:30–14:00 PM

**Remarks by Keith E. Hansen**, Vice President, Human Development, WBG

**Introduced by Sheila Dutta**, Senior Health Specialist, WBG

**Lunch** Grand Ballroom

PLENARY PANEL 2:
14:00–15:45 PM

**Country Evidence: The Economic Cost of Smoking and the Benefits of Tobacco Taxes on Averting Health Harm**
(10 minutes per speaker)

- **Global economic cost of smoking-attributable diseases:**
  - **Mark Goodchild**, Senior Economist, World Health Organization (WHO)

- **Healthcare Spending Attributable to Cigarette Smoking:**
  - **Xin Xu**, Lead Economist, Office on Smoking and Health, U.S. Centers for Disease Control and Prevention (CDC)

- **The distributional impact on household health and finances in rich and poor smokers: China (complete results) and Colombia (preliminary results).**
  - **Stephane Verguet**, Assistant Professor of Global Health, Harvard University, with introduction by **Roberto F. Iunes**, WBG

**Results of Assessment in Ukraine:**
- **Laura Webber**, Director, Public Health Modelling, U.K. Health Forum,
- **Tatiana Andreeva**, Associate Researcher, Ukraine Alcohol and Drug Information Center

Comments (5 minutes each)

- **Azerbaijan:** Jeyhun Mammadov, Director, Public Health and Reforms Center, Ministry of Health,

- **China:** Shi Qi, Director, Health Promotion, National Health and Family Planning Commission of China

- **Turkey:** Bekir Kenkinkilic, Deputy President, Public Health Institution

- **Tonga:** Sione Hufanga, Director of Health, Ministry of Health

**Q&A** (20 minutes)

**Moderator:** Enis Baris, Program Manager, WBG HNP Global Practice

**Rapporteur:** Dorothee Chen, Health Specialist, WBG
PLENARY PANEL 3:  
15:50–17:15 PM

Are Tobacco Taxes Regressive?  
(10 minutes each speaker)

Theory and Global Evidence: Frank Chaloupka,  
University of Illinois, Distinguished Professor of Economics & Public Health, Director, Health Policy Center, University of Illinois at Chicago

Recent Evidence from Chile: Alan Fuchs, Senior Poverty Economist, WBG

Recent Evidence from Armenia: Rouselle Lavado, Health Economist and Moritz Meyer, Poverty Economist, WBG

Comments (5 minutes each)

Bangladesh: Name: Roxana Quader, Additional Secretary, Ministry of Health and Family Welfare (MoHFW)

Brazil: Diogo Henrique Tomaz Afonso Alves, Technical Advisor, Ministry of Health

Colombia: Blanca Llorente, Technical Adviser, Anash

Mongolia: Ganbat Jigjid, Head of Fiscal Policy and Planning Department, Ministry of Finance

Q&A (20 minutes)

Moderator: Paul Isenman, former Principal Economist and Country Director, WBG

Rapporteur: Francisco Meneses, Duke University
PLENARY PANEL 4: Tobacco Tax Harmonization under Regional Economic and Political Pacts
17:20–18:30 PM

Regional integration: Is tax harmonization a natural next step?: Sophia Delipalla,
Professor of Economics, Macedonia University, Greece

Experience of the European Union:
Annerie Bouw, Legal and Tax Adviser,
European Commission

Experience of the West African Economic and Monetary Union: Assane Diouf,
Director, Tax and Revenue Department, Ministry of Finance, Senegal

Prospects in the Caribbean Community (CARICOM):
Karl Theodore, Director, Health Economics Unit (HEU,) Centre for Health Economics, The University of the West Indies, Port of Spain, Trinidad and Tobago

Q&A (20 minutes)

Moderator: Estelle Dauchy, Associate Director, International Research, CTFK

Rapporteur: Darko Paranos, WBG

VIDEOS
18:30–18:45 PM

“The Tax that Saves Lives: Philippines”
by the B&M Gates Foundation (5-minute video)

“Tobacco Taxes in Ukraine: Multiple Gains for Society”, by the LIFE-Regional Advocacy Center, Ukraine (5-minute video)

Moderator: Lilia Olefir, Executive Director, LIFE, Regional Advocacy Center, Ukraine

DINNER
19:30 PM

Chinese Room, The Mayflower Hotel
WEDNESDAY, APRIL 19TH, 2017

BREAKFAST
7:00–8:00 AM
Grand Ballroom, The Mayflower Hotel

PLENARY PANEL 5:
8:00–9:00 AM
Tobacco Farming and Tobacco Affordability: What Do We Know? (10 minutes each presenter)

Initial Results from Indonesia Tobacco Employment Studies: Edson Araujo, Senior Labor Economist and Pandu Harimurti, Senior Health Economist, WBG, and Jeffrey Drope, Principal Economist, American Cancer Society

Tobacco Farming: Insights from Country Experiences: Teh-wei Hu, Professor Emeritus, School of Public Health, University of California, Berkeley, and now Director of the Public Health Institute’s Center for International Tobacco Control, Berkeley, California

Tobacco Affordability in China: Rose Zhen, University of International Business and Economics (UIBE), Beijing, China, and Director of China’s WHO Tobacco Control Collaboration Center, Beijing, China

Q&A (20 minutes)

Moderator: Mark Parascandola, Tobacco Control Research Branch, U.S. National Institute of Cancer Research

Rapporteur: Melissa Brown, Senior Agriculture Economist, WBG
KEYNOTE PRESENTATION 2
9:00–10:00 AM

Lessons from the United States Experience with Tobacco Taxes

Jason Furman, Former Chairman of the U. S. President’s Council of Economic Advisers, and now Senior Fellow at the Peterson Institute for International Economics (20 minutes)

Lessons from Norway’s Experience with Tobacco Control:

Bjørn-Inge Larsen, Secretary General, Ministry of Health and Care Services, Norway (20 minutes)

Comments:
Bert Hofman, WBG Country Director, China, Mongolia and South Korea (10 minutes)

Q&A (10 minutes)

Moderator: Alexander Kremer, Country Manager, WBG TBC
Rapporteur: Rosa Sandoval, Adviser, Tobacco Control, PAHO/WHO

10:00–10:10 AM

Coffee

SPECIAL PRESENTATION 1:
10:10–11:00 AM

Tobacco Tax Policy Reform as part of Macro Fiscal Reforms supported under WBG Development Policy Operations (DPO): An Overview from Colombia’s experience (20 minutes)

Presenter: Jasmin Chakeri, Program Leader for Equitable Growth, Finance and Institutions, Mexico and Colombia, WBG

Q&A: (20 minutes)

Moderator: Patricio V Marquez, Lead Public Health Specialist, and Co-Coordinator WBG Global Tobacco Control Program, WBG
SPECIAL PRESENTATION 2:  
11:00–11:20 AM  
Tobacco Taxation and Control in Sub-Sahara Africa: A Perspective from the African Union Commission (AUC)  
Ambassador Chihombori Quao, AUC Ambassador to the United States  
Moderator: Patricio V Marquez, Lead Public Health Specialist, and Co-Coordinator WBG Global Tobacco Control Program, WBG

PLENARY PANEL 6:  
11:20 AM–12:40 PM  
Tobacco Taxation and Control: Lessons from Country Experiences (10 minutes per speaker)  
China: Shi Jian, Director of Information, Institute of Taxation Research, State Taxation Administration.  
India: Shri Devi Prasad Misra, Technical Officer, Department of Revenue, Ministry of Finance  
Mexico: Jose Luis Pedraza Cervantes, Chief, Office of Excise Tax Studies, Federal Secretariat of Finance  
South Africa: Mpho Vincent Legote, National Treasury  
Tonga: Sione Vave Faleafa, Chief Economist, Ministry of Finance and National Planning  
Turkey: Mustafa Utku Özmen, Senior Economist, Central Bank of Turkey  
Vietnam: Doan Thi Thu Huyen, Deputy Director, Tobacco Control Fund Ministry of Finance  
Moderator: Nigar Nargis, Director, Economic and Health Policy Research, American Cancer Society  
Rapporteur: Patricia Sosa, Director, Latin America and the Caribbean Programs, CTFK
KEYNOTE PRESENTATION 3: Tobacco Taxation and Financing for Development
12:40–13:30 PM

Masood Ahmed, president of the Center for Global Development, and former IMF Director, Middle East and Central Asia Department, World Bank Group Vice President, Poverty Reduction and Economic Management, and Director General for Policy and International Development at the UK’s Department for International Development (DFID).

Moderated by Paul Isenman, former Principal Economist and Country Director, WBG

Rapporteur: Omer Ramses Zang Sidjou, Economist, WBG

PLENARY PANEL 7: How to Design and Enforce Tobacco Excises?
13:30–14:30 PM

Patrick Petit and Janos Nagy, Principal Economists, Fiscal Affairs Department, International Monetary Fund (IMF) (25 minutes)

Q&A (25 minutes)

Moderator: Blanca Moreno-Dodson, Lead Economist, Global Taxation Team, WBG

Rapporteur: Violeta Vulovic, WBG
PLENARY PANEL 8:  
14:30–15:45 PM

Tobacco Taxation and Illicit Trade: Are they Connected?  
(10 minutes each presenter)

- **Latin America’s Experience:** Enrique Fanta, Senior Customs and Trade Specialist, and former Customs Director of Chile, WBG
- **Turkey’s Experience:** Volkan Cetinkaya, Senior Health Economist, WBG
- **Kenya’s Experience:** Caxton Masudi Ngeywo, Head of Market Surveillance, Kenya Revenue Authority.

**Commentator:** Philiso Phodiso Valashia, Commissioner Customs and Excise, Botswana  
(5-7 minutes)

Q&A (15 minutes)

**Moderator:** Matt Myers, President, Campaign Tobacco Free Kids, and former Legal Adviser to the U.S. State Attorneys Generals in negotiations that led to Master Settlement Agreement with tobacco industry in 1998.

**Rapporteur:** Magaly A. Clavijo, Trade Specialist, WBG

PLENARY PANEL 9:  
15:45–17:45 PM

Tobacco Taxation: Policy Options for Moving Agenda Forward: Country Perspectives  
(7 minutes per speaker)

- **Bangladesh:** Nojibur Rahman, Senior Secretary, Internal Revenue Division (IRD), and National Board of Revenue (NBR)
- **Bosnia and Herzegovina:** Snjezana Brckalo, Senior Associate, Ministry of Civil Affairs (MoCA).
- **Indonesia:** Suahasil Nazara, Director General, Ministry of Finance
- **Gabon:** Joel Oguima, Director General, Ministry of Economy
- **Lesotho:** Motena Tsolo, Chief Executive – Department of Macroeconomic Policy and Management, Ministry of Finance
PLENARY PANEL 9:  
(continued from page 17)  
15:45–17:45 PM

Myanmar: Khin Yamon Aung, Director, Internal Revenue Department, Ministry of Planning and Finance

Nigeria: Toluwalola Kasali, Special Adviser to the Hon. Minister of Finance, Federal Ministry of Finance

Pakistan: Sajjad Haider Khan, Chief Commissioner Inland Revenue, Pakistan

Philippines: Lilibeth David, Undersecretary of Health, Department of Health

Senegal: Mor Sall, Technical Adviser to the Minister, Ministry of the Economy, Finance and Planning

Vietnam: Hung Quoc Nguyen, Deputy Director General, Department of Tax Policy, Ministry of Finance

Moderator: Patricio V. Marquez, Lead Public Health Specialist, and Co-Coordinator WBG Global Tobacco Control Program, WBG

Rapporteur: Vandana Shah, Director, South Asia Programs, Campaign for Tobacco Free Kids

PLENARY PANEL 10:  
17:45–18:30 PM

Some Perspectives for the Future (10 minutes each presenter):

“Time to Quit: Tobacco Control in a Globalized World”  
Slavea Chankova, The Economist

“Is Tobacco Taxation relevant for Achieving the Sustainable Development Goals?” Michael Myers, Director Global Health Program, Rockefeller Foundation

Moderator: Sheila Dutta, Senior Health Specialist, WBG

Rapporteur: Claudia Macias, Senior Operations Officer, WBG
CLOSING SESSION: 18:30-18:40 PM

The Way Forward and WBG Commitment:

Tim Evans, Senior Director, HNP GP, WBG

Moderator: Patricio V Marquez, Lead Public Health Specialist, and Co-Coordinator WBG Global Tobacco Control Program and Blanca Moreno-Dodson, Lead Economist and Co-Coordinator WBG Global Tobacco Control Program WBG

RECEPTION 18:40-20:00 PM

State Room, Mayflower Hotel