

Policy Briefing: Financial Resources and Mechanisms of Assistance

Fourth session of the Conference of the Parties to the WHO Framework Convention on Tobacco Control, 15-20 November 2010, Punta del Este, Uruguay

Recommendations

The Framework Convention Alliance welcomes the Secretariat's report on financial resources and mechanisms of assistance, and urges the COP to adopt a decision:

- Reaffirming the importance of mechanisms of assistance and financial resources for implementation of the Convention;
- Calling on Parties to provide extra-budgetary contributions for the implementation assistance activities approved in the workplan;
- Requesting the Secretariat to deepen cooperation with WHO TFI and other relevant WHO departments, particularly in developing plans for technical assistance and advancing the needs assessment process;
- Requesting the Secretariat to continue its efforts to engage representatives of donors and other relevant international organisations during the needs assessment missions;
- Calling on donor Parties and relevant intergovernmental organisations to promptly respond to requests for assistance in implementation of the Convention by developing country Parties and Parties with economies in transition; and
- Encouraging Parties to include tobacco control, as a key prevention strategy, in their national health strategies, and, where applicable, into their Poverty Reduction Strategy Papers (PRSPs).

Furthermore, COP should adopt a decision to establish a working group to review progress in the mobilisation of resources for implementation of the Convention, with a mandate to:

- Evaluate the performance of the existing mechanisms for implementation assistance;
- Identify means to mobilise existing and potential sources of financing for implementation of the Convention, especially in the light of the emerging trends in the field of international development;
- Propose improvements to the existing implementation assistance framework, with the goal of identifying sustainable sources for financing full FCTC implementation;
- Review the mechanisms for the financing of strategies to control diseases for which tobacco use is a significant risk factor, and examine the potential of funding FCTC implementation from such resources; and
- Report to COP-5 with its recommendations.

Background

The WHO Framework Convention on Tobacco Control (FCTC) has been in force for nearly six years. Although the FCTC has sparked great progress in tobacco control both domestically and internationally, implementation still presents considerable challenges, particularly in low income Parties and Parties with economies in transition. All Parties to the FCTC acknowledge in the Preamble to the Convention 'that tobacco control at all levels and particularly in developing countries and in countries with economies in transition requires sufficient financial and technical resources'.

Mechanisms of assistance for implementation are mandated by the Convention, including Article 22 (Technical, scientific and legal cooperation) and Article 26 (Financial resources). Under Article 26.5

(a) Parties have agreed that ‘all relevant potential and existing resources, financial, technical, or otherwise (...) that are available for tobacco control activities should be mobilised and utilised for the benefit of all Parties, especially developing countries and countries with economies in transition’.

The need for implementation assistance was clear even during Convention negotiations. Various mechanisms of providing assistance for implementation were considered, notably the idea of a global fund channelling resources to tobacco control activities. Indeed, Article 26.5(c) of the Convention explicitly foresees the possibility of establishing a voluntary global fund.¹

In this regard, Article 26.5(c) also provides that ‘the Conference of the Parties in its first session shall review existing and potential sources and mechanisms of assistance based on a study conducted by the Secretariat and other relevant information, and consider their adequacy’. In accordance with Article 26.5(d), the results of such a review (document A/FCTC/COP/1/4) were discussed by the first session of the Conference of Parties (COP-1), which, based on the review’s conclusions, decided to establish a framework of mechanisms of assistance for treaty implementation (decision FCTC/COP1(13)).

The review sent a clear message: funds were available in the existing development framework and ready to be deployed. After Parties considered the review, they opted not to establish a global fund for tobacco control activities.

Basis for implementation assistance framework

The 2006 Review of existing and potential sources and mechanisms of assistance (document A/FCTC/COP/1/4), prepared for COP-1, provided an extensive study of potential sources and mechanisms of assistance for treaty implementation. The study assessed then-existing sources to fund tobacco control initiatives, and also discussed the suitability of different funding mechanisms (a dedicated trust fund, inclusion in a larger funding facility, etc.) in the context of the FCTC. The review identified both significant prospects and potential challenges.

The initial assessment of potential resources available for the FCTC implementation assistance was encouraging. The study included a survey of bilateral donor agencies, multilateral donors as well as philanthropic organisations. It was reported that ‘countries such as Australia, Canada, New Zealand and the United States of America are funding – in some cases extensively – tobacco control [overseas] programmes, while others such as the European Commission, stated their desire to provide future support, if tobacco control was a priority of the partner country’ (para 24).

Multilateral organisations such as the Commonwealth Secretariat or Secretariat of the Pacific Community and various UN agencies ranging from the Food and Agriculture Organization (FAO) to the United Nations Children’s Fund (UNICEF) were not able to promise strong financial support. But they were able to offer expertise and technical assistance for Parties. International financial institutions, including two regional development banks and the World Bank, also responded. The World Bank stated that ‘within its existing and new projects ... funding and support could be used for tobacco control-related activities that are consistent with the overall objectives of each project’ (para 95).

Various independent organisations and funding NGOs that provide financial resources or support tobacco control work in low income countries or in countries with economy transition were also included in the survey. The range of available resources closely correlated with the size and scope of work of each given organisation. Finally, an initial assessment of in-country sources in low income countries and countries with economies in transition revealed that the resource generation initiatives for FCTC implementation in those countries were limited.

Overall, the report’s conclusion was that many governments and organisations ‘have clearly demonstrated a commitment to tobacco control initiatives’ (para 148).

¹ Article 26.5(d) allows the Parties to establish, if deemed necessary, ‘a voluntary global fund or other appropriate financial mechanisms to channel additional financial resources, as needed, to developing country Parties and Parties with economies in transition to assist them in meeting the objectives of the Convention’.

At the same time, the review stressed that tobacco control has to be prioritised by the recipient country governments in their development strategies. In line with a major shift in the developmental assistance framework, driven by the Paris Declaration adopted in 2005, donor countries had pledged to align their development assistance programmes with recipient country priorities.

In conclusion, the framework for FCTC implementation assistance put in place by COP-1 was based on several fundamental assumptions: sources for financing tobacco control do exist within the international development framework and some regional and international organisations can provide support in the form of technical assistance and expert advice. Parties would include and prioritise tobacco control in their national development strategies, as well as clearly identify their capacity gaps in implementing national tobacco control initiatives so as to allow for targeted assistance.

Many of these assumptions about accessing assistance have not yet been borne out. Few if any major international development agencies rank tobacco control as a priority, and limited amounts are provided for tobacco control initiatives. To our knowledge, few low income Parties have prioritised tobacco control in their development plans.

The Framework for Implementation Assistance

After discussing the above-mentioned review of funding possibilities, COP-1 reaffirmed 'the urgent need for all Contracting Parties to implement the Convention to the maximum level' and 'the urgent need for assistance to developing country Parties and Parties with economies in transition to support them in their implementation'. The Conference of the Parties put in several important mechanisms of assistance (decision FCTC/COP1(13)).

As a first step in securing funds for FCTC implementation, needs assessments are used by the Parties to estimate the "level and nature of dedicated funds for tobacco control implementation activities"² as well as to "communicate their prioritised needs to development partners"³. The Secretariat was mandated to assist Parties, especially low income countries, with the conduct of needs assessments, "to advise them on existing mechanisms of funding and technical assistance, and to provide information to development partners on the needs identified"⁴. The needs assessments were seen as crucial in unlocking financial assistance for implementation.

The *Database of Resources for Assistance* represents another important component of the implementation assistance framework. It is intended to provide a tool to connect potential donors with potential recipients. Parties with identified needs are potential recipients of the identified sources of assistance included in the database.

Hence, developed country Parties and various international development organisations are important parts of the implementation framework. The Secretariat was mandated to "receive project proposals from developing country Parties and Parties with economies in transition, related to the implementation of the Convention", and direct these proposals to potential funding sources⁵.

As such, the framework for implementation assistance established by decision FCTC/COP1(13) depends not only on the Secretariat's work with individual low income Parties, but on the commitment and collaborative approach of all Parties towards the success of FCTC. The collaborative nature of the implementation assistance process stems from the general obligations of the Parties, under Article 5.6 of the Convention, which states that '[t]he Parties shall, (...), cooperate to raise financial resources for effective implementation of the Convention through bilateral and multilateral funding mechanisms.'

COP-1 decided not to establish a separate fund or a dedicated financial arrangement to finance tobacco control initiatives. The prevailing view in 2006 was expressed by the European Commission, which stated that "the resources required to provide tobacco control initiatives at the country level would be 'modest' and could therefore be addressed through existing instruments"⁶.

² FCTC/COP1(13) Preamble

³ FCTC/COP1(13) (7)

⁴ FCTC/COP1(13) (10)

⁵ FCTC/COP1(13) (11)

⁶ Document A/FCTC/COP/1/4, p.15

This framework of implementation assistance was reaffirmed by the second session of the Conference of Parties (COP-2) (decision FCTC/COP2(10)), which called upon Parties to provide voluntary extra-budgetary contributions to allow the Secretariat to assist Parties in need to carry out needs assessments and develop project and programme proposals. COP-2 also requested the Convention Secretariat ‘to prepare and present, at every session of the Conference of the Parties, an implementation report on activities undertaken [...] including an update of the financial mechanisms for assistance to Parties in need’⁷.

The activities included in the workplan and budget for the biennium 2010–2011 adopted by the Conference of the Parties at its third session (decision FCTC/COP3(19)) further emphasised the importance of implementation assistance.

Progress and challenges

In accordance with the COP-2 decision, the Secretariat has submitted to the fourth session of the Conference of the Parties (COP-4) a progress report on “Financial resources and mechanisms of assistance”⁸, which highlights both the achievements and the remaining challenges in this area.

FCA welcomes the Secretariat’s report, which provides a good overview of all the existing mechanisms of assistance, and urges the Parties to take note of the report.

FCA applauds progress since COP-3 in some areas, such as the sharing of expertise in drafting legislation⁹ and the establishment of a database of pictorial warnings and images. FCA also welcomes the completion of the database of resources to support the implementation of the Convention¹⁰, an important component of the framework of implementation assistance, and urges the Parties to use it and provide feedback on its efficacy.

FCA welcomes the needs assessment missions that have been concluded so far, and commends the Convention Secretariat and all the Parties which have contributed to their completion. As the Secretariat’s report notes, one of the outcomes of the missions is that they “have provided a much-needed opportunity for different sectors within government to gain a better understanding of the WHO FCTC”¹¹. FCA also notes with satisfaction the positive feedback given by the Parties supported by needs assessment missions so far¹². The Secretariat’s initiative of including interested development partners and Representatives of United Nations Resident Coordinators in the joint needs assessment missions is to be commended and should be continued.

FCA also welcomes the inclusion of representatives of WHO’s Tobacco Free Initiative in the needs assessments missions, in accordance with COP-3’s request for more effective coordination to avoid duplication of efforts and to maximise the use of available resources. FCA encourages further coordination with WHO TFI, as well as with other relevant WHO departments and programs.

As the COP has noted in the past, needs assessment missions are also important in capacity building, and they “are essential for generating broader interest in the Convention and galvanising resources (...) to support implementation”.¹³ Needs assessments are an excellent opportunity to establish a broad collaborative framework between all the stakeholders interested in the tobacco control initiatives in a particular country. Bringing together all stakeholders (government, civil society, donors and international organisations) at the early stages of the process will lead to the establishment of important partnerships and channels of communication. Such partnerships can play an important role in connecting identified needs with available resources, and improve the overall process.

It is imperative that Parties and international development agencies and donor organisations follow through with the implementation assistance process envisaged by the FCTC/COP1(13) framework. Needs assessments, if accompanied by political commitment to successful FCTC implementation on

⁷ Decision FCTC/COP2(10)

⁸ Document FCTC/COP/4/16

⁹ FCTC/COP/4/16, para 31, 42

¹⁰ FCTC/COP/4/16 para 41

¹¹ FCTC/COP/4/16 para 16

¹² FCTC/COP/4/16 para 19

¹³ FCTC/COP/4/16 para 40

the part of donors and potential recipients, should result in increased funds for tobacco control and therefore significantly accelerate implementation of the Convention. As needs for FCTC implementation are identified and prioritised by the needs assessment process, funds should be made available for identified tobacco control activities in specific countries. The urgent need for technical and financial support has been highlighted by the Parties which have thus far received assistance in performing needs assessments¹⁴.

The workplans adopted by COP-2 and COP-3 included support for Parties in conducting needs assessments. The 2008-2009 workplan included support for 18 Parties regarding sources of funding to assist in implementation, such as to conduct needs assessments and develop and submit funding proposals, while the workplan for the 2010-2011 biennium calls for at least 25 Parties to be supported in this regard. However, so far, only eight needs assessment missions have been completed¹⁵ (FCTC/COP/4/16 para 13).

Parties were also encouraged to perform needs assessments without outside assistance, where possible. The Secretariat's report (document FCTC/COP/4/16) *notes* "a relatively low level of identification of needs and of the gaps between resources available and needs assessed". According to the report, 42% of Parties have reported that they have not yet conducted an assessment of their needs (document FCTC/COP/4/16).

While there have been important achievements since COP-3, FCA is concerned that progress in advancing key mechanisms of assistance has been hampered by the chronic lack of financial resources. The interim performance report for the 2010-2011 workplan and budget (document FCTC/COP/4/20) indicates that further needs assessments will take place only when (and if) extra-budgetary funds for this work become available (para 21). Moreover, in the proposed workplan and budget for the financial period 2012-2013 (document FCTC/COP/4/21) implementation assistance activities¹⁶ are contingent on the availability of extra-budgetary funds.

FCA urges Parties to provide the necessary funds for the completion of the planned needs assessments for the current biennium, as well as for the proposed implementation assistance activities in the 2012-2013 workplan. FCA strongly urges all Parties, high income and low income alike, to strengthen their efforts and work in close cooperation to identify needed resources for FCTC implementation, and most importantly, to assure that those needs are fulfilled by donor assistance. In this respect, FCA urges donor Parties and international development organisations to promptly respond to requests for assistance in FCTC implementation by developing country Parties and Parties with economies in transition.

A Working Group for enhancing implementation assistance

More than four years have elapsed since the implementation assistance framework put in place by FCTC/COP1(13) was agreed by the Parties. In FCA's view, now is the time to establish a working group which will review the experience and the results to date and identify any necessary improvements to the existing framework.

The Working Group should review all components of the framework¹⁷ and progress in the mobilisation of resources for implementation of the Convention. Additionally, the Working Group should focus on the emerging trends in the field of international development, and how those trends can affect the resources available for FCTC implementation.

The mandate of the working group should include:

- a) Evaluation of the performance of the existing framework for implementation assistance;

¹⁴ FCTC/COP/4/16 para 19

¹⁵ Apart from needs assessments, no other activities envisioned by the workplans, such as supporting the preparation and submission of funding proposals have been reported by the Secretariat.

¹⁶ In the proposed 2012-2013 budget, US\$ 1,980,000 is planned for the needs assessments activities (work area 4.2). However, the entire proposed amount is to be covered by extra-budgetary contributions (FCTC/COP/4/21 Annex 1)

¹⁷ Including needs assessments, mechanisms of assistance, South-to-South cooperation, cooperation with international organisations etc. – see also FCA briefing paper on international cooperation at http://www.fctc.org/index.php?option=com_content&view=article&id=450:cop-4-policy-briefing-international-cooperation-and-opportunities-for-the-fctc&catid=222:meeting-resources&Itemid=230

- b) Identification of means to mobilise existing and potential sources of financing for implementation of the Convention, especially in the light of the emerging trends in the field of international development;
- c) Proposal of improvements to the existing implementation assistance framework, with the goal of identifying sustainable sources for financing the full FCTC implementation;
- d) Review the financial mechanisms for financing strategies to control diseases for which tobacco use is a significant risk factor, and examine the potential of funding FCTC implementation from such resources.

The COP should request the Convention Secretariat to work in collaboration with WHO's Tobacco Free Initiative and invite relevant WHO departments and offices to participate in the working group and share their expertise. Furthermore the Secretariat should invite relevant international and nongovernmental organisations, including, in particular, organisations with the capacity to contribute financial, technical, and other resources for implementation of the Convention, to actively participate in the work of the working group.

The FCA urges Parties to support the establishment of such a working group and to participate in its work, so as to further advance their common objective of protecting present and future generations from the devastating consequences of tobacco consumption and exposure to tobacco smoke.