THE CLOCK IS TICKING – IT’S TIME TO GET SERIOUS ABOUT THE COP BUDGET AND WORKPLAN

Today, the last full day of COP8 negotiations here in Geneva, is our last day to make decisions that will enable progress on FCTC implementation before we meet again in two years time. And with a number of critical decisions still left to be made, boy, is it going to be a long one.

Discussions yesterday in both Committees A and B flipped rapidly between agenda items in a flurry of draft decisions, conference papers, calls to capitals, and hurried sandwich lunches in hallways. At the time of writing yesterday evening, we note with concern that a few key issues in Committee B have yet to receive the airing that they deserve.

While Committee B has ‘noted’ the Secretariat’s performance report on the 2018-19 budget and workplan, questions remain on how key COP8 decisions – like the decision to begin an implementation review mechanism pilot project – will progress without funding for this to take place in 2019.

What’s more, with MOP set to meet next week to approve its own budget and workplan, to be funded through its own scheme of assessed contributions, we question why the proposed MOP 2018-19 budget (which proposes a time-splitting arrangement for key FCTC and ITP staff) was not even mentioned in Committee B yesterday.

The Secretariat has been tasked with preparing a revised 2020-21 workplan and budget to be presented this morning, in response to Parties’ inflexible request for zero budget increase for the next biennium.

The zero nominal increase policy has been promoted by so many Parties for almost the entire life of the treaty. It threatens to undermine progress to implement the Convention. It increases reliance on extrabudgetary resources to fund core activities, which undermines the agreement Parties reached earlier this week to allocate resources according to and in alignment with the Global Strategy.

As the end of the week draws close, we’d like to urge delegates to remain focused in these crucial final hours, and to prioritise discussions on resourcing the treaty for the next several years. Without careful and considered discussion on how we can best use limited resources, including COP’s time, the Global Strategy will be a missed opportunity.
I was sitting in Committee B yesterday and it felt like a particularly bad recurring nightmare. The draft budget 2020-21 was under discussion and Parties were complaining about the proposed 9.2 per cent budget increase. Zero nominal increase was the message. This is the same message that I heard for the first time at COP1 in 2006, and which has been repeated at every COP since in Committee B. The budget for the FCTC has remained the same over the last 12 years, despite an increase in the cost of living and in the numbers of ratifying countries. In contrast, Parties are not contributing the same nominal amount. They are paying much less. This is certainly the case for the EU countries and Japan. I have looked at the assessed contributions of the big contributors (above US$ 100,000) in 2006 and 2018 and these are my conclusions:

- 16 parties had assessed contributions of more than US$ 100,000 in 2006
- 4 parties paid more in 2018 than in 2006 (Australia, Brazil, China and Korea)
- 12 parties paid less in 2018 than in 2006 (Austria, Belgium, Canada, EU, France, Germany, Japan, Mexico, Netherlands, Spain, Sweden and UK)

The EU Parties (Austria, Belgium, EU, France, Germany, Netherlands, Spain, and Sweden UK) are paying a whopping US$ 985,000 less in assessed contributions in 2018 than in 2006. Japan is paying US$ 667,000 less in 2018.

FOR THE LOVE OF GOD, WHY ARE THEY COMPLAINING THEN?

I have learnt two lessons from the budget discussions at COP8:

1. The Secretariat should be more sensitive to the legitimate concerns, and repeated requests of the Parties regarding the transparency of budget reporting and the information needed for the elaboration and the explanation of the budgets.
2. The policy of zero nominal increase and the de facto decrease of the assessed contributions will lead us in the near future to an FCTC with no future.

Luk Joossens, Association of European Cancer Leagues

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**ASSESSSED CONTRIBUTIONS FROM MAJOR EU COUNTRIES HAVE DECREASED BY US$ 985,000**

<table>
<thead>
<tr>
<th>Party</th>
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<tr>
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**A MORAL OBLIGATION TO DELIVER ARTICLE 14**

Offering people help with quitting is a moral obligation towards those who are struggling to rid themselves of nicotine addiction. In low and middle-income countries, where the number of smokers is growing, the offer of smoking cessation support might be one way to get buy-in from citizens to implement smoke-free laws and other tobacco control measures. Providing cessation services should require the engagement of clinical health care providers and other evidence-based interventions. Health care providers are a credible group that could add a powerful voice to the fight against tobacco addiction, and whose interactions with people who smoke have the potential to influence morbidity and mortality due to tobacco addiction.

The United Nations has demonstrated its commitment to supporting its member states in reducing the burden of non-communicable diseases (NCDs). Tobacco remains the top risk factor for NCDs and as we manage these diseases, it is of paramount importance for everyone, including clinical health care providers, to offer smokers help to quit.

Feras Hawari, King Hussein Cancer Center, Jordan
HIDDEN ADVERTISING IN PACKAGES VIOLATES TOBACCO LAW IN SPAIN

The XQNS Initiative for the improvement of the Spanish Tobacco Law filed, in 2017, a complaint with the Ministries of Health, Energy and Finance of Spain against four tobacco companies Philip Morris, Japan Tobacco International, Imperial Tobacco and British American Tobacco, calling on these ministries to take action against the very same companies, who continue to use “hidden advertising” in their products.

These tobacco companies use different hooks such as QR codes, alphanumeric codes and promotional telephone numbers to reach a young audience, offering young people prizes, trips to America, and even mobile phones. This advertising is arguably the cause of the increase in tobacco consumption among boys and girls between the ages of 14 and 18. Each day in Spain 500 new minors start smoking tobacco.

XQNS has also rejected illegal advertising practices linked with Marlboro’s IQOS-HEETS product, since it is presented as an alternative which product precisely because of innovation and technology components, when in reality, it is a tobacco product like any other. There is a clear need for the Government of Spain to ensure compliance with the Tobacco Law and to emphasise that such practices are “very serious infractions”. XQNS continues to await the decision and asks the Government to dedicate any financial penalties received to a fund for the prevention and treatment of smoking, in accordance with Article 17 of the tobacco law.

Joseba Zabala Galán, XQNS Spain

HEATED TOBACCO PRODUCTS: ON SOME ISSUES, SILENCE IS GOLDEN

Given the global media coverage IQOS and other heated tobacco products have received recently, Parties came to COP8 understandably wanting to “do something” – which in COP terms tends to mean: draft a long decision.

At time of writing, it is difficult to know what will emerge from the drafting group that met on the topic yesterday evening. However, if the topic is still open this morning, a few thoughts:

First, no COP decision wouldn’t be the end of the world. Heated tobacco products clearly qualify as tobacco products under the FCTC, so all FCTC provisions already apply, notably including the Article 13 requirement to undertake a “comprehensive ban of all tobacco advertising, promotion and sponsorship”.

Second, a bad COP decision is definitely worse than no decision at all. In particular, any decision that states that HTPs are not tobacco products, or implies that FCTC obligations are somehow optional, would undermine the Convention and give manufacturers a political argument to ask national governments to disregard their FCTC obligations.

In particular, paragraph 4 in the original EU proposal (Conference Paper No. 3) contains a series of “invitations” to Parties to take national action – including doing less than what is required by the FCTC. This would be terrible.

Third, a good COP decision can be short, and SEARO and the Pacific Island Countries made a good argument yesterday for replacing paragraph 4 with a short statement about the FCTC, reaffirming that FCTC obligations apply to all tobacco products and mentioning that, as per Article 2.1, the FCTC is a floor and not a ceiling for government action.

Getting a report on the relevant science and regulatory options for COP9 is advisable, and indeed should be a pre-requisite for further policy recommendations – with the possible exception of a quick mention that HTP devices (not just heat sticks) should be treated as tobacco products for regulatory purposes.
MASS MEDIA CAMPAIGNS – AN EFFECTIVE TOOL IN REDUCING SMOKING GLOBALLY

Vital Strategies has published a new working paper: “Effectiveness of Mass Media Campaigns in Reducing Smoking and Smoking-Related Deaths in High, Middle and Low-Income Countries”. The working paper is authored by Dr. David Levy, Professor of Oncology at Georgetown University, and shows that anti-tobacco campaigns alone would avert the following number of deaths of smokers alive today, over 40 years:

- 187,500 deaths in a prototype low-income country
- 150,000 deaths in a prototype middle-income country
- 93,750 deaths in a prototype high-income country

Even more deaths could be averted by implementing communication campaigns, which are recommended under Article 12, in conjunction with other tobacco control policies.

Copies of the paper are available at the Vital Strategies booth in the exhibition area at CICG. To access the paper online, visit: http://bit.ly/tobaccocontrolcampaigns

Vital Strategies

BALANCED AND BONA FIDE PARTICIPATION IN THE COP IS VITAL

As we wait to hear who will host COP9, it is equally important to consider who will participate. The success of COP is dependent on the active participation of all Parties – in good faith – in the governance and implementation of the treaty, in particular via the biennial COP meetings.

The COP’s efficacy is threatened by declining attendance and reductions in travel support for low and lower middle-income countries, and there are growing concerns about transparency and representation in country delegations amid industry efforts to shape their composition.

The University of Edinburgh has studied Parties’ participation in the COP drawing on official meeting records, and has also analysed the relationship between COP attendance and the strength of national tobacco control. The study found that attendance at the COP has decreased over time, and at several meetings would have fallen below 66 per cent (the threshold for decision-making) if it wasn’t for high levels of participation among low and lower middle-income countries. Despite their higher attendance at COP meetings, these countries represent a smaller share of meeting attendees due to the smaller size of their delegations. There has also been a decline in the proportion of delegates from Ministries of Health and tobacco control focal points.

Nationally, COP participation is correlated with stronger tobacco control policies; attendance by low-income countries has a strong correlation with implementation of advertising bans, while attendance among high and lower middle-income countries shows a moderate correlation with implementation of tobacco taxes.

The FCTC has rightly been hailed as a rare example of effective global governance, in which developing countries have played a significant role, but its ongoing success and effectiveness are not a given. In many respects the FCTC remains surprisingly fragile; its financial basis and support structure will require further development. Renewed support for participation in the COP, particularly for low and lower middle-income countries, is crucial in order to protect the legitimacy and efficacy of global governance for tobacco control and health.

Evgeniya Plotnikova, Sarah Hill, Alex Wright, Jeff Collin
University of Edinburgh, UK

http://dx.doi.org/10.1136/tobaccocontrol-2018-054710

Scan here to view
END TOBACCO INDUSTRY INTERFERENCE THROUGH CSR ACTIVITIES

The tobacco industry continues to utilise its corporate social responsibilities (CSR) activities to access high-level officials. Such access paves the way for unnecessary interactions and opportunities for interference. WHO FCTC Articles 5.3 and 13 call on Parties to de-normalise CSR activities and to ban them.

Partial bans on CSR have been ineffective, as seen in Vietnam, where CSR activities are restricted to disaster relief and poverty elimination. Government officials from the Ministry of Industry and Trade have joined the local tobacco company, VINATABA, to distribute gifts to flood victims.

In countries where tobacco-related CSR and sponsorship activities are banned, the industry channels these activities through business organizations such as the American Chamber of Commerce as in the case of the Philippines.

Tobacco industry-sponsored youth smoking prevention programmes have been discredited; the industry now focuses on handing out scholarships and educational materials to students.

However, many Parties have banned tobacco-related CSR activities as shown in the table below.

<table>
<thead>
<tr>
<th>Parties that have banned tobacco-related CSR activities</th>
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<tbody>
<tr>
<td>WHO AFR: Chad, Ethiopia, Gabon, Guinea, Madagascar, Mauritius, Niger, Seychelles, Togo, Uganda</td>
</tr>
<tr>
<td>WHO AMR: Brazil, Panama, Uruguay</td>
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<td>WHO EMR: Bahrain, Djibouti, Islamic Republic of Iran</td>
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<td>WHO EUR: Georgia, Republic of Moldova, Norway, Russian Federation, Spain, Turkmenistan</td>
</tr>
<tr>
<td>WHO SEAR: Maldives, Myanmar, Nepal, Thailand</td>
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<td>WHO WPR: Lao PDR</td>
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</table>

An example of an international NGO, funded by transnational tobacco companies, is the Swiss-based organisation, Eliminating Child Labour in Tobacco Growing Foundation (ECLT). In Guatemala, the ECLT has an MOU with the Ministry of Labour for a project which commenced in October 2013 to conduct a training programmes for youth employment.

The ECLT has also funded the International Labour Organization (ILO) to conduct CSR activities to address child labour in several countries. The ILO has not adopted the model policy on Article 5.3 and remains the only UN agency that continues to collaborate with the tobacco industry. Over the past several years, the ILO has received about US$15 million from Japan Tobacco International JTI and the ECLT. The next Governing Board of the ILO will debate and decide on this matter in November. It is hoped that the ILO will finally cut ties with the tobacco industry.

Southeast Asia Tobacco Control Alliance

THE ‘SOVEREIGNTY’ DEBATE

A number of proposals for transparency among party delegations have been tabled this week. Discussions focused on whether individual delegates to the COP should submit declarations of interest in connection with their credentials. One side proposes voluntary declarations, while the other side seeks mandatory declarations.

Parties opposed to declarations of interest have raised the banner of sovereignty. While sovereignty is a bedrock of the international system, a more nuanced analysis is required to understand the legality of the different proposals.

States have voluntarily agreed to be Parties to thousands of international agreements — ranging from the UN Charter to the WHO FCTC. Indeed, it is precisely because of their sovereignty that their decisions to accept international legal obligations must be understood as intentional. No one forced 180 countries to join the WHO FCTC.

An irony of international law is that states are both its main authors and principal subjects.

But states’ willingness to give up a portion of their sovereignty does not stop with treaty ratification. It also occurs through the myriad procedures they enact and with which they comply as parties. Enacting and implementing legislation, submitting reports, paying contributions, are all instances of states’ willingness to yield a bit of their sovereignty.

In their sovereign power states can choose to avoid any of these obligations. But they don’t.

Why? The simplest answer is that they are getting something out of the deal. By giving up a portion of their sovereignty to co-operate through international institutions like the WHO FCTC, states have decided they gain important benefits.

Exercising their sovereignty, the parties to the WHO FCTC each undertook to enact Article 5.3 of the Convention. As with all treaties, that means they have also accepted the obligation to follow its purpose.

Reasonable people can debate whether a declaration of interest - whether voluntary or mandatory - is required by Article 5.3 or the best way to achieve its aims. But the sovereignty argument can add little clarity to this debate.

Thomas F. McInerney,
Loyola University Chicago School of Law, USA
TRANSFER OF WEALTH TO TOBACCO SHAREHOLDERS CONTRIBUTES TO GLOBAL INEQUALITY

The many ways tobacco companies block progress on the tested and proven policies of the FCTC are well-known to the Parties participating in COP8 this week.

Tobacco industry tactics to target the world’s youth with tobacco products and to use courts and arbitration panels to block and weaken policies, have been widely exposed. Governments are currently engaged in costly investigations of tobacco companies Philip Morris International (PMI) and British American Tobacco (BAT) for bribery and corruption.

While these tactics are the perverse norm for tobacco companies pushing cigarettes as hard as they can – even while claiming to work toward a smoke-free future – the ways by which the tobacco companies transfer wealth out of the countries where profits are generated deserves more scrutiny. A new analysis shows that profits from the world’s largest tobacco companies go almost exclusively to shareholders in a handful of the world’s wealthiest countries.

The Campaign for Tobacco-Free Kids worked with a capital markets specialist to examine ownership of tobacco stocks for British American Tobacco (BAT), Philip Morris International (PMI), Imperial Brands (IMB), and Japan Tobacco International (JTI), as well as a sampling of subsidiaries of BAT and PMI in low and middle-income countries. The results of this analysis add to the picture of how tobacco companies further victimise the countries where their products are sold:

- The overwhelming majority of disclosed shareholders of the four companies are based in the United States, United Kingdom and Japan.
- More than 96 per cent of the disclosed shareholders of the four companies are based in ten countries: Bermuda, Canada, Germany, Japan, Luxembourg, Netherlands, South Africa, Switzerland, UK, and USA (the vast majority in USA, UK and Japan).
- Most of the subsidiaries of the four companies are 100 per cent owned by the parent multinational tobacco company. Thus “BAT-Nigeria” is owned by shareholders of BAT globally, not locally, and “PMI-Mexico” is owned by shareholders of PMI globally, not locally.

In stark contrast to the overwhelming majority of tobacco company shareholders who live in high-income countries, most of the burden of tobacco use falls on low- and middle-income countries. By 2030, 80 per cent of tobacco-related deaths will occur in these countries.

Most people reaping the profits from the sale of deadly tobacco products are not based in the countries where the profits are being made and where the health, social and economic burdens of tobacco use are the most acute. The transfer of tobacco wealth to shareholders is just one way that tobacco companies contribute to global inequality. Tobacco company claims that they are important economic contributors to countries are nonsense because of the overwhelming costs of treating tobacco-caused illness.

Parties participating in COP8 this week can use this information to bolster their efforts to strengthen implementation of all FCTC provisions, especially measures for increasing tobacco excise tax so that tobacco sales – and thus profits to shareholders – are reduced, and tobacco becomes less affordable. Delegations from governments that are invested in or own tobacco companies should advocate that their governments divest from the tobacco industry. These actions can be a critical addition to the fulfilment of governments’ Article 5.3 obligations.

Mark Hurley and Debra Rosen, Campaign for Tobacco-Free Kids

For more information about tobacco company shareholders scan here:

TIME IS PRECIOUS IN MORE WAYS THAN ONE

400
The number of people who will have died from tobacco while 30 minutes are spent delaying discussions for no good reason

$577
The cost of a minute at this year’s Conference of the Parties, based on the budget of US$ 1,906,000 and an average of 55 hours spent by delegates in meetings over 5.5 days
BRINGING LIFE TO THE TREATY: LEADERSHIP FROM UK & AUSTRALIA

At COP7 the UK launched its FCTC 2030 project, providing 5 years funding from its aid budget to the Convention Secretariat, specifically to support low and middle-income Parties to achieve Sustainable Development Goal target 3.a. This is the target that calls for a strengthening of implementation of the FCTC.

Two years on, Australia has joined the UK in funding the project, providing a great example for other Parties to follow.

This financial support is focused on the achievement of the general obligations and the time bound measures of the Convention, strengthening tobacco taxation, implementing other articles of the WHO FCTC according to national priorities, and building strong links to the 2030 Agenda for Sustainable Development.

At a lunchtime event on Wednesday, Georgia, Cabo Verde, Zambia and Samoa discussed the lessons they’d learned as Parties engaged in the FCTC 2030 project. In every case the project has helped engage the political system, working in partnership with United Nations Development Programme (UNDP), WHO, and civil society organisations. There is a deliberate effort to take a multi-sectoral approach, involving not just health, but other ministries such as Finance and Agriculture, as well as engaging parliament and civil society. Ensuring that tobacco industry interference and misrepresentation of the aims and outcomes of tobacco control is recognised and tackled. As John Mayeya, the tobacco control focal point from Zambia, put it, “In a nutshell FCTC 2030 has been the catalyst for improving tobacco control in Zambia”.

The results so far are extremely promising. In Georgia, a new tobacco control law came into effect in May 2018 requiring all enclosed public and workplaces are to be smoke free and prohibiting advertising, promotion and sponsorship of tobacco. The law is strongly supported, and with help from FCTC 2030, compliance has been 96 per cent from the start. Entry into force of further provisions will gradually follow, including plain packaging. Zambia is at an earlier stage but is following a similar approach. As with Georgia UNDP is helping to produce the investment case, and a strategic plan and draft Tobacco Bill are currently in development, which will include an advertising ban and graphic health warnings on packs. Samoa, similarly, is focusing on implementing effective measures on Article 5.3 and building multisectoral partnerships, but is also in the process of passing innovative legislation to license the tobacco supply chain. This will be administered by the Ministry of Health as a health rather than revenue measure and will raise substantial fees from the industry. The Australian representative of the 2030 project expressed her awe at Samoa's achievement.

Other high income parties, who themselves have made progress implementing the provisions of the FCTC, should now be thinking about how to share both expertise and financial resources so that the Global Strategy to Accelerate Tobacco Control can become a reality. The FCTC 2030 project is a great example of the kind of leadership that is required if the Global Strategy, adopted on Wednesday, is to be a success.

Tobacco control is a development issue with interrelated impacts on health, poverty and the environment. As such, it should be attracting a far greater share of official development assistance. High income parties here in Geneva this week need to make that argument loud and clear to colleagues in development ministries back home.

Deborah Arnott, ASH (UK) & Laura Hucks, Cancer Research UK
IS AFRICA MISSING A TRICK? FINANCING SUSTAINABLE DEVELOPMENT WITH TOBACCO TAXES

Tobacco products are highly sensitive and elastic to price changes. For this reason, tobacco taxation is powerful among demand reduction mechanisms. Ethiopia, according to GATS 2016, currently has 3.2 million smokers, with huge impacts on the health and wealth of the country.

“The fight against tobacco will only be won if there is adequate financing and tobacco tax provides a key element” Dr Vera Luiza da Costa e Silva, Head of the Convention Secretariat.

Specific tobacco excise tax increases that result in higher tobacco product prices are among the most effective tobacco control measures available. Cheap brands help the industry broaden its customer base because these products are more affordable to youth. Conversely, by increasing the prices of its products, the industry can squeeze more money from its addicted and wealthier customers.

Ethiopia levies ad valorem excise tax on tobacco products. This makes the products very affordable. A wide range of evidence suggests that specific taxes are more effective than ad volorem taxes in reducing consumption, particularly among those with limited budgets, such as youth and the poor. In 2017, the World Bank made recommendations to the Ministry of Finance and Economic Cooperation, suggesting a shift from taxing the cost of production to taxing the sales price, and in addition, to move to specific excise tax.

However, officials fear this may fuel illicit trade in the country - one of the most common and most exaggerated arguments used by Tobacco industry. Like most African Parties, Ethiopia is losing out on tobacco taxes – funds that could be used to improve the health and development of Ethiopians and support the Second Growth and Transformation Plan. It is time that African Parties begin to see tobacco taxation as an opportunity and follow in the steps of successful countries (Brazil, South Africa, etc) who have already caught on.

Zelalem Mengistu and Mathiwos Wondu-Ye, Ethiopia Cancer Society
Leonce Sessou, African Tobacco Control Alliance (ATCA)