

COP9 BULLETIN

FRIDAY, 12 NOVEMBER 2021



THANK YOU!

We extend our thanks to the Convention Secretariat for their excellent work in effectively preparing for and supporting this virtual COP.

Thank you also to the representatives of Parties from across the world, who have negotiated and made decisions that will advance the effective implementation of the WHO Framework Convention on Tobacco Control.

We would also like to thank all of our FCA members for their untiring work to make COP9 a success.

We look forward to seeing you at COP10!

BIG ACHIEVEMENTS AMONGST EXCEPTIONAL CIRCUMSTANCES. THANKS TO ALL AND SEE YOU AT COP10!

As we near the end of the first-ever virtual FCTC COP, we would like to take a moment to congratulate Parties on their achievements this week. Committee B took critical decisions to approve a budget and workplan that will allow work to continue through 2023 and support FCTC implementation around the world. We also collectively took a major step in the right direction when it comes to addressing the COP's chronic funding shortfalls by establishing a new, innovative mechanism to generate additional sustainable revenue for the COP budget and workplan.

In addition, on 11 November, Parties adopted a COP9 declaration on WHO FCTC and recovery from the COVID-19 pandemic, which acknowledges the important role that tobacco control can play in supporting recovery from COVID-19 and encourages Parties to take action in this regard.

Remarkably, we also witnessed Parties of the AMRO region coming together as part of an initiative to address tobacco industry interference in sessions of the COP - initially proposed by Ecuador at the pre-COP9 preparatory regional meeting. Through this initiative, Parties took strong and visible action to implement measures to increase the transparency of Parties' delegations to the COP, as agreed upon at COP8 and in-line with FCTC Article 5.3 and its guidelines.¹ In a statement on behalf of the region yesterday, Brazil announced that 23 of the 28 Parties of the Americas Region participating in COP9 (82%)² – along with one non-Party, Argentina - voluntarily signed and submitted Declaration of Interest forms in- line with practices agreed to at COP8. We applaud the signing Parties of AMRO for this initiative, and note with dismay the firm opposition expressed by Guatemala in response to this move. We encourage other Parties and regions to consider voluntarily signing and submitting a Declaration of Interest form at future sessions of the COP in order to maximize transparency and protect the proceedings from tobacco industry influence.

On 12 November, COP meets once more to adopt the provisional COP9 report and to clarify some plans for a tenth session (hopefully in-person) of the FCTC Conference of the Parties.

COP9, we thank you for your hard work during these exceptional circumstances. Until we meet again at COP10.

https://www.who.int/fctc/cop/sessions/cop8/FCTC_COP8(12)-sp.pdf?ua-1

² Antigua and Barbuda, Belize, Bolivia, Brazil, Canada, Chile, Colombia, Costa Rica, Ecuador, El Salvador, Grenada, Guyana, Jamaica, Mexico, Panama, Paraguay, Peru, Saint Lucia, Saint Kitts and Nevis, Suriname, Trinidad and Tobago, Uruguay, Venezuela.



ORCHID AWARD

Iran for proposing the COP9 Declaration on WHO FCTC and recovery from the COVID-19 pandemic and for all Parties who cosponsored the proposal.



DIRTY ASHTRAY

Philippines for using the burden of management of COVID-19 as an excuse to ignore that the FCTC is key to recovery from COVID-19 and building back better, given the established links between tobacco use, NCDs, and COVID-19.

DISHONOURABLE MENTION

A "soggy cigar" dishonourable mention goes to the Dominican Republic, who used its speaking time as a State non-Party to the COP to promote the tobacco industry (reminding us all of why the FCTC is so needed and critical for public health as well as Party obligations on Article 5.3)

GLOBAL IMPLEMENTATION FUNDING SHORTFALL AND TA NEEDS

Beth Turner, Cancer Research UK, United Kingdom; Natalie Varney-Hopkins, Cancer Research UK, United Kingdom; Nikoleta Arnaudova, Smoke Free Partnership, Belgium

Here at COP9, Parties should reaffirm their commitments to the FCTC and the Global Strategy to improve health outcomes globally. With the contribution of the FCTC to good health and wellbeing for all enshrined in SDG3, the FCTC's implementation is also critical to meeting broader international development goals.

The Global Strategy Strategic Objective 1.1 shows the importance of understanding global and domestic implementation of articles and existing funding gaps to accurately prioritise resources on priority action areas;

- 1.1.1 Parties develop, implement and regularly update comprehensive, costed national tobacco control strategies (WHO FCTC Article 5) focusing on multisectoral and cross-cutting policies and Articles most important in the national context.
- 1.1.2 Parties implement price and tax measures (Article 6).
- 1.1.3 Parties implement time-bound measures (Articles 8, 11 and 13).

To achieve these aims, governments need to dedicate sufficient financial resources and be able to access the technical assistance that will make the necessary policy changes possible. Developing governmental expertise in aspects such as optimum tobacco tax modelling, the realities of illicit trade, and how to resist

influence from the tobacco industry will also embolden officials to introduce tobacco control policies.

Tobacco control measures are inexpensive and highly costeffective. However, the political commitments that Parties made have not translated into the financial commitments needed to implement them, for both Official Development Assistance (ODA) and domestic spending. In 2019, tobacco control programs received just US\$66.23 million in Development Assistance for Health (DAH); only 0.16% of all DAH. Meanwhile, there exists a roughly US\$27.4 billion gap to globally deliver demand-reducing tobacco control measures.

Cancer Research UK supports partners in low- and middle-income countries (LMICs) to investigate tobacco tax models, and influence governments with reliable evidence to establish an optimal tax that will discourage people from smoking and open up a revenue stream that can be directed towards healthcare. Through funding the WHO FCTC Knowledge Hub on Tobacco Taxation, partners at the University of Cape Town engage with health and finance ministers to provide technical assistance to introduce tobacco tax. Ongoing research into illicit trade by our research partners helps to counteract arguments against taxation from the tobacco industry and reassure government officials to implement tobacco control policy.

Financing tobacco control for public health needs to be prioritised, especially as the world grapples with the consequences of the COVID-19 pandemic. Governments should:

- Commit to concrete actions towards including tobacco control in development assistance for health and through funding streams for capacity building;
- 2. Actively promote FCTC implementation in LMICs through technical assistance support and boosting national tobacco control programmes; and
- 3. Incorporate tobacco control across policies (e.g. fiscal, trade, aid), regardless of whether they are a funder or a recipient country.

The time to act is now, during and following COP9.

¹ Global Strategy to Accelerate Tobacco Control: Advancing Sustainable Development through the Implementation of the WHO FCTC 2019–2025. https://www.who.int/fctc/cop/a-s-2025/en/.

² Institute for Health Metrics and Evaluation Financing Global Health 2019: Tracking Health Spending in a Time of Crisis. http://www.healthdata.org/policy-report/financingglobal-health-2019-tracking-health-spending-time-crisis. Published August 25, 2020.

KEEPING ARTICLE 6 AND TAXATION IN FOCUS

Jeffrey Drope, PhD, School of Public Health, University of Illinois Chicago; and Erika Siu, JD, LLM, School of Public Health, University of Illinois Chicago

Due to the compressed agenda of this year's virtual Conference of Parties, Article 6 is not under direct consideration but remains as important as ever, particularly as countries consider the long-term rewards of greater commitment to the FCTC and how to pay for implementation.

Performance scores from the justreleased Second Edition of the <u>Tobacconomics Cigarette Tax</u> Scorecard are telling. As the figure to the right shows, from 2014 to 2020, progress on Article 6 has been slow. The Scorecard rates countries on a 5-point scale on four key facets of tobacco taxation: price, affordability change, tax share of price and excise tax structure. Article 6 guidelines suggest that governments' broad goal is to raise tobacco excise taxes to raise prices, thereby making products less affordable and increasing the tax share of price. The guidelines also counsel tax structures that demonstrably work best, particularly using uniform specific taxes with regular adjustments for inflation and economic growth.

The overall average score has improved only slightly, from 1.93 in 2014 to 2.28 in 2020. The component scores have also increased incrementally from 2014. But most countries are still doing poorly. In 2020, overall scores improved in 81 countries, stayed the same in 48 and decreased in 24. Furthermore, the average price dropped by 0.28 international dollars (2018) in lowincome countries from 2018 to 2020 as the tobacco industry sought to maintain or grow new markets. At the same time, tax share of price decreased in two WHO Regions, the Americas and the Western Pacific suggesting that price increases outpaced taxes. This means that tobacco companies raised prices to make up for profits lost in countries where they dropped prices and governments lost out on muchneeded tax revenue, especially in the era of COVID-19 and battered budgets. Governments are doing particularly badly on making tobacco products less affordable which has major implications for protecting the most vulnerable, particularly young people. Returning to the goals in the Article 6 guidelines, many countries need to revisit and reform structures that are not working well (e.g., tiered and/or ad valorem-based

FIGURE – TOBACCONOMICS CIGARETTE TAX SCORECARD OVERALL AND COMPONENT SCORES, 2014-18

3

Overall Price Affordability Tax Share Tax Structure

2014 2016 2018 2020

structures) and actively raise tax rates more aggressively and in a sustained manner.

Why does it matter? We know that taxing tobacco has the most potential of any FCTC intervention to drive down consumption, which means fewer young people start and more users quit tobacco. We know that fewer smokers directly translates into far fewer premature deaths, lower healthcare costs, and higher economic productivity because healthier people and societies are more productive. Increasing tobacco taxes adds little if any additional burden on governments because almost all governments are already collecting these taxes.

The large bonus of this approach is increased tax revenue. Demand for tobacco is typically inelastic, which means the effect on consumption is proportionally lower than the price increase. So, while consumption goes down from higher taxes, revenue goes up. The latest WHO Report on the Global Tobacco Epidemic demonstrates that implementation of most articles is lagging and some governments express concern about the implementation costs. Broadly allocating—so-called "soft earmarks"— even a fraction of new tobacco tax revenues could help governments to make these modest investments in tobacco control to implement the FCTC's key provisions and then reap the longer-term health and economic rewards.

NEW REPORT EXPOSES ONLINE BIDI MARKETING AND SALES IN INDIA



A new Vital Strategies report, Selling Death on Social Media: **How Bidis Are Reaching** Consumers Online, reveals how India's bidi industry uses social media, particularly Facebook, to market and sell its products. Nearly 72 million adults smoke bidis in India, which are easily accessible and cheaper than cigarettes. Nearly half of users started before their 10th birthday. This report uses data from TERM, a digital media monitoring tool that tracks online tobacco marketing. After piloting in India, regular **TERM** monitoring expanded to Indonesia and Mexico and may be a useful tool to help governments implement and enforce Article 13 of the Convention.









