

POLICY BRIEFING

This document relates to item 6.3 of the provisional MOP agenda and corresponds to documents [FCTC/MOP/2/11](#) and [FCTC/MOP/2/INF.DOC/1](#)

Second session of the Meeting of the Parties to the Protocol to Eliminate Illicit Trade in Tobacco Products, 15-18 November 2021

Proposed workplan and budget for the financial period 2022-2023

Key Recommendations

- We thank the Secretariat for their dedicated work on the proposed workplan and budget for the upcoming biennium. We recommend that Parties consider how to address the substantial and sustainable financial and technical resources that are required in order to ensure successful implementation of the Protocol, particularly in low- and middle-income countries. Given that almost 70% of the MOP activities budget comes from non-Assessed Contributions, we recommend that Parties who are able would consider providing Extrabudgetary Funds at this key moment of growth in a relatively new Protocol.
- Should MOP2 endorse the Strategy for Mechanisms of Assistance and Mobilization of Financial Resources to Support Implementation of the Protocol, it will be critical that Parties amend the proposed 2022-2023 workplan and budget to reflect the priorities identified in this document.
- The Protocol is primarily a law enforcement, customs, and tax administration treaty, and therefore requires relevant expertise, especially regarding the assistance for low- and middle-income countries. We welcome that the Convention Secretariat staff was reinforced with relevant experience to support the Protocol and we call on Parties support the further strengthening of the Secretariat with dedicated senior staff to ensure high-level support for Parties. We encourage Parties to consider providing additional Extrabudgetary Contributions to support further funding additional staff and full implementation of the strategy and/or by Parties committing to staff secondment agreements with the Convention Secretariat from relevant agencies.
- In the case that in-person meetings are to be held over the next biennium, if health measures permit given the ongoing pandemic, MOP2 should also ensure that the Workplan and Budget provides travel support for low- and middle-income country Parties to attend ITP-related meetings.

Why this is important

ITP priorities for the new biennium are rooted in the ITP budget and workplan, as these documents outline ITP activities, costs, and sources of funding. At MOP2, Parties will review the performance and progress reports for the years 2018 to 2021 and will adopt a new workplan and budget for 2022-2023. In addition to these considerations, Parties may also decide to adopt an investment fund for MOP, which will have important implications for financing future budgets and workplans.

Proposed 2022-2023 Workplan and Budget

For the 2022-2023 biennium, the Convention Secretariat is proposing a budget of US\$9,242,869, which is approximately 25% larger than the budget for the 2020-2021 biennium. This sum includes salary and activity costs related to work on the ITP, as well as the 13 percent mandatory programme support costs (listed as recovery costs) payable to the World Health Organization (WHO). The predictable funding for the budget, which comes from Assessed Contributions, is expected to amount to US\$4,999,719. This means that the remaining funding for the financial period – US\$4,243,150 – will need to be raised by the Convention Secretariat in the form of Extrabudgetary Funds in order for a number of activities to take place.

Many core ITP functions and aspects of ITP implementation are slated to be covered, at least in part, by Extrabudgetary Funds which leaves them vulnerable should this funding not be mobilised. As such, it would be valuable for the Convention Secretariat to provide more detail to Parties on what Extrabudgetary Funding commitments are currently available and on what funding gaps still exist. It would also be valuable for high-income country Parties to consider the provision of Extrabudgetary Funds in order to ensure successful implementation of the ITP. This is a key moment of growth in a relatively new Protocol and many low- and middle-income country Parties require technical assistance in order to enact relevant regulations. The provision of such assistance via the MOP activities budget is a net benefit for all Parties to the Protocol.

Investing in Staffing for the Protocol

Investing in the Convention Secretariat's ITP staff is a key component of ensuring the successful implementation of the Protocol and in its long-term sustainability. Adequate Convention Secretariat staffing and funding to implement and report on the workplan and budgets adopted by the MOP are required for such an investment, and it is a welcome measure that Convention Secretariat staff will be funded via Assessed Contributions to the budget.

The Protocol is primarily a law enforcement, customs, and tax administration treaty, and therefore requires relevant expertise, especially regarding technical assistance for low- and middle-income countries. We would like to acknowledge and welcome the Secretariat's hiring of staff in this area and encourage Parties to consider providing additional Extrabudgetary Contributions to support further funding additional staff and full implementation of the strategy. Parties can also support investing in staff for the ITP by committing to staff secondment agreements with the Convention Secretariat from relevant agencies.

Alignment with the proposed implementation strategy

One potential decision at MOP2 will have a number of important implications for the 2022-2023 workplan and budget. Under provisional agenda item 5.1, Parties will be invited to adopt the Strategy for mechanisms of assistance and financial resources to support the implementation of the Protocol to Eliminate Illicit Trade in Tobacco Products, as contained in Annex 1 of document [FCTC/MOP/2/8](#) as a living document to be reviewed as necessary. The proposed Strategy is focused on three areas of support:

1. Assisting Parties to understand the problem and the context of illicit tobacco trade;
2. Promoting the full and sustainable implementation of the Protocol by Parties; and
3. Encouraging regional and international cooperation to support implementation of the Protocol by Parties.

This Strategy, if adopted, will enable the Convention Secretariat to lead the provision of support to Parties to implement the Protocol. It would accordingly inform the MOP workplans and budgets vis-à-vis the delivery of commitments outlined in the Strategy. It is therefore recommended that Parties amend the proposed 2022-2023 workplan and budget to reflect the priorities identified in this document.

It is also important for Parties to note that the delivery of commitments set out in the proposed Strategy would be subject to the availability of the necessary resources i.e. Extrabudgetary Funds. We support the request of the Convention Secretariat found in the draft decision to actively seek and receive Extrabudgetary Contributions from Parties and other international donors, and we encourage Parties to consider providing Extrabudgetary Funds in support of the proposed Strategy.

Travel support for low- and middle-income country Parties

In the case that in-person meetings are to be held over the next biennium, if health measures permit given the ongoing pandemic, FCA maintains the view that MOP should ensure that resources are allocated to fund the participation of delegates from low- and middle-income countries. These countries face higher average percentages of illicit tobacco consumption than in high-income countries,¹ in addition to bearing the greatest burden of tobacco-related deaths. Their participation and informed discussion at ITP-related meetings is essential for the work of the Protocol and for making progress on countering illicit trade in all contexts.

¹ World Bank (2019). *Confronting Illicit Tobacco Trade: A Global Review of Country Experiences*. Washington, DC: World Bank.