



WORLD HEALTH ORGANIZATION

**OPEN-ENDED INTERGOVERNMENTAL
WORKING GROUP ON THE
WHO FRAMEWORK CONVENTION
ON TOBACCO CONTROL
Provisional agenda item 9**

A/FCTC/IGWG/1/INF.DOC./1
27 May 2004

Potential sources and mechanisms of support

Report by the Secretariat

1. This report has been prepared pursuant to paragraph 7(5) of resolution WHA56.1 to assist the Open-ended Intergovernmental Working Group in its consideration of existing and potential sources and mechanisms of assistance to Parties in meeting their obligations under the Framework Convention. It is a revised and restructured version of document A/FCTC/INB6/INF.DOC./1 submitted to the Intergovernmental Negotiating Body at its sixth session. It covers:

- Potential sources and mechanisms for financing the implementation of the Framework Convention as reflected therein.
- The role of the Convention secretariat in assisting Parties to identify sources of funding to implement the Convention.
- Specific financial resources for tobacco control from international organizations and agencies, and nongovernmental and governmental sources.

2. The report explores potential funding alternatives for the implementation of the Framework Convention but does not evaluate the relevance and availability of any given financial or other arrangement. Moreover, the information it contains should not be interpreted as indicating guaranteed funding sources.

POTENTIAL SOURCES AND MECHANISMS FOR FINANCING THE IMPLEMENTATION OF THE FRAMEWORK CONVENTION AS REFLECTED THEREIN

3. This section reviews the provisions of the Framework Convention relating to financial and technical resources and potential sources of assistance, including technical assistance.

4. Article 26 is a core article of the Framework Convention that emphasizes the important role that financial resources play in achieving the objective of the Convention, and sets out ways in which such resources might be mobilized. In particular, it provides that each Party shall provide financial support in respect of its national activities intended to achieve the objective of the Convention, and promote, as appropriate, the utilization of bilateral, regional, subregional and other multilateral channels to provide

funding for the development and strengthening of multisectoral comprehensive tobacco control programmes of developing country Parties and Parties with economies in transition (Article 26, paragraphs 1, 2 and 3).

5. The Framework Convention contains other references to and provisions on financial and technical resources, on the importance of financial resources and technical assistance to Parties in meeting their obligations under the Framework Convention, and on potential sources of funding (thirteenth preambular paragraph; Article 4, paragraphs 3 and 6; and Article 20, paragraph 3).

6. Other provisions set out countries' financial obligations and their obligations to cooperate in various ways and at various levels, particularly in the transfer of technology and the provision of technical and other expertise (Article 5, paragraphs 2(a) and 6; Article 20, paragraph 5; Article 22, paragraph 1).

7. The Convention also contains provisions on the obligations of the Secretariat and the Conference of the Parties in respect of financial resources and technical assistance to countries (Article 22, paragraph 2; Article 23, paragraph 5(e); Article 25; Article 26, paragraph 5(b)-(d)).

THE ROLE OF THE CONVENTION SECRETARIAT IN ASSISTING PARTIES TO IDENTIFY SOURCES OF FUNDING TO IMPLEMENT THE CONVENTION

8. Precedents for the facilitation of assistance to Parties by the secretariat in implementing the Convention, including the conveying of information on the availability of resources, exist in such treaties as the Basel Convention on the Control of Transboundary Movements of Hazardous Wastes and their Disposal (1989) (Article 16, paragraph 1(g)); the Rotterdam Convention on the Prior Informed Consent Procedure for Certain Hazardous Chemicals and Pesticides in International Trade (1998) (Article 19, paragraph 2(b)); and the Stockholm Convention on Persistent Organic Pollutants (2001) (Article 20, paragraph 2(b)).

9. The Framework Convention follows that practice. Article 26, paragraph 5(a), contains provisions on the mobilization and utilization of funds to assist Parties in meeting their obligations under the Convention; paragraph 5(b) provides that the Secretariat shall advise developing country Parties and Parties with economies in transition, upon request, on available sources of funding to facilitate the implementation of their obligations under the Framework Convention; and paragraph 5(c) provides for a Secretariat study of existing and potential sources and mechanisms of assistance to countries in implementing their obligations under the Framework Convention.

SPECIFIC FINANCIAL RESOURCES FOR TOBACCO CONTROL FROM INTERNATIONAL ORGANIZATIONS AND AGENCIES, AND NONGOVERNMENTAL AND GOVERNMENTAL SOURCES

International organizations and agencies

10. International organizations and agencies are well positioned to play a role in providing institutional funding and channelling funding from public and private sources to tobacco control activities. WHO, as a global health body, has acted and is in a position to continue to act in this capacity. In the past six years, WHO has received extrabudgetary funds from Member States for

supporting and furthering several programmes related to tobacco control, including, but not limited to, the development of the Framework Convention and national capacity building. Programmes to enhance national capacity have included activities such as surveillance, assessment of regional needs, creating and strengthening human and institutional infrastructure through training workshops, building consensus and political commitment at the national level, promoting the implementation of priority elements of national tobacco-control programmes and assisting in expanding these programmes to all geopolitical levels of countries, advocacy, supporting the advancement of scientific research related to tobacco control and facilitating evaluation of tobacco-control policies and programmes. Furthermore, WHO has issued policy recommendations tailored to countries with different priorities and different levels of resources, which show that, regardless of political and financial limitations, countries can still implement effective tobacco-control measures. Given its existing administrative structure, WHO would be competent to continue performing this kind of operation, either as part of the duties of the Convention secretariat or as a separate function.

11. In 1999, the Secretary-General of the United Nations agreed to the designation of an Ad Hoc Inter-Agency Task Force on Tobacco Control under the leadership of WHO, with the aim of intensifying a joint United Nations response and galvanizing global support for tobacco control. Nineteen collaborating United Nations organizations and bodies, as well as the WTO and the World Customs Organization, participate in the Task Force. Its work includes a study by FAO in collaboration with ILO, WHO and the World Bank on the implications of tobacco control in the agricultural sector, and investigation by WHO and the World Bank of the impact of smuggling of tobacco products and of privatization on public health. Funding has been generated under the auspices of the Task Force for joint interagency technical work, a mechanism that could serve as a template for obtaining funding for intersectoral technical assistance programmes in support of the implementation of the Framework Convention. The Convention has been a focus of the Task Force's work and several members of its Task Force participated as observers in the negotiation process.

12. The Framework Convention recognizes the importance of financial and technical assistance from international and regional intergovernmental organizations and therefore encourages Parties to cooperate with such organizations, and in financial and development institutions of which they are members, to promote and encourage provision of technical and financial resources to the Secretariat to assist developing country Parties and Parties with economies in transition to meet their commitments on research, surveillance and exchange of information (Article 20, paragraphs 3 and 5).

13. Tobacco production and consumption exacerbate poverty and undermine sustainable development. Tobacco control should therefore be a key component of development assistance programmes, a point which the Secretary-General is expected to make in his third report to the Economic and Social Council on the activities of the Ad Hoc Inter-Agency Task Force.

International financial institutions: World Bank

14. The World Bank provides financial and technical support for tobacco control programmes through its existing channels of support for development and poverty alleviation in member countries. National governments may request loans or credits¹ from the World Bank for programmes that include

¹ Loans from the International Bank for Reconstruction and Development available to all borrowing member countries at prevailing terms (10-year grace period, 35 to 40-year repayment period). International Development Association interest-free credits and grant financing are available to the 81 eligible countries (countries with a per capita gross national income (2002) below US\$ 865).

tobacco control, within their overall programme of assistance. By the end of 2003, 12 loans or credits had been approved for 11 countries. These included funding for a range of tobacco control activities, typically as a fairly small part of projects that support improvements in health outcomes and health care systems and policies. New requests from governments for loans or credits for programmes that include tobacco control should be made through the standard procedures, and after discussion between government officials and World Bank team leaders for the Project in each country. Tobacco control might also be funded through policy-based lending (through various existing instruments such as poverty reduction support credits, structural adjustment loans, and programmatic adjustment loans) with disbursements of loan funds being conditional on achieving agreed policy changes. Such policy changes might include implementation of comprehensive tobacco-control measures, such as those provided for in the Framework Convention, increasing excise taxes, and providing agreed levels of funding for tobacco control.

15. The World Bank also has a development grant facility, established in 1997 to integrate the overall strategy, allocations, and management the Bank's grant-making activities funded from the Administrative Budget under a single umbrella mechanism. The facility is intended to encourage innovation, catalyse partnerships, and broaden the scope of the Bank's services. All grants must meet sectoral and institutional priorities, be of high quality, and conform to eight eligibility criteria.¹ The budget for the fiscal year 2004 is US\$ 178.21 million, covering 49 grant programmes. These include many long standing programmes such as the Global Forum for Health Research, a partnership that aims to redress the huge imbalance between health research spending and developing country health research needs. One of the Global Fund's research initiatives, the Initiative for Cardiovascular Health Research in Developing Countries, based in the All-India Institute of Medical Sciences, New Delhi, India, includes research related to the reduction of tobacco use.

Nongovernmental bodies, including private foundations

16. Nongovernmental organizations, foundations and groups can be an important element of the funding strategies for tobacco-control activities. These kinds of organizations offer a reservoir of resources, both monetary and technical, for promoting the objectives of the Framework Convention.

17. Public health entities have often looked to private foundations and organizations for support. Particularly in the past four or five years, as the global tobacco-control movement has gathered momentum, private foundations have become more involved in tobacco control. They have funded tobacco-specific projects through technical training grants for scholars from developing countries and tobacco-specific research, facilitated tobacco-control programmes, and sponsored fellowships in tobacco economics and advocacy in Eastern Europe and media development on tobacco-related concerns. The United Nations Foundation has provided substantial funding for various components of national and international tobacco-control work and is currently one of the major donors to WHO's Tobacco Free Initiative. Projects sponsored by the Foundation include programmes to strengthen national capacity building in tobacco control; youth education projects; and media and advocacy campaigns involving nongovernmental organizations at grassroots level.

18. It is also important to note the activities of nongovernmental organizations in curbing tobacco use in order to prevent related disease. They act at every level from health delivery to national and international policy and legislative advocacy. These groups are poised to act in public-private

¹ See www.worldbank.org/dgf.

partnerships with national and local governments to further the objectives of the Framework Convention in all countries.

19. Many funding opportunities exist through foundations and other organizations in the private sector, excluding the tobacco industry. Existing programmes include support for:

- transdisciplinary research and capacity-building projects that tackle the burden of tobacco consumption in low- and/or middle-income countries
- reduction in domestic disparities in tobacco control
- reduction of tobacco use by women and girls in developing countries
- international training fellowships in cancer research
- research relevant to tobacco-control policy and programme development on tobacco-related illness
- development of health policy and research into health systems
- postdoctoral training fellowships in applied cancer research and implementation of control programmes worldwide
- research related to childhood diseases in the developing world, including in countries in Africa, Central and South America, Asia and the Pacific
- global and regional tobacco-control conferences and tobacco-cessation work in various European countries.

Governmental sources

20. Many nations currently support tobacco-control efforts as part of their public health infrastructure by directly creating and promoting tobacco-control programmes or by offering assistance to local health-delivery and research institutions. This kind of support can be in the form of, but is not limited to, grants, partnerships and transfer and exchange of information and expertise. Moreover, a number of donor governments have demonstrated their commitment to providing significant support for tobacco-control work, especially in developing countries and countries with economies in transition. Some of these funds have been directed through multilateral channels, such as WHO, while other funds have been provided to countries on a bilateral basis.

21. Some of the funds for domestic tobacco control are included within overarching national, regional and local health budgets. The monies used to fund tobacco-control programmes in particular come from various sources, including dedicated budgetary allotments, tax revenues and awards of civil damages. These are not the only source of tobacco-control support, however. Notably, some national and local governmental health agencies have created specialized bodies dedicated to tobacco control and tobacco-related illness within their health ministries. These agencies have developed guidelines for programmes and funding requests from local health departments, research institutions and other interested bodies. The Framework Convention encourages and supports such efforts by governments.

22. The entry into force of the Framework Convention will give impetus to new and innovative funding of tobacco-control programmes.

Regional economic integration organizations: European Community

23. A round table on tobacco control and development policy was organized in Brussels in February 2003 by the European Union's Directorates of Development and Humanitarian Aid and of Health and Consumer Protection, in cooperation with WHO and the World Bank, with the aim of demonstrating that European Community development cooperation offers effective ways of addressing tobacco control.

24. The European Commission recognized the importance of tobacco control as a development issue, emphasized its active contribution to the development of the Framework Convention, and expressed its willingness to support developing countries wishing to address tobacco control, by using existing instruments of development cooperation.

25. The meeting emphasized the importance of a broad perspective and wide cooperation between sectors, such as agriculture, education, finance, health and media, for an effective tobacco-control policy, and welcomed the European Commission's pledge to:

- inform members of the European Community about the importance of tobacco control as a health issue, the outcomes of the Round Table on Tobacco Control and of the outcomes of the Framework Convention negotiations in Geneva;
- exchange experience with European Union Member States on how to address tobacco control in development cooperation together with health experts;
- address tobacco control in policy dialogue with partner countries on macro-economic support and health;
- be prepared to use instruments for development cooperation with partner countries to address tobacco control, based on a demand from the partner country; and,
- look into opportunities for supporting exchange of experience between European nongovernmental organizations with relevant experience in tobacco control activities, and nongovernmental organizations in developing countries trying to develop similar expertise.

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