



PROTOCOL
TO ELIMINATE
ILLCIT TRADE IN
TOBACCO PRODUCTS

**MEETING OF THE PARTIES TO THE PROTOCOL
TO ELIMINATE ILLICIT TRADE IN TOBACCO PRODUCTS**

**FCTC/MOP/3/8
7 July 2023**

**Third session
Panama City, Panama, 27–30 November 2023
Provisional agenda item 7.1**

Performance and progress reports

Report by the Convention Secretariat

Purpose of the document

The present report submits for consideration by the Meeting of the Parties (MOP) to the Protocol to Eliminate Illicit Trade in Tobacco Products information in relation to:

- (a) Performance report for the 2020–2021 Workplan and Budget (Part I, including Annex 1 and Annex 2, immediately following the report); and
- (b) Interim Performance report for the 2022–2023 Workplan and Budget (Part II, including Annex 3 and Annex 4, immediately following the report).

Action by the Meeting of the Parties

The MOP is invited to note the performance and progress reports for the reported periods.

Contribution to the Sustainable Development Goals (SDGs): All SDGs; in particular SDG 3 and Target 3.a, as well as SDG 8 and 16.

Link to Workplan and Budget item: None.

Additional financial implications if not included in the Workplan and Budget: None.

Related document(s): FCTC/MOP2(13); FCTC/MOP/2/INF.DOC./1; FCTC/MOP2(11); FCTC/MOP1(17); FCTC/MOP/1/INF.DOC./2.

PART I. PERFORMANCE REPORT FOR THE 2020–2021 WORKPLAN AND BUDGET (1 JANUARY 2020 – 31 DECEMBER 2021)

BACKGROUND

1. The present report contains an update of the activities conducted by the Convention Secretariat to support implementation of the Protocol to Eliminate Illicit Trade in Tobacco Products from 1 January 2020 to 31 December 2021. The report follows the structure of the Workplan and Budget for the financial period 2020–2021 adopted at the First session of the Meeting of the Parties (MOP1) to the Protocol in decision FCTC/MOP1(17).
2. In light of restrictions made necessary as a result of the coronavirus disease 2019 (COVID-19) pandemic, many of the activities planned to take place in 2021 had to be adapted in the context of the pandemic. The Convention Secretariat has gained useful lessons and experience from implementing mandates and activities in the midst of the pandemic, ensuring better and more efficient utilization of virtual means and resources.
3. The Certified Statement of Income and Expenditure for the period 1 January 2020 to 31 December 2021 is included in Annex 1, immediately following the report contained in Part I of the present document. The activity costs for the reported period, including the description of expenditures, are included in Annex 2, immediately following the report contained in Part I of the present document.

PROMOTING THE RATIFICATION AND IMPLEMENTATION OF THE PROTOCOL

Hold multisectoral regional workshops

4. The planned multisectoral regional workshops could not be organized. The Convention Secretariat organized a series of seven technical webinars on various articles of the Protocol from March to November 2021, with participation of expert representatives of Parties and relevant intergovernmental organizations (IGOs) and nongovernmental organizations (NGOs). The recordings of the webinars are available on the WHO FCTC YouTube page.¹
5. In collaboration with the World Health Organization (WHO) Regional Office for the Americas and the Regional Office for the Eastern Mediterranean, three regional webinars were organized to raise awareness about the importance of multisectoral collaboration for the implementation of the Protocol and the role of the Protocol in strengthening the impact of tax and price measures.
6. The Convention Secretariat has also collaborated with the WHO FCTC Knowledge Hub on Tobacco Taxation at the University of Cape Town and NGOs accredited as observers to the Conference of the Parties (COP) to the WHO Framework Convention on Tobacco Control (WHO FCTC), such as the International Union Against Tuberculosis and Lung Disease and the African Tobacco Control

¹ Available at <https://www.youtube.com/@whofctcsecretariat812>.

Alliance, in the organization of virtual meetings to promote the Protocol. A session dedicated to the Protocol was also organized during the Leadership Summit on Tobacco Control in October 2021.¹

Promote the Protocol at high-level meetings

7. The Head of the Convention Secretariat met with the Ministers of Health of Colombia, Ecuador and Paraguay and used the opportunity to promote the implementation and ratification of the Protocol. The Convention Secretariat also attended several meetings with high-level officials and parliamentarians to promote the implementation and ratification of the Protocol. These included meetings with senior officials from various departments of governments involved with the control of illicit trade in tobacco products and members of parliament of Parties to the WHO FCTC, such as Bhutan, Brazil, Cameroon, Ghana, Mauritania, Mexico, Moldova, Rwanda, Sudan, Suriname, Tunisia and Vanuatu.

8. The Convention Secretariat contributed to a virtual multi-stakeholder workshop promoting the accession to the Protocol to Eliminate Illicit Trade in Tobacco Control in Georgia, held on 14–17 December 2020 and organized by the Technical Assistance and Information Exchange Instrument (TAIEX) of the European Commission, in cooperation with the National Centre for Disease Control and Public Health of Georgia.

Engage the potential of relevant international organizations

9. In 2021, for the first time, the President of the Meeting of the Parties (MOP) to the Protocol made a submission to the thematic review of the United Nations High-level Political Forum, the United Nations central platform for follow-up and review of the *2030 Agenda for Sustainable Development* and the Sustainable Development Goals (SDGs).²

10. The Convention Secretariat briefed the members of the United Nations Inter-agency Task Force on the Prevention and Control of Non-communicable Diseases (UNIATF) on the Protocol. UNIATF decided to establish a workstream under the Tobacco Thematic Working Group on the implementation of the Protocol to map out the expertise of members of the Task Force and agreed on collaborative action. The Convention Secretariat also became a member of the informal Inter-Agency Working Group on Health Taxes, which identified the implementation of the Protocol as one of its priorities.

11. The Head of the Convention Secretariat met on 17 December 2021 with the Secretary of the Conference of the Parties and the Chief of the Organized Crime and Illicit Trafficking Branch of the United Nations Office on Drugs and Crime (UNODC) to raise visibility of the Protocol. In addition, the Convention Secretariat had bilateral meetings with representatives of the Organisation for Economic Co-operation and Development, the World Bank, the World Customs Organization (WCO) and the UNODC-WCO Container Control Programme.

12. In October 2020, the COP and MOP Bureau Members from the African Region requested the Convention Secretariat to assist with engaging regional economic integration entities in Africa to support the implementation of the Protocol. In response to this request, the Convention Secretariat has identified key regional entities and developed a plan for engaging with them to raise awareness of the

¹ Summit hosted by the World Conference on Tobacco or Health, as a platform for global conversations around solutions to the tobacco epidemic. The recording of the webinar on the Protocol can be found here: <https://www.youtube.com/watch?v=vX3FchCdCtU>.

² Available at https://sustainabledevelopment.un.org/content/documents/27288MOP_Submission_of_the_President_to_the_2021_UN_HLPF_ECOSOC.pdf.

potential of the Protocol to advance the achievement of the SDGs. Meetings were held in 2021 with the Economic Community of West African States (ECOWAS), the ECOWAS Bank for Investment and Development, and the West African Health Organization.

TECHNICAL ASSISTANCE IN PREPARATION FOR THE IMPLEMENTATION OF THE PROTOCOL

Provide technical assistance to Parties on Protocol-specific topics upon request

13. Upon request, the Convention Secretariat met with officials from Parties to the Protocol, including Cabo Verde, Ecuador and India to provide technical assistance and raise awareness about the importance of eliminating illicit trade in tobacco products. The Convention Secretariat also provided technical support on the implementation of a tracking and tracing system in Pakistan in collaboration with the WHO Fiscal Policies for Health Unit and the World Bank.

14. Under the guidance of the Bureau, and in accordance with decision FCTC/MOP1(8), the Convention Secretariat finalized the development of the *Strategy for Mechanisms of Assistance and Mobilization of Financial Resources to Support Implementation of the Protocol to Eliminate Illicit Trade in Tobacco Products*¹ and submitted it for consideration to the Second session of the Meeting of the Parties (MOP2).

INTERGOVERNMENTAL WORKING GROUPS

15. The two working groups established by MOP1 had to adapt their method of working in the context of restrictions imposed by the COVID-19 pandemic. Instead of in-person meetings, several rounds of written consultations and virtual meetings took place.

Working Group on Tracking and Tracing Systems, including the global information-sharing focal point and unique identification markings for cigarette packets and packages (Article 8 of the Protocol)

16. In line with decision FCTC/MOP1(6), the second meeting of the Working Group on Tracking and Tracing Systems, including the global information-sharing focal point and unique identification markings for cigarette packets and packages (Article 8 of the Protocol), occurred virtually on 25 November 2020. Members of the Working Group agreed on the text of a document describing a conceptual analysis on the global information-sharing focal point (GSP).

17. The Working Group has also requested the Convention Secretariat to work with the United Nations International Computing Centre (UNICC) on information technology (IT) requirements for the establishment of the GSP. To encourage more responses to the voluntary questionnaire developed by the Working Group to collect best practices on tracking and tracing systems, the Convention Secretariat issued a note verbale to all Parties to the WHO FCTC inviting them to provide their answers.

18. The third and final meeting of the Working Group was held virtually on 27–28 April 2021. The Working Group discussed: (a) the presentation by the UNICC on IT requirements for the establishment of a GSP; (b) the adoption of the report on information on track and tracing systems for tobacco products

¹ Available at <https://fctc.who.int/publications/m/item/mop2-8-financial-resources-mechanisms-assistance>.

produced by the Convention Secretariat; and (c) the adoption of the draft report of the Working Group and its draft decision for submission to MOP2.

Working Group on Assistance and Cooperation (Articles 21, 23, 24, 28 and 29 of the Protocol)

19. In line with decision FCTC/MOP1(10), the second meeting of the Working Group on Assistance and Cooperation (Articles 21, 23, 24, 28 and 29 of the Protocol) occurred virtually on 23–24 June 2020. The purpose of the virtual meeting was to conclude the online consultation conducted over two months with questions under the three mandates of the Working Group. Existing networks for the exchange of information on customs-related matters were also discussed during this virtual meeting. The Working Group decided to establish a drafting group to start preparing the report to be presented to the MOP, which together with the key facilitators, met several times between November 2020 and March 2021.

20. The third and final meeting of the Working Group was held virtually on 19 and 23 April 2021. The Working Group discussed the text prepared by the drafting group. The Working Group adopted the draft report and a draft decision for submission to MOP2.

Evidence-based research

21. In line with decision FCTC/MOP1(7), the Convention Secretariat developed a “road map setting out the timelines and steps to conduct the evidence-based research foreseen by Articles 6.5 and 13.2 of the Protocol”. More information is available in document FCTC/MOP/3/6.

MEETING OF THE PARTIES

Second session of the Meeting of the Parties

22. Prior to the outbreak of the COVID-19 pandemic, the Convention Secretariat and the Government of the Kingdom of the Netherlands finalized the host agreement for the Ninth session of the COP (COP9) and MOP2. The agreement was signed on 12 March 2020 at The Hague, in the presence of the Head of the Convention Secretariat and the State Secretary for Health, Ministry of Health of the Kingdom of the Netherlands.

23. In light of restrictions made necessary as a result of the COVID-19 pandemic and its impact on the conduct of international conferences and travel, the Bureau elected by the Eighth session of the Conference of the Parties (COP8) and the Bureau elected by the MOP1 decided during their Third joint meeting to postpone COP9 and MOP2 until November 2021.

24. Following a subsequent decision taken by the Bureau elected by MOP1, in consultation with the Bureau elected by COP8, MOP2 was held virtually on 15–17 November 2021. Representatives of 59 Parties to the Protocol, 58 State non-Parties, and one IGO and seven NGOs accredited as observers, as well as WHO, participated. MOP2 adopted 15 decisions, including the reports of the two Working Groups, the *Strategy for mechanisms of assistance and mobilization of financial resources to support the implementation of the Protocol*, and the launch of an Investment Fund to support the implementation of the Protocol. The WHO Director-General and the Secretary General of the WCO participated in the opening ceremony of MOP2. The Convention Secretariat provided the necessary support for the smooth organization of MOP2 in a virtual setting. Pre-MOP regional meetings were organized in all six WHO regions in collaboration with WHO regional offices.

Bureau of the MOP

25. The Bureau elected by MOP1 met virtually for its third meeting in April 2020, fourth meeting in April 2021 and fifth meeting in November 2021. Resumed sessions of the third meeting to mainly discuss the proposed 2022–2023 Workplan and Budget were organized in September and December 2020. The Bureau also held daily meetings during MOP2, as well as several joint meetings with the Bureau elected by COP8. The Convention Secretariat provided all the necessary support for the organization of these meetings.

SUPPORT FOR PARTIES IN FULFILLING THEIR REPORTING OBLIGATIONS

Reporting cycle

26. In accordance with Article 32 of the Protocol and decision FCTC/MOP1(10), the Convention Secretariat developed a reporting instrument for the Protocol, which was made available for Parties to submit their reports in the 2020 reporting cycle.

27. The Convention Secretariat engaged in initiatives to strengthen the capacity of Parties to report, building on the WHO FCTC reporting experience and existing resources. A webinar on reporting under the WHO FCTC and the Protocol was organized by the Convention Secretariat in January 2020.

28. The information received from Parties during this first reporting cycle was published by the Convention Secretariat in the Protocol Implementation Database that was set up. This database contains the reports on implementation of the Protocol submitted to the MOP, as well as other information received from the Parties. The Convention Secretariat provided feedback to all Parties that submitted their reports to the MOP during this first reporting cycle. Data from the reports has been analysed and the *2021 Global Progress Report on Implementation of the Protocol to Eliminate Illicit Trade in Tobacco Products*¹ was published in November 2021, following its launch during a webinar. The related Convention Secretariat report was submitted to MOP2.

EXCHANGE OF INFORMATION, INCLUDING TRANSFER OF EXPERTISE AND TECHNOLOGY

Conduct and disseminate studies and good practices

29. In March 2021, the Convention Secretariat published *Examples of current practices in the implementation of Article 12 (free zones and international transit) of the Protocol to Eliminate Illicit Trade in Tobacco Products*,² intended to showcase experiences in controlling the supply chain of tobacco products in free zones. The document was developed under the guidance of the Working Group on Assistance and Cooperation and was based on information provided by 11 Parties that responded to a questionnaire and relevant existing literature.

¹ Available at <https://fctc.who.int/protocol/reporting/global-progress-reports>.

² Available at <https://fctc.who.int/publications/i/item/9789240022171>.

30. The *WHO Technical Manual on Tobacco Tax Policy and Administration*¹ was published in April 2021. The Convention Secretariat was invited to contribute to this publication and participated in its virtual launch. This publication discusses in detail for the first time the relation between tobacco tax administration and illicit trade.

Promote coordination and information sharing with regard to the Protocol through the forum for exchange

31. Technical resources related to the various articles of the Protocol were identified by the Convention Secretariat and uploaded in the respective sections of the Protocol Implementation Database.² Additionally, the WHO FCTC Knowledge Hub on Tobacco Taxation at the University of Cape Town launched a virtual library on its website, which includes a section dedicated to resources on illicit trade in tobacco products.³

32. A company has been hired through a competitive bidding process to develop a Coordination platform which will host all databases requested by the MOP to be established.

COORDINATION WITH INTERNATIONAL AND REGIONAL INTERGOVERNMENTAL ORGANIZATIONS AND OTHER BODIES

Enhanced cooperation and communication with IGOs and NGOs

33. A call for applications for observer status to the MOP was issued by the Convention Secretariat in early February 2020. The announcement was distributed via email to the list of observers to the COP and other IGOs and NGOs previously identified by the Bureau elected by MOP1. The Convention Secretariat also met with civil society organizations that are partners to UNODC to raise awareness about the Protocol and to encourage them to become observers to the MOP. In addition, an online platform has been developed to facilitate the application process.

34. By the deadline of 15 August 2021, the Convention Secretariat received 18 applications for observer status to the MOP. Based on the report of the Convention Secretariat, and following recommendations of the Bureau, MOP2 granted the status of observer to two IGOs and eight NGOs.

35. The Convention Secretariat attended for the first time the Enforcement Committee of WCO in March 2020 and promoted cooperation with the customs authorities. The Convention Secretariat organized, in collaboration with UNODC and Ecuador, one side event at the 10th Session of the Conference of the Parties to the United Nations Convention against Transnational Organized Crime (UNTOC) in October 2020. In addition, the Head of the Convention Secretariat made an intervention during the Seventy-third session of the World Health Assembly, using the opportunity to raise awareness about the importance of the WHO FCTC and the Protocol.

36. The Head of the Convention Secretariat delivered a video statement during the High-level Segment of the 14th United Nations Congress on Crime Prevention and Criminal Justice in March 2021. The Convention Secretariat also participated in the meeting of the Working Group on International

¹ Available at <https://www.who.int/publications/i/item/9789240019188>.

² Available at <https://untobaccocontrol.org/impldb/>.

³ Available at <https://extranet.who.int/fctcapps/fctcapps/fctc/kh/tobacco-taxation/e-library/category/illicit-trade>.

Cooperation of UNTOC in March 2021, the 5th WCO Global AEO (Authorized Economic Operator) Conference in May 2021, the 30th Regular session of the UNODC Commission on Crime Prevention and Criminal Justice in May 2021, and the 27th Revised Kyoto Convention Management Committee in December 2021.

PROMOTION OF INTERNATIONAL COOPERATION IN THE IMPLEMENTATION OF THE PROTOCOL

37. The Convention Secretariat also facilitated the exchange of knowledge and experience among Parties. Upon request from the Government of India and in collaboration with WHO, the Convention Secretariat facilitated international cooperation with Brazil and the European Union (EU) in October 2020.

38. In April 2021, the Convention Secretariat, in partnership with Wilton Park, an executive agency of the Foreign, Commonwealth and Development Office of the United Kingdom of Great Britain and Northern Ireland, organized a virtual dialogue, in partnership with His Majesty's Revenue and Customs and the United Kingdom Border Force. Participating countries shared experiences on how to successfully address illicit trade in tobacco and examined the full policy cycle, from development of government strategies to effective enforcement. Some 45 participants from 12 Parties to the WHO FCTC joined the event.

GENERAL ADMINISTRATION AND MANAGEMENT

39. The Convention Secretariat has regularly updated the status of payment of Assessed Contributions (AC) on its website and provided information to Parties to facilitate the payment of AC. Information on the actions taken by the Convention Secretariat to collect AC during this reporting period was made available in document FCTC/MOP/2/9. The Convention Secretariat has also met with potential donors to encourage them to provide Extra-budgetary Contributions to support the implementation of the Protocol.

40. The recruitment of all positions included in the 2020–2021 Workplan and Budget adopted by MOP1 was concluded in 2020.

41. Additionally, and upon a request from the Bureau elected by MOP1, following a consideration of the matter jointly with the Bureau elected by COP8, the Convention Secretariat developed a proposal for the establishment of an investment fund to support the implementation of the Protocol.

42. Under the guidance of the Bureau, the Convention Secretariat also finalized the proposed 2022–2023 Workplan and Budget. Following informal consultation with Parties to the Protocol ahead of MOP2, the proposal was discussed and adopted by the MOP.

COMMUNICATIONS

43. In May 2020, the visual identity of the Protocol was launched. The Convention Secretariat also worked with a communications agency that developed the logo as part of the finalization of a communications strategy to promote and raise awareness of the Protocol.

44. A new website, with sections dedicated to the Protocol, was launched in 2021. The website has been regularly updated and shared on social media channels. Further, the Convention Secretariat developed a communication campaign to promote MOP2 and produced news releases to attract the interest of the media in relation to the Protocol. For the first time, accredited journalists were permitted to observe the discussions of the public and open sessions of the MOP.

ANNEX 1

**CERTIFIED STATEMENT OF INCOME AND EXPENDITURE FOR THE PERIOD
1 JANUARY 2020 TO 31 DECEMBER 2021 (EXPRESSED IN US\$)**




Secretariat of the WHO Framework Convention on Tobacco Control (FCTC) –
Meeting of the Parties (MOP)

Statement of Income and Expenditure as at 31 December 2021
(expressed in US dollars)

Opening Balance 1 January 2020	2,616,759
Revenue	
FCTC Assessed Contributions	4,999,719
Expense (details attached - page 2)	
2020-2021	3,901,019
Fund balance at 31 December 2021	<u>3,715,459</u>
Less:	
Receivable*	(1,153,368)
Funds available at 31 December 2021	<u>2,562,091</u>

I certify that the above statement correctly reflects the revenue and expenditure recorded in the WHO Global Accounting System.


 George Kyriacou
 PP- 05 September 2022



Comptroller and Director of Finance

* The total amount receivable from Member states at 31 December 2021 amounts to \$2,904,149 (2018-2019: \$912,577), however, based on experience from prior collections, only \$1,153,368 is adjusted for.

**CERTIFIED STATEMENT OF INCOME AND EXPENDITURE FOR THE PERIOD
1 JANUARY 2020 TO 31 DECEMBER 2021 (EXPRESSED IN US\$)**

	Total
Opening balance, 1 January 2020	2 616 759
Revenue	
Assessed Contributions MOP1 approved	4 999 719
Expenses	
Expenses January 2020 – December 2021	3 901 019
Funds available, 31 December 2021	3 715 459
Receivable	1 153 368
Funds available at 31 December 2021	2 562 091

Expenditure details for the period 1 January 2020 to 31 December 2021

Expenditure type	Total
Staff costs	3 680 032
Equipment	14 353
Contractual services	174 438
Travel	30 881
General operating costs	14 492
Recovery Costs	(13 626)
Grand total	3 901 020

Funds available as at 31 December 2021 in US\$

	Balance 1 January 2020	Revenue 2020–2021	Expenditure 2020–2021	Balance as at 31 December 2021	Adjustment	Funds available as at 31 December 2021
Assessed Contributions (AC)	2 587 164	4 999 719	3 871 424	3 715 459	(1 153 368)	2 256 091
Extra-budgetary Contributions (EB)	29 595	-	29 595	-	-	-
Total	2 616 759	4 999 719	3 901 019	3 715 459	(1 153 368)	2 562 091

Notes:

The total amount receivable from Parties at 31 December 2021 amounts to US\$ 2 904 149, however based on experience from prior collection, only the following is adjusted for:

Reserve for non-payment of 2020–2021 AC: US\$ 1 053 374
 2% withholding on 2020–2021 invoicing: US\$ 99 994
 Total: US\$ 1 153 368

ANNEX 2

WORKPLAN AND BUDGET FOR THE FINANCIAL PERIOD FROM 1 JANUARY 2020 TO 31 DECEMBER 2021
DESCRIPTION OF EXPENDITURES (EXPRESSED IN US\$)

Activity	Assessed Contributions		Extra-budgetary Contributions		Total	
	Approved	Expenditures Jan 2020–Dec 2021	Approved	Expenditures Jan 2020–Dec 2021	Total Approved	Total expenditures Jan 2020–Dec 2021
1. Preparing for the implementation of the Protocol	155 000	90 634	595 000	159 669	750 000	250 303
2. Meeting of the Parties	1 205 730	718 310	159 700	48 450	1 365 430	766 760
3. Reporting and exchange of information	30 000	34 683	160 500	0	190 500	34 683
4. Coordination with international and regional IGOs and other bodies	30 000	1 172	116 200	2 843	146 200	4 015
5. Administration and management, and other arrangements and activities	55 000	40 176	17 500	9 893	72 500	50 069
Total activity costs	1 475 730	884 975	1 048 900	220 854	2 524 630	1 105 830
Staff costs	2 948 800	2 995 372	1 050 000	465 560	3 998 800	3 460 932
Total activity and staff costs	4 424 530	3 880 348	2 098 900	868 414	6 523 430	4 566 762
Recovery costs	575 189	0	272 857	16 153	848 046	16 153
Total	4 999 719	3 880 348	2 371 757	702 567	7 371 476	4 582 915

**ACCRUALS FROM THE 2018–2019 WORKPLAN AND BUDGET PAID AGAINST
THE 2020–2021 BIENNIUM (EXPRESSED IN US\$)**

	Assessed Contributions	Extra-budgetary Contributions	Total
Activity	Expenditures Jan 2020–Dec 2021	Expenditures Jan 2020–Dec 2021	Total expenditures Jan 2020–Dec 2021
1. Preparing for the implementation of the Protocol	9 418	12 050	21 468
5. Administration and management, and other arrangements and activities	-1 312	1 822	510
Recovery costs	1 054	1 571	2 625
Total	9 160	15 444	24 603

TOTAL EXPENDITURES JANUARY 2020 – DECEMBER 2021: US\$ 4 607 518¹

¹ Please note that some activities included in the 2020–2021 Protocol Workplan and Budget were financed with Extra-budgetary Contributions from the European Union, the Kingdom of the Netherlands and Panama, accounted as revenues and expenses in the Statement of Income and Expenditure presented to the COP Bureau as these contributions were set up in WHO system as COP awards.

PART II. INTERIM PERFORMANCE REPORT FOR THE 2022–2023 WORKPLAN AND BUDGET (1 January 2022 – 31 December 2022)

BACKGROUND

45. The present report contains an update of the activities conducted by the Convention Secretariat to support implementation of the Protocol from 1 January 2022 to 31 December 2022. The report follows the structure of the Workplan and Budget for the financial period 2022–2023 adopted at MOP2 in decision FCTC/MOP2(13).

46. The Interim Statement of Income and Expenditure for the period 1 January 2022 to 31 December 2022 is included in Annex 3, immediately following the report contained in Part II of the present document. In relation to activity costs for the reported period, the interim description of expenditures for the period from 1 January to 31 December 2022 is included in Annex 4, immediately following the report contained in Part II of the present document.

GOAL 1: ASSESSING PROGRESS, SHARING KNOWLEDGE AND PROMOTING THE EXCHANGE OF INFORMATION

Support Parties in fulfilling their reporting obligations and assess global progress

47. A note verbale was sent to all Parties on 26 May 2022 announcing the 2023 reporting cycle and requesting Parties to communicate any updates concerning their technical focal points. A second note verbale was sent to all Parties on 5 December 2022 announcing that the invitation to complete the questionnaire for the 2023 reporting cycle would be shared with the technical focal points. Parties were requested to submit their reports on the implementation of the Protocol from 1 January to 31 March 2023.

48. A webinar to support Parties in preparing for the 2023 reporting cycle was organized on 1 December 2022. The recording of the webinar is available at the WHO FCTC YouTube page.¹ Work has also started on the migration of the Protocol implementation database from the untobaccocontrol.org website to the new “Coordination platforms” section of the WHO FCTC website, on a World Health Organization (WHO) server.² The Convention Secretariat has also worked on a proposal to improve the reporting system for the Protocol. Further details are provided in document FCTC/MOP/3/7.

Facilitate and promote the exchange and generation of information, knowledge and expertise

49. A presentation from the UNICC on the plans for establishing the interim solution of the global information-sharing focal point (GSP) was made to the Working Group on Tracking and Tracing Systems (Article 8) during its first meeting in June 2022. The members of the Working Group requested

¹ Available at <https://www.youtube.com/watch?v=libKbw7k8gA>.

² Available at <https://fctc.who.int/coordination-platforms>.

UNICC to develop a project plan for the interim solution of the GSP to be presented in its second meeting.

50. The presentation on the project plan was made to the Working Group during its second meeting in October 2022. With the feedback from the Working Group and under the guidance of the Bureau, the Convention Secretariat and UNICC began developing the interim solution of the GSP.

51. Upon a request from the Republic of Moldova, the Convention Secretariat facilitated international cooperation with the EU and Türkiye in February 2022, so that the EU and Türkiye could share their experiences on the implementation of tracking and tracing systems with the Republic of Moldova.

52. The Convention Secretariat worked towards the development of a digital platform that will be included under the new Coordination platforms section of the WHO FCTC website. A presentation was made to the Bureau in November 2022. In addition to the implementation database, the platform will include the database of experts requested by the MOP in decision FCTC/MOP1(9), as well as the databases of central authorities for Mutual Legal Assistance and of competent authorities and contact points for Mutual Administrative Assistance, requested in decision FCTC/MOP2(7).

53. The Convention Secretariat has been working on a number of technical publications in line with priority areas identified in the *2021 Global Progress Report on Implementation of the Protocol to Eliminate Illicit Trade in Tobacco Products*.¹ These include: a legislative toolkit to support Parties to incorporate the Protocol into domestic legislation; a report on how the Protocol can support domestic resource mobilization; a report on collection of information on tracking and tracing systems, as requested in decision FCTC/MOP2(6); and the training module on Article 12 of the Protocol, as requested in decision FCTC/MOP2(7). The Convention Secretariat began work to develop a report on how various IGOs can support the implementation of the Protocol, in collaboration with UNDP, under the workstream on the Protocol established in the UNIATF.

GOAL 2: ACCELERATING IMPLEMENTATION AND PROMOTING RATIFICATION OF THE PROTOCOL

Promote multisectoral collaborative efforts for implementation and ratification of the Protocol

54. In collaboration with the WHO Regional Office for the Eastern Mediterranean, the Convention Secretariat organized a virtual multisectoral Regional Training on Scaling Up Ratification/Accession to the Protocol to Eliminate Illicit Trade in Tobacco Products on 25–27 July 2022, with participants from all Parties to the WHO FCTC in the Eastern Mediterranean Region. Bilateral meetings with all Parties to the WHO FCTC from the Region that have signed but not yet ratified, accepted or approved the Protocol were organized as a follow-up to the meeting.

55. The Convention Secretariat also participated in the Workshop on Implementing Health Taxes and Other Fiscal Policies for Noncommunicable Disease Prevention in the Pacific on 15 November 2022 and made a presentation on the importance of the measures included in the Protocol for better tax

¹Available at <https://fctc.who.int/publications/i/item/9789240041806>.

administration. Collaboration was also established with the WHO Regional Office for Africa and the WHO Regional Office for South-East Asia to prepare multisectoral workshops to be organized in 2023.

56. The Convention Secretariat organized in collaboration with the WHO FCTC Knowledge Hub on Tobacco Taxation at the University of Cape Town a virtual tax workshop in March 2022, which dedicated a session to a discussion on the implementation of the Protocol. The workshop was designed for policy-makers, government officials from ministries of finance and from tax authorities, customs and health. The workshop attracted about 200 participants from over 80 countries.

57. In September 2022 the Convention Secretariat made a presentation on the importance of the Protocol during another virtual tax workshop organized by the WHO FCTC Knowledge Hub. More than 80 participants from 22 countries joined the workshop, which was open to the public and covered salient issues in the economics of tobacco taxation, including the need to eliminate illicit trade.

58. In this reporting period, the Head of the Convention Secretariat met with senior officials from various government ministries from Ecuador, Montenegro and Uruguay, as well as the EU, to discuss the implementation of the Protocol.

Provide technical assistance to Parties upon request

59. In line with the *Strategy for mechanisms of assistance and mobilization of financial resources to support the implementation of the Protocol to Eliminate Illicit Trade in Tobacco Products* adopted in decision FCTC/MOP2(11), the Convention Secretariat developed a methodology for a needs assessment to be piloted in 2023 for Parties eligible to receive official development assistance. Information on the methodology is available on the WHO FCTC website.¹

60. A methodology for support on tracking and tracing systems was also established. The questionnaire developed by the Working Group on Tracking and Tracing during its first mandate² is used to assist Parties, upon request, to analyze the needs and possibilities for the establishment of tracking and tracing systems for tobacco products. Support to identify different possibilities relating to financing the set-up and operation of tracking and tracing systems is offered, including by sharing examples from other Parties that require the tobacco industry to bear the related costs, in line with Article 8.14 of the Protocol.

61. Upon request from the Minister of Public Health, a mission was organized in June 2022 to provide technical support to the Government of Ecuador regarding new regulations issued by the Internal Revenue Authority for tracking and tracing of tobacco products, particularly their alignment with the provisions of the Protocol. Technical support through virtual means was also provided to Panama, the Republic of Moldova and Uruguay during this reporting period.

62. Canada, Ethiopia, Jordan, Malaysia, Nepal, Paraguay, Peru, the Republic of Korea, Suriname, Tunisia, Thailand and Venezuela received support in respect of becoming a Party to the Protocol.

¹ Available at <https://fctc.who.int/protocol/development-assistance/needs-assessments>.

² Available at <https://fctc.who.int/publications/m/item/questions-on-tracking-and-tracing-system>.

Raise awareness about the importance of the Protocol

63. The Convention Secretariat developed a new brochure on the Protocol, which was launched in June 2022, and raised awareness about the importance of the Protocol on its social media channels.¹ A social media communications campaign was developed and promoted during the fourth anniversary of the entry into force of the Protocol in September 2022. Some of the materials are available on the Twitter account of the Convention Secretariat.²

GOAL 3: BUILDING ALLIANCES WITH RELEVANT INTERGOVERNMENTAL ORGANIZATIONS (IGOS) AND NONGOVERNMENTAL ORGANIZATIONS (NGOS)

Promote the importance of becoming observers to the MOP with relevant IGOs and NGOs

64. The Convention Secretariat held meetings with representatives of UNDP in June 2022, United Nations Conference on Trade and Development in August 2022, WCO in September 2022, UNODC in October 2022 and the World Bank in June and October 2022, taking these opportunities to invite these IGOs to consider becoming observers to the MOP. Further, the Convention Secretariat promoted the importance of becoming an observer to the Protocol in the meetings of the UNIATF and the Inter-Agency Working Group on Health Taxes. The Convention Secretariat also participated in the 24th and 25th sessions of the United Nations Committee of Experts on International Cooperation in Tax Matters in April and October 2022.

65. A meeting with the Secretariat of Southern African Customs Union (SACU) was held in August 2022 and a request was made for SACU to encourage all its Member States to become Party to the Protocol.

Enhance cooperation and communication with relevant IGOs and NGOs

66. The Convention Secretariat provided support for the submission of the President of the MOP to the thematic review of the 2022 United Nations High-level Political Forum on Sustainable Development on the theme Building back better from the coronavirus disease (COVID-19) while advancing the full implementation of the 2030 Agenda for Sustainable Development.³ Work has begun to prepare a technical report on the contributions of the Protocol to the achievements of the SDGs, in collaboration with UNDP.

67. Upon an invitation from the Secretary General of WCO, the Head of the Convention Secretariat participated in the 42nd session of the WCO Enforcement Committee in March 2022, during which delegates received information on customs-related provisions of the Protocol.

¹ Available at <https://fctc.who.int/publications/m/item/brochure-protocol-to-eliminate-illicit-trade-in-tobacco-products>.

² Available at <https://twitter.com/FCTCofficial/status/1573923311096045568?cxt=HHwWgICx2bK62dcrAAAA>.

³ Available at <https://hlpf.un.org/sites/default/files/vnrs/2022/MOP%20President%20Submission%202022.pdf>.

68. The Head of the Convention Secretariat also participated in the 11th session of the Conference of the Parties to the UNTOC on 17–21 October 2022 and took the opportunity to meet with senior officials from UNODC. A side event was also organized to promote the importance of the Protocol. The recording of the side event is available on the WHO FCTC YouTube page.¹

69. Following the discussions held on the margins of the Conference of the Parties to the UNTOC, the Convention Secretariat is discussing with UNODC the feasibility of establishing a database on seizures of tobacco products, to be managed by UNODC.

70. The Convention Secretariat was also invited by the World Bank to attend the launch of the book *Health Taxes: Policy and Practice*.² The book, which represents the first global in-depth treatment of health taxes as an independent domain of social policy, has a chapter that focuses on illicit trade and discusses the importance of the Protocol. The Convention Secretariat has also been invited by the World Trade Organization to contribute to a report on export controls, which should be launched in 2023.

71. Given the relevance of the work of the International Criminal Police Organization (INTERPOL) highlighted in the report FCTC/MOP/2/7, the Convention Secretariat has engaged with INTERPOL and received confirmation in a letter from its Secretary General that the organization does not directly or indirectly receive funding from the tobacco industry. The Convention Secretariat has started discussions with INTERPOL on how to coordinate support for the implementation of the Protocol.

72. The Convention Secretariat organized two virtual meetings with NGO observers to the COP and the MOP in June and December 2022, with the objective of facilitating stronger cooperation and increasing collaboration in the implementation of the WHO FCTC and Protocol. The Convention Secretariat also met with representatives of the Global Initiative against Transnational Organized Crime in October 2022 and encouraged the NGO to apply for observer status to the MOP.

GOAL 4: ENSURING THAT THE GOVERNING AND SUBSIDIARY BODIES CAN TAKE THE NECESSARY DECISIONS

Provide for the optimal operation of the MOP, the Bureau of the MOP, and working groups or expert groups established by MOP

73. The Convention Secretariat conducted two visits to Panama, the host country of the Tenth session of the Conference of the Parties (COP10) and Third session of the Meeting of the Parties (MOP3), in April and November 2022, to view the venue and discuss logistical arrangements with the Government of Panama in relation to the organization of the sessions. The host agreement for COP10 and MOP3 was signed on 17 November 2022 with the Ministry of Health, Panama.

74. Virtual meetings with all WHO regional offices were also organized to begin the preparations for the informal regional pre-MOP meetings.

¹ Available at <https://www.youtube.com/watch?v=ITiWFBuv1sU&t=287s>.

² Available at <https://www.worldscientific.com/doi/epdf/10.1142/q0365>.

75. An induction meeting for the Bureau elected by COP9 and the Bureau elected by MOP2 was held on 3 February 2022. The First and Second meetings of the Bureau elected by MOP2 were held in April and November 2022, both in-person and virtually.

76. The Convention Secretariat has made the necessary arrangements for the Working Group on Tracking and Tracing Systems (Article 8). Detailed information is available in document FCTC/MOP/3/5.

GOAL 5: ENSURING THE CAPACITY AND ABILITY OF THE CONVENTION SECRETARIAT TO PERFORM ITS DUTIES

Provide adequate staff and financial management

77. Information on the actions taken by the Convention Secretariat to collect AC in this reporting period is available in document FCTC/MOP/3/10.

78. The Convention Secretariat has finalized a comprehensive fundraising strategy which helps guide its fundraising efforts through engagement with donors and partners. Extra-budgetary Contributions were mobilized from the Kingdom of the Netherlands, Norway, Panama, and the United Kingdom of Great Britain and Northern Ireland to support the implementation of the Workplan and Budget adopted at MOP2. A dedicated page on the WHO FCTC website has been set up to heighten donor visibility.¹

79. An update on the work done regarding the Investment Fund for implementation of the Protocol is contained in document FCTC/MOP/3/11.

¹ Available at <https://fctc.who.int/international-cooperation/donors-and-partners>.

ANNEX 3

**INTERIM STATEMENT OF INCOME AND EXPENDITURE
FOR THE PERIOD 1 JANUARY TO 31 DECEMBER 2022 (EXPRESSED IN US\$)**

	Total
Opening balance, 1 January 2022	3 715 459
Revenue	
Assessed Contributions (AC) MOP2 approved	4 999 719
Extra-budgetary Contributions	-
Total revenue	8 715 178
Expenses	2 274 206
Recovery costs	-
Total expenses	2 274 206
Fund balance at 31 December 2022	6 440 972
Receivable from AC prior biennia (2018–2021)	2 683 299
Reserve for non-payment of AC 2022–2023 (2%)	99 994
Funds available at 31 December 2022	3 657 679

ANNEX 4

WORKPLAN AND BUDGET FOR THE FINANCIAL PERIOD 2022–2023
INTERIM DESCRIPTION OF EXPENDITURES FOR THE PERIOD FROM 1 JANUARY TO 31 DECEMBER 2022 (EXPRESSED IN US\$)

	Assessed Contributions (AC)		Extra-budgetary Contributions (EB)		Total	
	Approved	Expenditures Jan–Dec 2022	Approved	Expenditures Jan–Dec 2022	Total Approved	Total Expenditures Jan–Dec 2022
Goal 1. Assessing progress, sharing knowledge and promoting the exchange of information	60 000	645	402 000	0	462 000	645
Goal 2. Accelerating implementation and promoting ratification of the Protocol	0	0	1 100 000	2 523	1 100 000	2 523
Goal 3. Building alliances with relevant IGOs and NGOs	8 000	4 188	46 000	0	54 000	4 188
Goal 4. Ensuring that the governing and subsidiary bodies can take the necessary decisions	740 085	167 581	370 000	0	1 110 085	167 581
Goal 5. Ensuring the capacity and ability of the Convention Secretariat to perform its duties	35 000	11 642	10 000	0	45 000	11 642
Total activity costs	843 085	184 056	1 928 000	2 523	2 771 085	186 579
Staff costs	3 581 445	1 717 569	1 827 000	348 890	5 408 445	2 066 459
Total activity and staff costs	4 424 530	1 901 625	3 775 000	351 413	8 179 530	2 253 038
Recovery costs	575 189	0	488 150	0	1 063 339	0
Total	4 999 719	1 901 625	4 243 150	351 413	9 242 869	2 253 038

**ACCRUALS FROM THE 2020–2021 WORKPLAN AND BUDGET PAID AGAINST
THE 2022–2023 BIENNIUM (EXPRESSED IN US\$)**

	Assessed Contributions	Extra-budgetary Contributions	Total
Activity	Expenditures Jan 2022–Dec 2022	Expenditures Jan 2022–Dec 2022	Expenditures Jan 2022–Dec 2022
2. Meeting of the Parties	14 244	1 856	16 100
3. Reporting and exchange of information	5 068	0	5 068
Total	19 312	1 856	21 168

TOTAL EXPENDITURES JANUARY 2022 – JUNE 2022: US\$ 2 274 206¹

¹ Please note that some activities were financed with Extra-budgetary Contributions accounted as revenues and expenses in the Statement of Income and Expenditure presented to the COP Bureau as these contributions were set up in the WHO system as COP awards.

ACTION BY THE MEETING OF THE PARTIES

80. The MOP is invited to note the performance and progress reports for the financial period 2020–2021 and the financial period 2022–2023.

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