WHO FRAMEWORK CONVENTION ON TOBACCO CONTROL
SECRETARIAT

MEDIA BRIEFER

Investment Funds for the WHO FCTC and the Protocol to Eliminate Illicit Trade in Tobacco Products

Report by the Convention Secretariat

Summary

In November 2021, the governing body of the WHO Framework Convention on Tobacco Control (WHO FCTC) and the Protocol to Eliminate Illicit Trade in Tobacco Products (Protocol) authorised the launch of two respective investment funds, the earned interest from which will lay a foundation for the financial stability needed for the future implementation of the WHO FCTC and the Protocol. Recognizing the unique skills required to manage and sustain the Funds, COP10 MOP3 are seeking the guidance of two Oversight Committees, comprised of experts in global financial and investment management to help guide the Fund's strategic and investment policies.

Documents FCTC/COP/10/18 and FCTC/MOP/3/11 presents a recommendation for the establishment of a singular Oversight Committee to serve the independent governing bodies of the COP and the MOP.

The document provides an update on activities conducted for the creation of two independent Oversight Committees, expands on challenges with the creation of two Oversight Committees, and presents a recommendation for a singular Oversight Committee which would serve both governing bodies.

Background

The ninth session of the COP (COP9) decided to launch an Investment Fund to support the implementation of the WHO FCTC. Simultaneously at the second session of the MOP (MOP2) it was also decided to launch a parallel Investment Fund to support the implementation of the Protocol to Eliminate Illicit Trade in Tobacco Products. Both governing bodies called for the establishment of individual Oversight Committees to provide advice and recommendations on the investment strategies proposed for the respective Funds. Recognizing the challenges in attracting qualified candidates to serve on the two Oversight Committees, a recommendation has been put forth to establish a singular committee that would provide independent advice to each governing body.

Proposed Single Oversight Committee

This report recommends the establishment of a singular Oversight Committee responsible for providing advice to both Funds. Creating a single Oversight Committee would:

- Generate logistical and operational efficiency.
- Help address the difficulty of identifying a large number of candidates for membership as would be required for two separate Oversight Committees, considering the limited pool of global financial experts who would be suitable for such a function.
- From a strategic perspective, align decisions FCTC/COP9(13) and FCTC/MOP2(8), which requested the Convention Secretariat to ensure management synergies between the WHO FCTC and the Protocol Investment Funds.

Governance Structure

The report recommends that the single (shared) oversight committee operate under each separate governing bodies of the WHO FCTC and the Protocol to Eliminate Illicit Trade in Tobacco Products. This arrangement maintains the distinct identity and objectives of each Fund while enabling shared resources and coordination.

Respecting the principle of independent management of the Funds, the single Oversight Committee would not have influence over the allocation or use of revenues generated by the Funds, which is decided by the governing body of each treaty.

The report presents Terms of Reference for a joint Committee, outlining the composition, selection, and qualifications of members of the committee, their term of office, functions, and operational/administrative processes.

Next Steps

The proposed establishment of the committee will be discussed and decided upon during upcoming meetings of the governing bodies of the WHO FCTC and the Protocol.

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