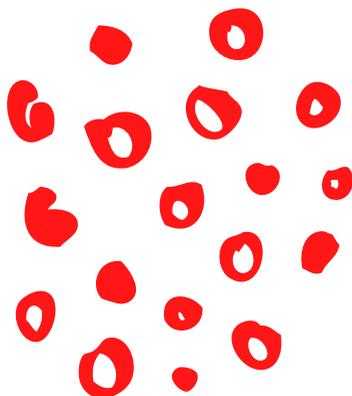


THE BIG TOBACCO ALLIES

How tobacco companies use intermediaries to foster their Corporate Social Responsibility initiatives and promote their business in Zambia



February 2021



ACRONYMS

ATCA	- African Tobacco Control Alliance
BAT	- British American Tobacco
CSO	- Civil Society Organization
CSR	- Corporate Social Responsibility
FCTC	- Framework Convention on Tobacco Control
FDA	- Food and Drug Administration
IPPA	- Investment Promotion and Protection Agreement
JTI	- Japan Tobacco International
LS-MFEZ	- Lusaka South Multi-Facility Economic Zones
MoU	- Memorandum of Understanding
M RTP	- Modified Risk Tobacco Product
TAZ	- Tobacco Association of Zambia
TBZ	- Tobacco Board of Zambia
TOFAZA	- Tobacco-Free Association of Zambia
UNZA	- University of Zambia
VAT	- Value-added tax
WHO	- World Health Organization
YAP	- Youth Access Prevention
ZACCI	- Zambia Chamber of Commerce and Industry
ZAM	- Zambia Association of Manufacturers
ZDA	- Zambia Development Agency
ZNFU	- Zambia National Farmers Union

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EXECUTIVE SUMMARY

Tobacco companies are relentless in their efforts to counter and undermine tobacco control initiatives and activities. Their tactics include compelling arguments against tobacco control policies, building an ongoing dialogue with decision makers, strengthening the cooperation network they have established with their allies, innovatively communicating with the media and creating links with government institutions.

They launch initiatives which they falsely claim social responsibility, and make donations to various institutions as a way of indirectly exerting pressure to undermine tobacco control policies in order to shape their image and convince governments to regard them as a development stakeholder.

One subtle way the tobacco industry undertakes its interference activities is through the use of front groups. It mobilizes individuals and entities with no direct tobacco connection to undertake actions or arguments that favour its cause. The tobacco industry then uses such false support to bolster its interference interventions or make a good name for itself.

This report identifies various strategies deployed by the tobacco industry on the use of front groups to support its cause, including social sponsorships, corporate social responsibility initiatives, partnerships, and unnecessary interactions with credible institutions. It portrays how these tobacco industry strategies are problematic. It also proposes recommendations to resolve the situation, including the need for heightened

public awareness on tobacco industry interference, capacity building to effectively expose and counter industry interference, large scale advocacy for the adoption of policies that protect the population from tobacco industry tactics, and the establishment of policies to control such interference initiatives.

INTRODUCTION

As the tobacco control community makes more gains in exposing and isolating tobacco industry tactics and strategies to get as many people hooked to its products to ensure maximum profits, the industry is increasingly being less trusted. Today, tobacco corporations are sure to fail and are heavily criticized if they attempt to directly undertake an activity in the economy, so they have resorted to using other people/entities to present their case.

The industry does this by building networks to lobby on its behalf. It forms alliances with other stakeholders in the tobacco supply chain, e.g. tobacco farmers and growers, retailers and members of the hospitality industry, who are likely to garner greater sympathy than the industry would when they oppose tobacco control measures. Sometimes, this support is sought and derived from diverse external organizations, like women's groups, welfare organizations, trade unions and diplomatic missions.

While they will appear as independent organisations, many of these front groups receive funds from the tobacco multinationals to argue their cases.[1] Where such groups are needed but do not exist, tobacco multinationals create them.

The use of front groups provides a false impression of widespread support for the tobacco industry's position and helps to present tobacco industry arguments through organizations that can be considered credible and independent.

[1] *STOP Stopping Tobacco Organizations and Products. Tobacco Allies Terms and Methodology.* Available from: <https://exposetobacco.org/tobacco-allies-terms-methodology/>

The Republic of Zambia is a lower middle-income country in the centre of Southern Africa which shares borders with Tanzania, Democratic Republic of the Congo, Angola, Namibia, Botswana, Zimbabwe, Mozambique, and Malawi. Life expectancy at birth is 62.3 years and 57.3% of the 9.0 million resident adult population earn less than the international poverty line of US\$1.90 per day.[2] The 2017 World Health Organization (WHO) STEPwise approach to surveillance (STEPS) survey found the prevalence of smoking to be 23.0% in men and 2.0% in women. [3] The number of tobacco-related deaths in Zambia also increased from an estimated 3,000 per year (43 per 100,000) in 1990 to 8,000 per year (46 per 100,000) in 2015.[4]

According to WHO estimates, Zambia is among the top five tobacco leaf growing countries in Africa and accounted for 9.7% of tobacco leaf production in Africa in 2012.[5] Consecutive Zambian National Development Plans have emphasised the importance of tobacco production to the Zambian economy.[6] [7]

[2] United Nations Development Programme, *Human Development Reports: Zambia, 2019*, accessed December 2020

[3] World Health Organization, *SURVEY Zambia-fact-sheet.pdf Zambia STEPS Survey 2017: Fact Sheet, 2017*, accessed December 2020

[4] Global Burden of Disease 2015 Tobacco Collaborators, *Smoking prevalence and attributable disease burden in 195 countries and territories, 1990-2015: a systematic analysis from the Global Burden of Disease Study 2015.*, *The Lancet*, 2017,389(10082):1885-906, accessed December 2020

[5] World Health Organization, *Status of Tobacco Production and Trade in Africa, 2015*, accessed December 2020

[6] R. Labonte, R. Lencucha, J. Drope, C. Packer, FM. Goma, R. Zulu, *The institutional context of tobacco production in Zambia*, *Global Health*, 2018,16;14(1):5, accessed December 2020

[7] Ministry of National Development Planning, *Seventh National Development Plan 2017-2021*, 2017, accessed December 2020

The agricultural land devoted to the harvesting of tobacco in Zambia increased 1,908% between 1996 and 2016 and the export quantity increased by nearly 800% in the same period. [8] Accordingly, the value of the export of tobacco leaf has increased from US\$1.4 million in 1995 to US\$139.9 million in 2016.

Zambia signed the WHO Framework Convention on Tobacco Control (FCTC) on May 23 2008 and ratified the treaty, a legal action indicating a country's consent to be bound by its terms, on August 21 2008. As a party to the convention, the country is expected to have taken measures compliant with the FCTC to protect its citizens from the deadly effects of tobacco. But it has not.

The TakeApart campaign which was implemented by Tobacco-Free Association of Zambia (TOFAZA) with support from the African Tobacco Control Alliance (ATCA), documents a series of instances where the tobacco industry uses front groups to foster its efforts to undermine implementation of the WHO FCTC in Zambia. The report maps tobacco industry front groups and exposes how the industry uses them to clean its image and grow its business.

[8] *Food and Agriculture Organization of the United Nations, FAOSTAT: Data: Production, crops. Zambia, 2019, accessed December 2020*

METHODOLOGY

A 22-point questionnaire was administered to public health officials, tobacco control stakeholders, journalists and representatives of other government entities likely to have credible information on tobacco industry interactions by 8 trained data collectors.

Data analysis was done with the SPSS statistical package and using ATCA's TI front groups data collection tool (KoboCollect).

Bivariate and multi response sets were used for calculations. The 22 points in the questionnaire were grouped into 4 major categories for clarity in the analyses. These categories are social sponsorship, Corporate Social Responsibility (CSR), partnerships with tobacco companies, perks by tobacco companies and tobacco industry interferences. The respondents answered questions on their knowledge of interventions by tobacco multinationals or their allies. Respondents were given the opportunity to provide evidence of their responses where possible.

32 individuals participated in this survey as follows:



Government
officials



Media
personel



CSO
representatives

FINDINGS

This report reveals that companies and entities engage in activities that create an opportunity for the industry to eventually either undermine the implementation of tobacco control policies or portray a good image of itself as a stakeholder or development partner.

The table below shows entities identified in the report and how they served the interest of the tobacco industry.

NAME OF ENTITY	ACTIVITY UNDERTAKEN
Chamber of Commerce and Industry (ZACCI)	<p>In June 2019, ZACCI made a series of presentations to ministries opposing measures proposed in the Zambia Tobacco and Nicotine Products Control Bill 2018.</p> <p>In February 2019, it organised the Youth Access Prevention (YAP) campaign to raise awareness on effects of underage smoking across Zambia organised in collaboration with BAT.</p>
University of Zambia (UNZA)	<p>In April 2016: British American Tobacco (BAT) and UNZA signed a Memorandum of Understanding (MoU) to provide work opportunities for students at UNZA.</p>
Zambia National Farmers Union (ZNFU)	<p>It lobbied government to exempt VAT on green leaf tobacco in order to improve competitiveness and productivity.</p>

<p>Zambia Association of Manufacturers (ZAM)</p>	<p>It described the decision by US Food and Drug Administration (FDA) to approve the marketing of tobacco heating system devices as modified risk tobacco products (MRTPs) as a positive move for tobacco products in the sub-sector in the country. ZAM chief executive officer Florence Muleya said for the manufacturing sector, such an innovation gives hope for the tobacco business.</p>
<p>Beyond Research</p>	<p>Beyond Research organized the FCTC Moot court competition, and an essay competition on the theme 'The Way Forward with Tobacco in Zambia'. These all appeared to be tilted against the implementation of the FCTC by Zambia.</p>
<p>Tobacco Board of Zambia (TBZ)</p>	<p>It made calls for more investment in the tobacco sector in Zambia.</p>
<p>The Zambia Development Agency (ZDA)</p>	<p>It facilitated fiscal and non-fiscal incentives leading to the signing of an Investment Promotion and Protection Agreement (IPPA) with BAT Zambia Plc.</p>

THE TOBACCO INDUSTRY HAS PARTNERSHIPS THAT HELP GROW THE TOBACCO BUSINESS AND IMAGE

Partnerships identified by the survey include with the Zambia Development Agency and the University of Zambia.

ZAMBIA DEVELOPMENT AGENCY

In September 2017, ZDA signed an Investment Promotion and Protection Agreement (IPPA) with BAT Zambia Plc.[9] The IPPA covers an investment of USD 15 million for the construction of a BAT cigarette factory and head office in Lusaka South Multi-Facility Economic Zones (LS-MFEZ).

The screenshot shows the Zambia Invest website interface. At the top, it says "The N1 website to invest in Zambia" and "ZambiaInvest.com". A navigation bar includes categories like AGRICULTURE, CONSTRUCTION, ECONOMY, ENERGY, FINANCE, INDUSTRY, MINING, TELECOMS, TOURISM, TRANSPORT, and LAW. Below this, there's a "LATEST NEWS" section with a date of "DECEMBER 10, 2020" and a headline "ZAMBIA SUSPEND VAT ON HOTELS FOR 2 YEARS". A search bar is also present.

The main content area features a "HOME" button and a "ZAMBIA AGRICULTURE" button. The primary headline reads "British American Tobacco Get Investment Protection in Zambia". Below this is the logo for British American Tobacco, which consists of a stylized yellow leaf. Underneath the logo is the text "BRITISH AMERICAN TOBACCO" and "ZAMBIA DEVELOPMENT AGENCY Promoting Economic Growth and Development". To the left of this text is a circular logo for Zambia Invest, featuring a map of Zambia and the text "Zambia Invest".

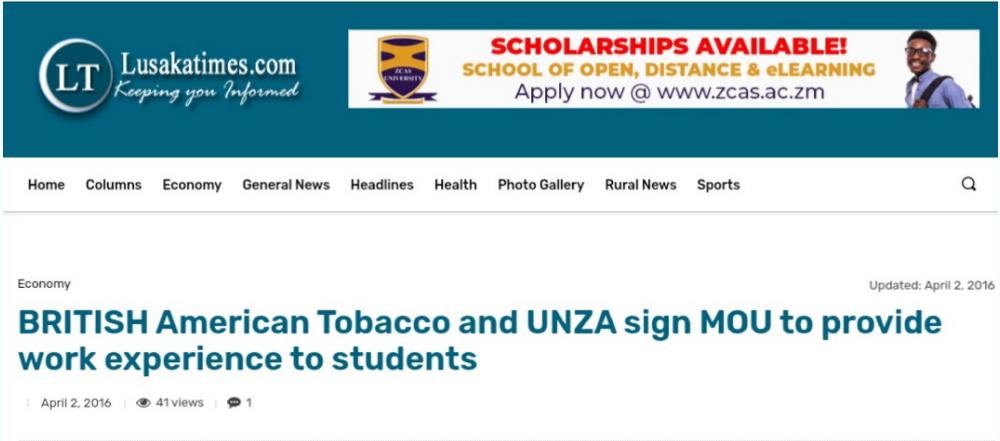
On the right side of the page, there are several sections: "PARTNERS" with a logo for URALKALI Trading SIA and a banner for "ENSURE YOUR FIELD WITH POTASH FERTILIZERS"; "LATEST NEWS" with three news items: "DECEMBER 14, 2020: Paypal's Money Transfer Service Start in Zambia", "DECEMBER 10, 2020: Zambia Suspend VAT on Hotels for 2 Years", and "NOVEMBER 30, 2020: Zambia Inflation Rate Increased to 17.4% in November 2020".

During the signing ceremony, the Chairperson of ZDA's Board, Mary Ncu'be explained that ZDA facilitated for both the fiscal and non-fiscal incentives for BAT and that the investment was in line with the Seventh National Development Plan of diversifying the Zambian economy from the over-reliance on copper exports.

[9] <http://www.zambiainvest.com/agriculture/bta-investment-protection>

UNIVERSITY OF ZAMBIA (UNZA)

In April 2016, UNZA signed an MoU with BAT aimed at providing work opportunities for students at UNZA.



The screenshot shows a news article header from Lusakatimes.com. The page title is "Economy" and the article is titled "BRITISH American Tobacco and UNZA sign MOU to provide work experience to students". The article was updated on April 2, 2016, and has 41 views and 1 comment. The article content is partially visible, showing the beginning of a paragraph about BAT Managing Director Godfrey Machanzi.

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Economy Updated: April 2, 2016

BRITISH American Tobacco and UNZA sign MOU to provide work experience to students

April 2, 2016 | 41 views | 1

BAT Managing Director Godfrey Machanzi said the partnership would prepare the students for working life and professional experience adding that final-year students and recent graduates would benefit from the opportunity to engage in practical work environments that would help integrate them into the labour market.

BAT Managing Director Godfrey Machanzi said the partnership would prepare the students for working life and professional experience adding that final-year students and recent graduates would benefit from the opportunity to engage in practical work environments that would help integrate them into the labour market.

This may sound like a brilliant idea, but it is evidently just a ruse by BAT to get a good name for itself, using the UNZA as an intermediary to achieve this goal.

SEVERAL ENTITIES LOBBY ON BEHALF OF THE TOBACCO INDUSTRY PROMOTING ITS CLAIMS AND ACTIVITIES

Amongst the institutions supporting tobacco industry claims are Zambia Chamber of Commerce and Industry (ZACCI), Zambia National Farmers Union (ZNFU) and Zambia Association of Manufacturers.

ZAMBIA CHAMBER OF COMMERCE AND INDUSTRY (ZACCI)

ZACCI is prominent amongst the institutions that promote the tobacco industry, constantly making claims that counter tobacco control initiatives in Zambia. In June 2019 for example, it made a series of presentations to government ministries opposing measures proposed in the Zambia Tobacco and Nicotine Products Control Bill 2018.

In February 2019, ZACCI partnered with BAT to organize the Youth Access Prevention (YAP) campaign which has as objective to raise awareness on effects of underage smoking across Zambia.[10]



The screenshot shows a news article on the Lusaka Star website. The main image depicts two women wearing white t-shirts with a red '18' logo and white caps, sitting in front of a backdrop of large green leaves. A sign on a table to the left reads 'WE DON'T BUY CIGARETTES TO UNDER 18' with a red '18' logo. The article title is 'BAT, ZACCI LAUNCHES UNDERAGE SMOKING AWARENESS CAMPAIGN', dated '1 FEB, 2019', and categorized under 'BUSINESS NEWS'. The byline states 'British American Tobacco (BAT) and Zambia Chamber of Commerce and Industry (ZACCI) have'. The website header includes the 'LUSAKA STAR' logo and navigation links for HOME, STAR COMMENT, NEWS, BUSINESS, FEATURES, COLUMNS, ENTERTAINMENT, and SPORTS. A 'NEWS LINKS' sidebar lists various news sources like Africa News, AllAfrica, Al Jazeera, BBC, CNN, News Diggers, Muvi TV, Reuters News Africa, and ZNBC. A 'WEATHER' widget shows 'Lusaka Zambia' with a temperature of '23°C' and 'broken clouds'.

[10] <https://lusakastar.com/business/bat-zaczi-launches-underage-smoking-awareness-campaign>

In a move that clearly portrayed BAT as a development partner, ZACCI Chief Executive Officer Prisca Chikwashi described YAP as BAT's CSR which aims at ensuring awareness of underage smoking across the country. She said YAP will supplement campaigns of this nature and educate retailers and trading partners across the country to avoid selling cigarette to people under the age of 18.

ZAMBIA NATIONAL FARMERS UNION (ZNFU)

The ZNFU also prominently lobby's on behalf of the tobacco industry in Zambia. Amongst others, it undertook a strong campaign requesting the government to exempt VAT on green leaf tobacco. In 2016, during a Tobacco Association of Zambia (TAZ) Annual General Meeting, Dr Evelyn Nguleka, President of ZNFU gave assurance of continued support on lobbying government for the tax exemption in order to improve competitiveness and productivity aimed at stimulating investment.[11]



The screenshot shows the ZNFU website header with the logo and tagline "No Farmer, No Food, No Future...". Below the header is a navigation menu with items: Home, About Us, Membership, District Offices, Publications, Projects & Programmes, Media Room, and Contact Us. A search bar is located on the right. A "HIGHLIGHTS" section features the text "WATER FLOWS INTO ZAMBEZI RIVER". Below this, a breadcrumb trail reads "YOU ARE HERE: HOME / ZNFU TO LOBBY GOVERNMENT TO EXEMPT VAT ON TOBACCO". The main article is titled "ZNFU To Lobby Government To Exempt Vat On Tobacco" and is dated "Posted by ADMINISTRATOR on June 29, 2016". A "WEATHER FORECAST" widget is visible on the right side of the article.

ZNFU also expressed its support in March 2019 for the review of laws governing tobacco in Zambia.[12] Its President, Jarvisimba, said ZNFU would support the changes intended to deal with challenges affecting the entire tobacco value chain.

[11] <http://www.znfu.org.zm/article/znfu-lobby-government-exempt-vat-tobacco>

[12] <https://newsdayzambia.com/?p=9065>

ZAMBIA ASSOCIATION OF MANUFACTURERS (ZAM)

In July 2020 the U.S. Food and Drug Administration (FDA) authorized the marketing of Philip Morris Products S.A.'s "IQOS Tobacco Heating System" as modified risk tobacco products (MRTPs).[13] ZAM described this decision as a positive move for tobacco products in the sub-sector in the country.

Its Chief Executive Officer Florence Muleya said for the manufacturing sector, such an innovation gives hope for the tobacco business, adding that "The innovation will ensure that the tobacco business proceeds in a manner that has less impact on the people and the environment".

This unnecessary declaration clearly helps to create an environment of acceptance for the tobacco product which the WHO has determined is not less harmful as the tobacco industry claims.[14]

[13] <https://www.fda.gov/tobacco-products/advertising-and-promotion/modified-risk-orders>

[14] <https://www.who.int/news/item/27-07-2020-who-statement-on-heated-tobacco-products-and-the-us-fda-decision-regarding-iqos>

ENTITIES RUN CAMPAIGNS IN FAVOUR OF THE TOBACCO INDUSTRY

A Zambian company known as Beyond Research was identified during the survey as undertaking activities tilted against implementation of the WHO FCTC.

BEYOND RESEARCH

Beyond Research[15] was identified during the survey, with the stated aim of “enhancing access to justice”. It runs programmes on the themes of law and justice and conducts research including “specialist areas of legal and institutional analysis, field surveys, quantitative and qualitative analysis”.

In 2018, it organized an FCTC Moot court competition which brought together university students in Zambia and beyond to debate on the role in the FCTC.[16] Beyond Research also ran an essay competition on the theme ‘The Way Forward with Tobacco in Zambia’ in November 2017.[17] Both competitions were tilted against the implementation of the FCTC by Zambia.

Beyond Research is known to have conducted research for Japan Tobacco International (JTI)[18]



In this picture, winners of Beyond Research essay competition pose with Litiya Matakala, Corporate Affairs & Communications Manager for JTI, (second from left in back row)

[15] <https://tobaccotactics.org/wiki/beyond-research/>

[16] Beyond Research, FCTC Moot Court Competition, undated, accessed December 2020

[17] Beyond Research, FCTC 2017 Essay Competition, undated, accessed December 2020

[18] Lungowe Matakala, Letter to an official at the Zambian Ministry of Foreign Affairs, undated, subject: RE: Introduction of Researcher on Stakeholders' Perceptions Study for Japan Tobacco International (JTI)

DISCUSSION

The threat that fronts groups and allies of the tobacco industry pose to advancement of tobacco control in Zambia is manifest in the realization that what they claim to represent is different from what they really are. Their motives are largely hidden and only advance the interest of the tobacco industry.

Through their so-called CSR and other publicity stunts that involve interaction with public officials, they have been able to garner good media reviews and further their inroads into the public space. This has dire consequences as it makes it difficult for tough tobacco control measures to be adopted and implemented.

RECOMMENDATIONS

Following these observations of tobacco industry interference in implementation of tobacco control policies through the use of front groups and allies, the following recommendations are made:

- The government must adopt the Tobacco Products and Nicotine Products Control Bill of 2018.
- Stakeholders should increase advocacy and public awareness on tobacco industry interference into tobacco control policies
- The capacity of CSOs should be enhanced to enable them champion and expose tobacco industry interference at all levels
- CSR initiatives by tobacco companies should be rejected.
- State and non-state entities should prioritise public health and cut collaboration ties with tobacco companies.

CONCLUSION

There is sufficient evidence to show that the activities of tobacco industry front groups and allies have been hampering Zambia's tobacco control efforts including adoption of the Tobacco and Nicotine Products Control Bill 2018. Efforts continue to be made by tobacco control advocates to ensure Zambia complies with the guidelines of the WHO-FCTC, yet, no meaningful progress can or will be made if the front groups can continue their activities without any inhibitions.

Officials must be reminded of and re-educated on the conflict of interest that interactions with the tobacco industry and its front groups engender, and their utmost duty in safeguarding public health by ensuring strict adherence to the guidelines of the WHO-FCTC.

