

BRAZIL

2020

TOBACCO
INDUSTRY
INTERFERENCE
INDEX

Summary Findings

The current score, 48, for tobacco industry interference in Brazil is significantly higher than the previous year's 34. The national capacity to monitor the tobacco industry probably contributed for achieve this result.

ACT Health Promotion included TI monitoring in its routine. The Observatory of Tobacco Industry Strategies at Fiocruz has a greater capacity and efficiency in systematizing the information collected each year. Therefore, the partnership between the entities ensured robust and numerous evidences of IT activities.

However, the Brazilian political issue certainly played a fundamental role. In 2019, there was a change at the highest level of the federal and state government, which was preceded by an intense political crisis. One of the New President's initiatives was the suspension of all collegiate bodies, which included the Commission for the Implementation of the Framework Convention (Conicq), an institution that coordinates the National Policy for Tobacco Control.

In addition, the establishment of a working group within the Ministry of Justice in order to evaluate the reduction in the cigarette tax as a measure to contain smuggling is perhaps the most relevant event in the period.

1. INDUSTRY PARTICIPATION IN POLICY DEVELOPMENT

Usually, the government does not accept or endorse any policies or legislation drafted by or in collaboration with the tobacco industry.

However, in 2019 there were significant incidences of representatives of the tobacco industry in federal agencies. Among them, visits to the Ministry of Justice's office days before a working group to discuss prices and taxes was established. Fortunately, the WG's result was favorable to tobacco control and public health interests were preserved due to the work of researchers and stakeholders from the National Cancer Institute of Brazil.

Since 2014, the Association of tobacco-producing municipalities that maintain relations with the Interstate Tobacco Industries Union (Sinditabaco) has been active and certainly creates difficulties for the advancement of programs to safeguard local economies and farmers in the face of advances in tobacco control worldwide.

The Ministry of Agriculture establishes sectorial chambers in order to contribute to discussions on the necessary advances in the various productive sectors, including tobacco - even though the objectives of this chamber may be contrary to the National Tobacco Control Policy. Representative members of the federal, state and municipal levels, farmers, workers and industry are members.

Finally, the tobacco industry is not part of the Brazilian delegation at regular and working group meetings within the framework of the Conference of the Parties to the FCTC.

2. INDUSTRY CSR ACTIVITIES

There are evidences of social responsibility activities committed by IT and developed in the tobacco production region. The CSR projects are aimed at children and young people and their dissemination was supported by a representative from the Ministry of Agriculture.

This strategy an inherent contradiction, as industry's core functions are in conflict with the goals of public health policies with respect to tobacco control It also normalize their economic and social activities in the region where they are based.

3. BENEFITS TO THE INDUSTRY

The tobacco industry advocates that producers have access to bank loans with special interest for tobacco production, however this benefit has been suspended since 2002. In 2019, during an event attended by TI, the Secretary of Family Agriculture mentioned his intention to redeem the benefit. Fortunately, the measure has not been implemented at the national level. However, there is evidence that a state bank offers a special credit line for tobacco producers.

In addition, international travelers are allowed with up to 600 cigarettes, 50 cigars, 500 grams tobacco, considering purchases abroad and duty-free stores

4. UNNECESSARY INTERACTION

During 2019, representatives of the federal executive branch attended events sponsored by the TI, including the Vice President, Minister of the Civil House and Agriculture. Aside from this, at local events sponsored by IT in tobacco-producing regions, usually the mayors are present. There is evidence of regional cultural events' sponsored by both local government and TI. Relations at the local and regional level between IT and representatives of the executive and legislative branches is a potential risk of action or interference gaining a national dimension.

There is huge evidence that a rural governmental entity has established financial and / or technical cooperation with tobacco companies to carry out research, develop social programs and programs that oppose the federal government's official proposal to diversify income and production on properties that grow tobacco.

Apart from these, it was verified equipment's donation made by Philip Morris for federal policy in order to collaborate in actions to combat the illicit trade of tobacco products on the border of Mato Grosso do Sul State.

Tobacco-producing state governments have joined the program of Sinditabaco and Souza Cruz, a BAT subsidiary, which supposedly offer opportunities for economically viable activities to rural producers, as opposed to the national diversification program offered by the federal government.

5. TRANSPARENCY

Some agencies have rules for transparency and disclosure of tobacco meetings, such as ANVISA (Brazilian Health Regulatory Agency). The details of the meetings are not always accessible, but there is a federal law that allows citizens to make a requirement for more information. Lobbying in Brazil has not been regulated yet and TI representatives may take advantage of this situation and easily make contact to government and parliament

6. CONFLICT OF INTEREST

Private funding of political campaigns by companies has been prohibited in Brazil since 2015. Although it is not an imposed restriction only to the tobacco industry, it affects the monitoring of the activities and strategies of these companies.

7. PREVENTIVE MEASURES

In the country, even if the agendas of representatives of the executive branch are public, the content and claims made during these meetings are not disclosed. In addition, members of the Brazilian legislature do not publicize their meetings but on social networks it was possible to record the interaction between parliament, and tobacco production chain's advocates.

The government has a code of ethics applicable to servants, but there is no explicit mention of protecting public policies against the interests of the tobacco industry. However, the code of ethics and rules of procedure of the National Commission for Implementation of the Framework Convention (Conicq) is applicable to its members. Even though its activities are formally suspended, Conicq has maintained its meetings in compliance with the legal requirements in this regard.

Unfortunately, a set of important information from IT is not required, such as marketing expenditures, lobbying or indirect relations.

Recommendations

1. Strengthening of the National Diversification Program in Tobacco Grown Areas, based on sustainable development, food security, productive diversification and social participation as a way to protect tobacco growing families from reducing global tobacco demand and to reduce tobacco industry interference at local, regional and national levels.
2. Tobacco industry-related CSR activities must be banned.
3. Full transparency and mechanisms to avoid conflict of interests and undue interference in public health policies should be guaranteed by the government and by parliamentarians in the interactions with the tobacco industry.
4. Adoption of a code of conduct for all government officials in dealing with the tobacco industry must be expedited. The government must develop a more sustained plan to create awareness and compliance with Article 5.3 for the whole government.
5. More information about the tobacco industry's businesses must be required from them and should include information on marketing expenditure, lobbying, philanthropy and political contributions.

Results and Findings

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INDICATOR 1: Level of Industry Participation in Policy-Development						
1. The government ¹ accepts, supports or endorses any offer for assistance by or in collaboration with the tobacco industry ² in setting or implementing public health policies in relation to tobacco control ³ (Rec 3.1)				3		
<p>The government usually does not accept tobacco industry assistance in final decisions. In Brazil, there was a National Commission for Implementation of the Framework Convention on Tobacco Control (CONICQ), which comprises government representatives from 18 ministries and agencies. The Commission was suspended in 2019, but its Secretariat has been working for its reestablishment. It is under discussion.</p> <p>The procedure rules of CONICQ are attached (see ingles-portaria-n-1083-2011CONICQ).</p> <p>Administrative Order No. 713 /2012 contains ethical guidelines applicable to the members of CONICQ, known as the transparency ordinance. It regulates matters as conflicts of interest, tobacco industry interactions, participation of government servants in events sponsored by industry, and employment proposals, among other things (https://www.tobaccocontrolaws.org/files/live/Brazil/Brazil%20-%20Ord.%20No.%20713.pdf)</p> <p>However, there are other spaces where tobacco sector interests are defended, directly by TI representatives or by means of their allies, as farmers associations, front groups or politicians committed with tobacco chain. On those spaces tobacco control policies are discussed and referrals are defined according to tobacco sector priorities.</p> <p>1. Electronic Nicotine Delivery System (ENDS). The National Regulatory Agency (Anvisa) banned ENDS in 2009 but a revision of the ENDS' ban was included at Anvisa's Regulatory Agenda. Nineteen meetings between tobacco industries' representatives and Anvisa's directors and department's coordinators were recorded during 2019 (see annex). Anvisa held two Public Hearings in order to discuss the health effects of exposure and consumption of ENDS and the consequences of its permission for tobacco control policies. The revision is still in progress.</p> <p>2. Bill of law n° 769/2015. The draft of law would set up public health policies regarding banning TAP, additives and smoking inside the car with children present and establishing plain packages.</p> <p>Tobacco Chamber, created in 2004 by the Ministry of Agriculture (MoA), is composed of representatives of national government departments, associations of the</p>						

¹ The term "government" refers to any public official whether or not acting within the scope of authority as long as cloaked with such authority or holding out to another as having such authority

² The term, "tobacco industry" includes those representing its interests or working to further its interests, including the State-owned tobacco industry.

³ "Offer of assistance" may include draft legislation, technical input, recommendations, oversees study tour

tobacco growers, tobacco industries, workers of tobacco industries and others⁴. During its 59th and 60th meetings, the Minister of Agriculture was asked to reject Bill n° 769/2015⁵. Some of those associations' representatives were at the Public Hearing hosted by the Senate, but they represented their own institution and did not speak as Tobacco Chamber and there was no motion registered from the MoA.

During 2019, **Senator Heinze**^{6,7}, a well-known tobacco industry advocate, tried to block and interfere in the legislative process. He requested the Chair of the Commission of Social Issues for the bill to pass through the Agrarian Commission - that could be definitely blocked the bill by his and other tobacco allies. His request was denied. He presented four amendments to the draft of the project⁸. The text of the bill of law was changed during the process at the Senate and was approved in November and is still waiting for the Deputies Chamber Agenda.

Federal **Deputy Marcelo Moraes**, who has TI financial support, met with the Mayor of Venâncio Aires - tobacco producing city - and Amprotabaco (Association of Tobacco-Producing Municipalities) treasurer, Giovane Wickert, on July 17, to discuss the tobacco control bill of law (769/15) proposed by Senator Serra and to evaluate the defense of the tobacco sector during Anvisa's hearing on the sale of electronic cigarettes in the country. Among the measures proposed by Moraes, of meeting with President Jair Bolsonaro: to try to veto the bill. According to him, the defence in Brasilia should be to protect tobacco growers. Another point of discussion in the coming days will be the public hearing of Anvisa, to evaluate the sale of electronic cigarettes in the country.

3. **Association of Tobacco-Producing Municipalities.** The purpose of Amprotabaco (Association of Tobacco-Producing Municipalities) is to bring together all tobacco municipalities in Rio Grande do Sul, Santa Catarina and Paraná, to act as a mechanism for dialogue and discussion with state and federal political spheres. One of the objectives is to formulate guidelines for the creation and maintenance of public policies in favor of tobacco, to promote the progress and improvement of the national tobacco culture, to avoid restrictive measures to the tobacco production chain and adherence to the association may result in a municipal financial contribution. Its president is a member of MAPA's (Ministry of Agriculture, Livestock and Supply) Sectorial Tobacco Chamber (see more on Sectorial Tobacco Chamber below). In addition, there is a close relationship between the association (and its members) and Sinditabaco (Tobacco Industry Interstate Union): "We have an interrelationship with Santa Cruz do Sul, Venâncio Aires and, now, with the creation of Amprotabaco, there is an approximation with many other municipalities. This approximation with

⁴ Recent list of composition of Tobacco Chamber of MoA Acesso:

https://dspace.stm.jus.br/xmlui/bitstream/handle/123456789/158005/2020_01_20_ASSINADO_do2.pdf?sequence=1&isAllowed=y

⁵ Tobacco Chamber database at the Ministry of Agriculture's website <https://www.gov.br/agricultura/pt-br/assuntos/camaras-setoriais-tematicas/camaras-setoriais-1/tabaco>

⁶ Tobacco Industry Observatory maintained by Oswaldo Cruz Foundation (Fiocruz), that is part of FCTC Article 5.3 knowledge hub. This link shows that Luis Carlos Heinze has received money from a tobacco industry to his election campaign http://observatoriotabaco.ensp.fiocruz.br/index.php/Luis_Carlos_Heinze

⁷ About Senator Heinze and his interference in bill of law:

<http://observatoriotabaco.ensp.fiocruz.br/index.php/Not%C3%ADcias>

⁸ Senate's website maintains all information around the legislative processes <https://www25.senado.leg.br/web/atividade/materias/-/materia/124339>

communities is key and is taking place in the best possible way”(2017 Annual Sinditabaco’s Report).

The association has been active since 2014 and measures have been taken by the associated municipalities to defend credit lines for tobacco production, the adoption of heated tobacco products (that are prohibited in Brazil), and to disseminate the idea that tobacco control measures generate smuggling, similarly to what tobacco companies claim.

4. Ministry of Justice Working Group to reduce prices of tobacco products. Brazil launched Increasing taxes and Minimal Price for tobacco products Policies in 2011, which raised the prices once a year up to 2015. Since then, raised prices were registered, but not as they should be/expected. Tobacco industry and their allies (Institute of Economic and Social Development of Borders (IDESF) and Brazilian Association to Combat Counterfeiting (ABCF), National Forum Against Piracy and illegality (FNCP)) stated that this policy resulted into more smuggled products at the market - using numbers produced by themselves instead of using official numbers^{9 10} . In march 2019, a working group (WG) was established by the Minister of Justice, Mr. Sergio Moro, in order to understand cigarettes’ fiscal and tax policies and to assess the convenience and opportunity of reducing the taxation of cigarettes manufactured in Brazil, considering that the consumption of illegal/smuggled cigarettes could, allegedly, generate low tax revenues and losses to public health.^{11 12}

The establishment of the WG was 1-week preceded by an audience with the Minister of Justice and representatives from Souza Cruz (Brazilian subsidiary of British American Tobacco (BAT)), Brazilian Institute of Competition Ethics (ETCO) with known links to Souza Cruz¹³, and Brazilian Association of Pubs and Nightclubs (ABRABAR).

On another occasion, on May 25th, two advisors of the Special Advisory on Legislative Affairs of MoJ received representatives of the Philip Morris Brazil with the agenda "Tax policy in the cigarette market".

The Ministry of Health was represented by the Executive Secretariat of the National Committee for FCTC Implementation and a PhD candidate from National Cancer Institute that showed evidence about tobacco control policies, including the benefits of increasing tobacco tax and prices, decrease of smoking prevalence, and the consumption of legal and illegal products in Brazil and other countries and their

⁹ National Forum Against Piracy and illegality (FNCP) developed a guideline to combat illicit cigarettes in Brazil, using the same arguments of TI, that are its associated.

¹⁰ <http://www.idesf.org.br/2019/03/14/dia-nacional-de-combate-ao-contrabando-idesf-e-abcf-divulgam-relatorio/>

¹¹ National Press. Ministry of Justice’s Issuance nº 263, de 23 de março de 2019 that creates the working group to to assess the convenience and opportunity of reducing the taxation of cigarettes manufactured in Brazil

http://www.in.gov.br/materia/-/asset_publisher/Kujrw0TZC2Mb/content/id/68561661/do1-2019-03-26-portaria-n-263-de-23-de-marco-de-2019-68561465 .

¹² Brazilian newspaper about the creation of the “Moro’s Working Group”

<https://www.correiobraziliense.com.br/app/noticia/brasil/2019/03/26/interna-brasil,745355/moro-cria-grupo-para-estudar-reducao-de-tributos-sobre-cigarro-fabrica.shtml> .

¹³ Tobacco Industry Observatory maintained by Oswaldo Cruz Foundation (Fiocruz), that is part of FCTC Article 5.3 knowledge hub. This link shows the relationship between ETCO and Souza Cruz, BAT subsidiary. ETCO’s stated objective is to work with companies and the government to combat tax evasion, smuggling and counterfeiting of goods in the region.

<https://drive.google.com/file/d/1PDDYqaFeKVPndf9tIFs65ZFzyjSSGSw/view>

strengthen the policies from each Ministries and follow the proposition to MoH, which it the committee's president.

- 1. Ministry of Agriculture.** Tobacco Chamber has three annual meetings since 2004. There are more than twenty members but its composition is not totally clear on the website of the MoA¹⁷. The latest Official Notes of its meeting in 2019 showed its membership includes in addition to MoA representative, the Brazilian Association of Tobacco Growers (Afubra) - linked to ITGA that has already recognized as a front group for the tobacco industry -, Brazilian Association of Tobacco Industries (Abifumo), Interestadual Union of Tobacco Industries (Sinditabaco), Union of Tobacco Industries (Sinditabaco Bahia), Union of Tobacco Leaves Industries - Rio de Janeiro (Sindifumo), Union of Tobacco Leaves Industries - São Paulo (Sinfidumo) and others¹⁸.

At the meetings, “issues of interest to the productive chain are discussed, such as management, application of pesticides, the production process, marketing and tax issues, in addition matters that affect the development of Brazilian agribusiness are also discussed, identifying the possible barriers that may interfere in the development of the productive sector and affect the income of rural producers, in the sense of indicating and pointing out solutions, from production to marketing”^{19 20}.

4. The government nominates or allows representatives from the tobacco industry (including State-owned) in the delegation to the COP or other subsidiary bodies or accepts their sponsorship for delegates. (i.e. COP 4 & 5, INB 4 5, WG) ²¹ (Rec 4.9 & 8.3)		1				
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No. The Brazilian delegation adopted a conduct code and its members must sign a conflict of interest statement before participating at COP.

INDICATOR 2: Industry CSR activities

5. A. The government agencies or its officials endorses, supports, forms partnerships with or participates in so-called CSR activities organized by the tobacco industry. (Rec 6.2) B. The government (its agencies and officials) receives contributions ²² (monetary or otherwise) from the tobacco industry (including so-called CSR contributions). (Rec 6.4)		2				
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- 1. Growing Up Right Institute.** *“The Growing Up Right Institute provides young people from the farms with the discovery of new pathways. And, more than this, it walks side by side with the adolescents of the rural setting, to jointly discover new scenarios with support from learning programs, on their way to*

¹⁷ Tobacco Chamber database at the Ministry of Agriculture's website <https://www.gov.br/agricultura/pt-br/assuntos/camaras-setoriais-tematicas/camaras-setoriais-1/tabaco>

¹⁸ Tobacco Industry Observatory maintained by Oswaldo Cruz Foundation (Fiocruz), that is part of FCTC Article 5.3 knowledge hub. This link shows a list of institutions linked to tobacco industries http://observatoriotabaco.ensp.fiocruz.br/index.php/Categoria:Organiza%C3%A7%C3%B5es_ligadas_ao_tabaco.

¹⁹ Sectorial and thematic Chambers of Ministry of Agriculture have their roles described here <http://www.agricultura.gov.br/assuntos/camaras-setoriais-tematicas/camaras-setoriais-e-tematias-do-mapa>

²⁰ Composition of Tobacco Chamber in 2018: <http://www.in.gov.br/web/dou/-/portaria-n-2-de-7-de-fevereiro-de-2018-4377211>

²¹ Please annex a list since 2009 so that the respondent can quantify the frequency, <http://www.who.int/fctc/cop/en/>

²² political, social financial, educations, community, technical expertise or training to counter smuggling or any other forms of contributions

professionalization. In nearly five years in operation, more than 360 young people have already benefited directly from the Institute's programs, an initiative by the Interstate Tobacco Industry Union (SindiTabaco) and its associated companies, which had already been running programs and projects since 1998, with the aim to protect rural children and adolescents". It is an institute of the Interstate Tobacco Industry Union (SindiTabaco). In 2019, the Rural Professional Learning Program had seven classes and graduated 129 students. The partners of this initiative are: Schools, state and municipalities which provide a venue for the activities of the course, transport and meals. During the ending ceremony, Fernando Schwanke, National Family Farming and Cooperatives Secretariat said: "This initiative paves the way for a new perspective on life for these young people. We need this entrepreneurial-oriented education to change Brazil."^{23 24}

- 2. Reduction of Child Labor.** Japan Tobacco International uses the Program for the Reduction of Child Labor by Supporting Education (ARISE) that was created in 2011 to "help prevent and eliminate" child labor in countries such as Brazil, Malawi, Zambia and Tanzania.²⁵ The ILO ceased to be part of this initiative in 2018, but the project continued. In Brazil, there are activities promoted between school hours and involve training of teachers from municipal schools where the projects are developed.²⁶ During an event organized by Afubra (Association of Tobacco Growers of Brazil) in March 2019, the Workplan of the Project was launched involving at least for tobacco producing cities: Sobradinho, Ibarama, Lagoa Bonita do Sul and Arroio do Tigre. There is a record that the project made a donation to the participating municipality.^{27 28 29}

INDICATOR 3: Benefits to the Tobacco Industry

6. The government accommodates requests from the tobacco industry for a longer time frame for implementation or postponement of tobacco control law. (e.g. 180 days is common for PHW, Tax increase can be implemented within 1 month) (Rec 7.1)	0						
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No evidence.

7. The government gives privileges, incentives, exemptions or benefits to the tobacco industry (Rec 7.3)						4	
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- 1. Fostering sustainable rural development in tobacco growing areas.** The granting of credit under the National Program for the Strengthening of Family Farming (Pronaf) related to tobacco production developed in partnership or integration with tobacco industries is prohibited. An exception is made to provide support to tobacco producers when the credit is destined for cultures other than tobacco, in order to encourage the diversification of the income generating activities of the family unit. Before the

²³ Newspaper noticing the ending ceremony of <http://www.paginarural.com.br/noticia/275747/projetos-de-vida-renovados-para-129-jovens-rurais-destaca-instituto-crescer-legal>

²⁴ 2019 Growing Up Right Institute Report <http://crescerlegal.com.br/site/wp-content/uploads/2020/03/Relat%C3%B3rio-Institucional-2019-Instituto-Crescer-Legal.pdf>

²⁵ About Arise activities in Brazil: <https://www.uaaau.com.br/agronegocio/jovens-no-campo-como-garantir-a-continuidade-da-agricultura>

²⁶ Arise made a donation to Arroio do Tigre City: http://www.gaz.com.br/conteudos/centro_serra/2019/10/28/156740-arise doa veiculo e placas fotovoltaicas a arroio do tigre.html.php

²⁷ Arise's website: <http://ariseprogram.org/en/about-arise/where-we-work/>

²⁸ Launch of the workplan for four cities : <http://sobradinho.rs.gov.br/porta1/2019/03/27/evento-educacao-contra-o-trabalho-infantil-foi-destaque-na-expoagro-afubra/>

²⁹ About Arise Project <http://observatoriotabaco.ensp.fiocruz.br/index.php/Not%C3%ADcias>

category. Mourão also stated that he held meetings with representatives of the Tobacco Industry after the elections during the transition period.³⁶

- 2. The Minister of Agriculture received a tobacco delegation.** Representatives of the tobacco sector participated in a hearing with the Minister of Agriculture, Livestock and Supply, Tereza Cristina. Accompanied by the secretary of Family Agriculture and Cooperatives of the Ministry, Fernando Schwanke, she received the following representatives: the president of the Interstate Tobacco Industry Union (SindiTabaco), Iro Schünke; the president of the Association of Tobacco Growers of Brazil (Afubra), Benício Werner; the executive director of the Brazilian Association of Tobacco Industries (Abifumo), Carlos Galant; and the president of the Sectorial Chamber of the Tobacco Productive Chain, Romeu Schneider.

The meeting was aimed at seeking government support to stop, in the words of the representatives, the anti-smoking activism that prevails in the country, given that the tobacco market is important for the country's economy.

Also present were the President of the Parliamentary Agriculture Front, Mr Alceu Moreira, who scheduled the meeting, and Mr Jerônimo Goergen.³⁷

- 3. Secretary of Family Agriculture of the Ministry of Agriculture met Afubra.** In March, the Secretary of Family Agriculture of the Ministry of Agriculture, Livestock and Supply, Fernando Schwanke, participated in a meeting with the Confederation of Agriculture and Livestock of Brazil (CNA) during Expoagro Afubra, in Rio Pardo (RS), together with representatives of the tobacco sector to discuss the demands of the sector's demands.³⁸
- 4. Chief Minister of the Civil House and representatives of tobacco companies:** Representatives of Afubra, Abifumo, Sinditabaco, Amprotabaco, mayors, councilors and parliamentarians met with the chief minister of the Civil House, Onyx Lorenzoni, in an audience highlighted by deputy Marcelo Moraes, asking for policies to support the sector. The Mayor of Venâncio Aires, Giovane Wickert, participated in the meeting and informed that the delegation took the opportunity to debate the issue of smuggling and Senator José Serra's bill (PSDB).

Marcelo Moraes is a federal deputy and in his 2014 campaign received donations from tobacco companies. Giovane Wickert is one of the spokespersons for Amprotabaco.³⁹

³⁶ About the meeting between Vice President and tobacco companies:

<http://www.gaz.com.br/conteudos/regional/2019/08/06/151314-mourao-fala-em-reduzir-impostos-para-competir-com-o-contrabando.html.php>,

<http://www.gaz.com.br/conteudos/regional/2019/08/06/151311-video-veja-como-foi-a-palestra-almoco-com-o-vice-presidente-mourao.html.php>

³⁷ About the meeting between Ministry of Agriculture and tobacco industry representatives:

<http://observatoriotabaco.ensp.fiocruz.br/index.php/Not%C3%ADcias>,

<https://www.jornaldocomercio.com/conteudo/economia/2019/02/671546-representantes-da-cadeia-do-tabaco-entregam-demandas-para-ministra.html>;

<http://www.folhadomate.com/noticias/geral15/lideres-da-cadeia-produtiva-do-tabaco-apresentam-demandas-do-setor-para-a-ministra-da-agricultura>

³⁸ About the meeting at CNA: <https://www.cnabrazil.org.br/noticias/cna-discute-demandas-do-setor-de-tabaco>;

<http://observatoriotabaco.ensp.fiocruz.br/index.php/Casos-de-influ%C3%A2ncias-aos-tomadores-de-decis%C3%A3o>

³⁹ About the meeting between Brazilian Presidential Chief of Staff Minister and tobacco companies representatives:

http://observatoriotabaco.ensp.fiocruz.br/index.php/Casos-de-influ%C3%A2ncias-aos-tomadores-de-decis%C3%A3o#cite_note-5, <https://folhadomate.com/opiniao/colunistas/sergioklafke/cadeia-produtiva-do-tabaco-em-debate/>

5. **Municipality and tobacco industries sponsored local event.** Oktoberfest is a traditional event related to German immigrants. It is organized by the Association of Business Entities of Santa Cruz do Sul (Assemp) and the Municipality of Santa Cruz do Sul, a tobacco producer and host of the event. Tobacco companies and Afubra sponsored the event: JTI, Philip Morris Brasil, Souza Cruz, Universal Leaf Tobacco.⁴⁰
6. **Sinditabaco and Amprotabaco.** Mayors that are also members of Amprotabaco gathered at the SindiTabaco stand, at the Oktoberfest Park in Santa Cruz do Sul (RS), for election and inauguration of the entity's board and fiscal council for the period from September 2019 to February 2021.^{41 42}
7. **Deputy met tobacco industry and allies.** Deputy Heitor Schuch participated in a series of activities involving the tobacco production chain. He met with representatives of Afubra, Abifumo, Sinditabaco, Amprotabaco, as well as mayors and councilors.⁴³

9. The government accepts assistance/ offers of assistance from the tobacco industry on enforcement such as conducting raids on tobacco smuggling or enforcing smoke free policies or no sales to minors. (including monetary contribution for these activities) (Rec 4.3)			2			
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1. **PMB donations.** Philip Morris Brasil announces the donation of equipment to the Federal Police of Naviraí, municipality of Mato Grosso do Sul, to help fight the illegal cigarette trade. The equipment, with the latest technology, will be used in night surveillance activities and include a digital camera with powerful super-zoom lens and tactical lamps. In addition, Federal Police vehicles were equipped with emergency lights.⁴⁴
2. **Souza Cruz and Diversification Program.** Souza Cruz (a subsidiary of BAT) promoted a seminar and brought together leaders from federations, unions, associations, universities and entities related to agriculture in the three southern states of Brazil. The purpose of the event was to discuss family farming and its future: insertion of technologies, permanence of new generations and, in addition, maintaining tobacco as an attractive culture for producers. It was attended by the Secretary of the Ministry of Agriculture, Fernando Schwanke, who opened the event. He is responsible for conducting the National Diversification Program in Tobacco Grown Areas, which since 2015-2016 has been in crisis and threatened to cease to exist or be replaced by the concept of advertising diversification by Sinditabaco (see Project 'Grow Corn and Beans after Tobacco Harvest 'in question 10). Secretary Schwanke spoke about the numbers of the Ministry of

⁴⁰ Dinner with sponsors: <http://www.gaz.com.br/conteudos/regional/2019/08/21/152321-jantar-festivo-apresenta-os-patrocinadores-da-oktoberfest.html.php>

⁴¹ About Sinditabaco hold Amprotabaco's meeting: https://www.agrolink.com.br/noticias/nova-diretoria-da-amprotabaco-projeta-ampliar-defesa-da-cadeia-produtiva_425213.html

⁴² Oktoberfest's Sponsors: http://observatoriotabaco.ensp.fiocruz.br/index.php/Casos_de_influ%C3%Aancias_aos_tomadores_de_decis%C3%A3o#cite_note-3,

⁴³ About Heitor Schuch and tobacco companies and allies: <https://heitorschuch.com.br/noticia.php?titulo=Schuch-reforca-pleitos-da-cadeia-produtiva-do-tabaco>

⁴⁴ PM donation of equipments for combat illicit trade of cigarettes: https://www.maxpress.com.br/Conteudo/1,398717,Philip_Morris_doa_equipamentos_para_combater_comercio_ilegal_de_cigarros,398717,5.htm

Agriculture and revealed the agro-environmental power in a world ranking in 2018, with tobacco occupying the 2nd place in production and 1st in export.⁴⁵

10. The government accepts, supports, endorses, or enters into partnerships or agreements with the tobacco industry. (Rec 3.1)
NOTE: This must not involve CSR, enforcement activity, or tobacco control policy development since these are already covered in the previous questions.

4

1. **Project ‘Grow Corn and Beans after the Tobacco Harvest’.** The project is developed by SindiTabaco (Interstate Tobacco Industry Union) and associated industries in order to promote a diversification of tobacco production through an integrated system of corn and beans production - similar to the tobacco production’s integrated system - but it is very different by the National Program of Diversification in Tobacco Crops.

The governments of the tobacco growing states of Santa Catarina, Rio Grande do Sul and Paraná are partners of this project along with the Association of Tobacco Growers of Brazil (Afubra), the Federation of Agricultural Workers of the State of Rio Grande do Sul (Fetag-RS), the Federation of Agriculture of the State of Rio Grande do Sul (Farsul), the Federation of Agriculture Workers of the State of Santa Catarina (Fetaesc), the Federation of Agriculture of the State of Santa Catarina (Faesc), the National Rural Learning Service (Senar), the Federation of Agriculture of the State of Paraná (Faep), the Federation of Agriculture Workers of the State of Paraná (Fetaep) and the Paraná Institute of Technical Assistance and Rural Extension (Emater). They have joined forces in order to promote a local diversification program for tobacco growing farmers differently from the National Program.^{46 47}

2. **Embrapa (Brazilian Agricultural Research Corporation) agreements:**

- Technical cooperation contract between Embrapa and **Philip Morris Brazil** for more sustainable tobacco production: In October, Philip Morris Brasil and Embrapa signed a term of intent for a new project that will benefit more than 5,000 tobacco producers in the three states of the Southern Region.^{48 49}
- Embrapa, **Philip Morris Brazil** and the Edmundo Gastal Research Support Foundation: In March, the financial collaboration plan in a previously agreed project was altered. This project was probably executed during the year of 2019.⁵⁰
- Technical Cooperation Contract between Embrapa with **Philip Morris Brasil** and Edmundo Gastal-Fapeg Research Support Foundation: In November, a contract was

⁴⁵ About the seminar promoted by Souza Cruz:

http://observatoriotabaco.ensp.fiocruz.br/index.php/Casos_de_influ%C3%Aancias_aos_tomadores_de_decis%C3%A3o#cite_note-2

⁴⁶ Press noticed the partnership among Government of Rio Grande do Sul and tobacco industries allies.

http://www.gaz.com.br/conteudos/regional/2019/12/13/159004-aberta_a_colheita_de_tabaco_no_rio_grande_do_sul.html.php

⁴⁷ A press release around the Project Grow Corn and Beans after Tobacco Harvest <http://olajournal.com.br/diversificacao-rende-r-640-milhoes-aos-produtores-de-tabaco/>

⁴⁸ National Oficial Press: <http://www.in.gov.br/web/dou/-/extrato-de-contrato-de-cooperacao-tecnica-e-financeira-223119632>

⁴⁹ About the partnership:

http://observatoriotabaco.ensp.fiocruz.br/index.php/Casos_de_influ%C3%Aancias_aos_tomadores_de_decis%C3%A3o

⁵⁰ National Oficial Press: Espécie: <http://www.in.gov.br/web/dou/-/extrato-de-termo-aditivo-69211146>

established to implement about 50 new orchards in Rio Grande do Sul as part of the “Quintais Orgânico” Project (Organic backyards). Organic backyards works with agricultural family schools (community schools managed by the association of residents and rural unions linked to the community).^{51 52}

- Technical Partnership Agreement between Embrapa and the Agricultural Research and Development Support Foundation Edmundo Gastal-Fapeg, and **Souza Cruz**. The objective is to contribute to the improvement of soil management for the cultivation of production models that associate winter cereals with tobacco, corn, soybeans and other temporary crops. Souza Cruz will invest R \$ 184,782 in addition to the transfer of R \$ 92,163.75 to Embrapa through Fapeg.⁵³
 - Technical cooperation between Embrapa and the **Association of Tobacco Growers** in Brazil: In July, an addendum of cooperation between the institutions was signed, extending the project until 7/19/2021.⁵⁴
3. **Federal University and Sinditabaco**. A project between the University of Santa Maria and the Foundation for the Support of Technology and Science and Sinditabaco was extended until December 31, 2019.⁵⁵
 4. **New Rurals Program**. From New Rurals webpage⁵⁶, a project developed by Souza Cruz Institute⁵⁷: “New Rurals Program (Novos Rurais) is an entrepreneurial venture for the creation of new businesses directed to agricultural school students which aims to encourage those who wish to remain in the field, supporting new businesses, promoting revenue generation and boosting diversification in the rural environment. This pioneer initiative is recognized by the Food and Agriculture Organization of the United Nations (FAO-UN) as a good practice for Sustainable Development. The New Rurals is based on a methodology that is both theoretical and practical, which is applied with the partnership of technical schools and field organizations, resulting in financial support to projects that introduce a new culture or business in the field.” “The program is divided in two stages. At first, students receive lessons on themes such as entrepreneurship, innovation and market tendencies. At the end of the classes, they develop a business plan that is subject to a technical evaluation. The young men and women responsible for the best projects are entitled to financial support so as to make their ideas possible. The second stage is when these selected students implement their projects and put their new business to work.” The partner municipalities of this project are Rio do Sul, Rio Negro, Canguçu, tobacco producers, students and representatives of the Souza Cruz Institute will also be present.⁵⁸

INDICATOR 5: Transparency

⁵¹ National Official Press: <http://www.in.gov.br/web/dou/-/extrato-de-contrato-de-cooperacao-tecnica-e-financeira-226030769>

⁵² About the partnership:

http://observatoriotabaco.ensp.fiocruz.br/index.php/Casos_de_influ%C3%Aancias_aos_tomadores_de_decis%C3%A3o

⁵³ National Official Press: <http://www.in.gov.br/web/dou/-/extrato-de-contrato-85390801>

⁵⁴ National Official Press: <http://www.in.gov.br/web/dou/-/extrato-de-termo-aditivo-209550063>

⁵⁵ National Official Press: <http://www.in.gov.br/web/dou/-/extrato-de-termo-aditivo-196349785>

⁵⁶ New Rurals’ website: <http://www.programanovosrurais.com.br>

⁵⁷ Souza Cruz Institute’s website:

http://www.institutosouzacruz.org.br/groupms/sites/INS_8BFK5Y.nsf/vwPagesWebLive/DOBDNNSG?opendocument ;

http://www.institutosouzacruz.org.br/groupms/sites/INS_8BFK5Y.nsf/vwPagesWebLive/DOBCPP7J?opendocument

⁵⁸ About New Rural: http://observatoriotabaco.ensp.fiocruz.br/index.php/Programa_e_institui%C3%A7%C3%B5es_de_RSC

11. The government does not publicly disclose meetings/ interactions with the tobacco industry in cases where such interactions are strictly necessary for regulation. (Rec 2.2)				3		
<p>Usually government members have a public agenda, but the details of these meetings are not always available to the public. On many occasions, it is only possible to obtain records upon request. In Brazil there is an Access to Information Law (AIL) since 2012. This legislation is very useful, but some challenges remain.⁵⁹</p> <p>During 2019, government representatives had meetings with the tobacco industry, however sometimes there is not enough transparency on these meetings.</p> <p>The meetings with parliamentarians are not public but usually pictures are taken.</p>						
12. The government requires rules for the disclosure or registration of tobacco industry entities, affiliated organizations, and individuals acting on their behalf including lobbyists (Rec 5.3)				3		
<p>Brazil has been discussing the regulation of lobby activities for the past years but this has not yet been approved. Therefore, the interaction between lobbyists and government representatives depends on the entities' internal recommendations.</p>						
INDICATOR 6: Conflict of Interest						
13. The government does not prohibit contributions from the tobacco industry or any entity working to further its interests to political parties, candidates, or campaigns or to require full disclosure of such contributions. (Rec 4.11)		1				
<p>Before the 2015 Election Reform, it was possible to consult each candidate's donors, and tobacco industries has donated. Since then, candidates for elective positions have to finance their campaigns with their own resources and with donations from supporters or political parties (resources from the Party Fund).</p> <p>Therefore, we are not able to monitor the tobacco industry donations to parliamentarians and executive candidates.</p>						
14. Retired senior government officials form part of the tobacco industry (former Prime Minister, Minister, Attorney General) (Rec 4.4)				3		
<p>Cássio Cunha Lima was mayor, federal deputy, governor from 2003 to 2009 and senator from November 2011 to February 2019. After losing an election to the senate, he created "Advice Brasil", a lobbying company. One of his clients is Philip Morris. "Life is too short to do only one thing," he said. Lima confirmed working for the cigarette manufacturer.⁶⁰</p>						

⁵⁹ About Access to Information Law: <https://www.right2info.org/recent/brazil-adopts-access-to-information-law> , <https://www.article19.org/resources/brazil-five-years-of-the-access-to-information-law/> .

⁶⁰ About the relationship between a former parliamentar and Philip Morris <https://noticias.uol.com.br/ultimas-noticias/agencia-estado/2019/11/11/mandatos-dao-lugar-ao-lobby-no-congresso.htm>

15. <u>Current government officials</u> and relatives hold positions in the tobacco business including consultancy positions. (Rec 4.5, 4.8, 4.10)	0					
No evidence.						
INDICATOR 7: Preventive Measures						
16. The government has put in place a procedure for disclosing the records of the interaction (such as agenda, attendees, minutes and outcome) with the tobacco industry and its representatives. (Rec 5.1)			2			
Yes, but partial only. Please see item 11.						
17. The government has formulated, adopted or implemented a code of conduct for public officials, prescribing the standards with which they should comply in their dealings with the tobacco industry. (Rec 4.2)				3		
<p>There is the Code of Professional Ethics for the Civil Public Servant of the Federal Executive Branch and Decree n° 4,334, of August 12, 2002, which deals with the relationship between public agents and companies.</p> <p>In addition, there are two normative instruments for Conicq members: Ethical Guidelines applicable to CONICQ members and Conicq Rules of Procedure.</p> <p>Code applies only to the National Committee for FCTC Implementation (CONICQ) , but not the whole government. The Ministry of Health established ethical guidelines in 2012 for members of CONICQ which state that its activities must be transparent and responsible, and that public health measures are irreconcilable with tobacco industry interests, as recommended by FCTC article 5.3. CONICQ members shall not receive incentives from the tobacco industry, nor have research/ activities funded by TI. However, the government only participates in events sponsored by the tobacco industry when there is governmental interests is involved⁶¹.</p>						
18. The government requires the tobacco industry to periodically submit information on tobacco production, manufacture, market share, marketing expenditures, revenues and any other activity, including lobbying, philanthropy, political contributions and all other activities. (5.2)			2			
Yes, although information about marketing expenditures, lobbying or indirect relations are not available. There is available information on tobacco related issues as production, revenues, market share, etc. on Federal Revenue and ANVISA websites ⁶² .						

⁶¹ 2014 Brazil Report: https://untobaccocontrol.org/impldb/wp-content/uploads/reports/brazil_2014_report_final.pdf [pg 21].

⁶² Websites with tobacco industries' required information: <http://receita.economia.gov.br/orientacao/tributaria/regimes-e-controles-especiais>; <http://portal.anvisa.gov.br/tabaco>.

19. The government has a program / system/ plan to consistently ⁶³ raise awareness within its departments on policies relating to FCTC Article 5.3 Guidelines. (Rec 1.1, 1.2)				3		
The government raises awareness through CONICQ, but is still necessary to develop a plan to extend the awareness and compliance with 5.3 for the whole government.						
20. The government has put in place a policy to disallow the acceptance of all forms of contributions/ gifts from the tobacco industry (monetary or otherwise) including offers of assistance, policy drafts, or study visit invitations given or offered to the government, its agencies, officials and their relatives. (3.4)			2			
Yes but partial only. Offers of assistance and study visits are not exempted.						
TOTAL				48		

⁶³ For purposes of this question, “consistently” means: a. Each time the FCTC is discussed, 5.3 is explained. AND b. Whenever the opportunity arises such when the tobacco industry intervention is discovered or reported.