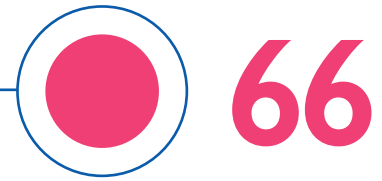


Brazil



Summary of Findings

1. INDUSTRY PARTICIPATION IN POLICY DEVELOPMENT

Investigative journalists found evidence that tobacco industry (TI) allies plotted to disband Comissão Nacional para Implementação da Convenção-Quadro para o Controle Do Tabaco (CONICQ), the Brazilian National Commission for the Implementation of WHO FCTC, to prevent its reestablishment. Other findings include the dwindling of Brazil's diversification program by Fernando Schwanke, an industry ally who was a government official, attempts from tobacco companies at interfering with the Brazilian Health Regulatory Agency's (Anvisa) decision on electronic smoking devices, and activities of the Tobacco Sectorial Chamber - an entity from the Ministry of Agriculture that holds regular meetings with industry representatives and/or allies as well as congressmen and government officials to discuss topics of interest to the TI. Attempts of interference on Brazil's delegation and position at COP 9 reflected in members of CONICQ's Executive Secretariat being excluded from the delegation.

2. INDUSTRY CSR ACTIVITIES

Tobacco companies and associated entities have organized, supported, and financed numerous CSR activities during the reporting period. Examples of these activities include a reforestation project with the Brazilian Development Bank (BNDES), educational projects with the declared aim of fighting child labour, entrepreneurship trainings, sponsorship of several events, and of a daily news program in the South of Brazil, and campaigns on the recycling and disposal of cigarette butts and several donations.

3. BENEFITS TO THE INDUSTRY

In 2012 Anvisa banned the use of flavoured additives in tobacco products. Over ten years later this norm has still not entered into force due to undue interference from the TI and its allies, who have filed a number of lawsuits against the agency. The TI also received tax exemptions through incentives to cultural activities, meaning the companies received fiscal benefits and improved their images at the same time. In 2022 BAT Brasil was able to get a judicial decision that allowed the company to market and sell their products during Rock in Rio, one of the country's main music festivals, even though the points of sale were not in accordance with the current legislation. BAT also received another benefit from the federal government that allowed the company to access a security area to explore the genetic heritage of five microorganisms. An article by O Joio e o Trigo also found that part of a public funding for tobacco growers aimed at the purchase of machinery had been reactivated.

4. UNNECESSARY INTERACTION

Government officials, notably Fernando Schwanke, National Secretary of Family Agriculture, and Eduardo Leite, governor of the state of Rio Grande do Sul, made declarations in favour of the industry. They also actively participated in events organized by tobacco companies or their allies. The TI established partnerships, made donations, and supported government actions to fight illicit trade, prevent cargo theft and other topics.

5. TRANSPARENCY

Though government officials usually have a public work schedule, details of the topics discussed in meetings are not always readily available. There were records of unregistered meetings between officials and the Tobacco Sectorial Chamber. While Brazil has been discussing the regulation of lobbying activities for a few years the regulation has not yet entered into effect, as such there is no register of industry lobbyists.

6. CONFLICT OF INTEREST

Financial contributions from private companies to political parties and candidates are banned in Brazil, but it was possible to see individuals linked to the TI making donations for political campaigns. The TI and its allies have also hired two former Anvisa directors and former officials to work on their behalf, particularly on the matter of electronic smoking devices - an issue aggravated by the fact that Anvisa is the agency that regulates these products. Brazil's

current Minister of Defense (as of May, 2023), José Múcio Monteiro, was hired in 2021 as a consultant by Philip Morris, where Gabriela Schwanke, daughter of Fernando Schwanke, National Secretary of Family Agriculture until July of 2021, has worked since 2014.

7. PREVENTIVE MEASURES

Most preventive measures that are in effect in Brazil are not specific to the TI. Civil servants of the Executive Branch, for example, must follow a code of conduct and there is a decree to regulate the interactions between public agents and companies in general. Some data regarding the TI and its activities can be found in the Internal Revenue Service and Anvisa's websites - but marketing expenditures and other information are not public. CONICQ had a huge role in raising awareness about FCTC Article 5.3 and in the implementation of preventive measures, and so the lack of activities from the commission has negatively affected this indicator.

Recommendations

1. A complete return of CONICQ is essential to recover tobacco control advances and to articulate FCTC measures' implementation - not only those related to the national coordination of the national tobacco control policy, but also the ones referring to Article 5.3, especially since COP 10 and MOP 3 will be taking place in 2023 and must be protected from tobacco industry interference.
2. It is urgent to increase awareness of Article 5.3 and how it is related to the advances in the national tobacco control policy. There is already some activity in this respect but considering that the score related to the industry's participation in policy development has increased, this recommendation becomes necessary.
3. Tobacco companies and its allies should not be allowed to implement, organize, finance, support, take part nor in any way contribute to CSR projects, actions and events with any government entity or member as is described in FCTC. Donations from the TI and its allies should not be accepted.
4. Tobacco companies should not be allowed to benefit from tax breaks, exemptions, or benefits of any kind. The government should also resume the country's tobacco taxation policy and take measures to assure that TI arguments against taxes, such as allegations that they would raise illicit trade, are answered and not considered during policy development processes.
5. The Brazilian government must improve transparency and implement mechanisms to avoid conflict of interests and undue interference, especially in interactions between government representatives and congressmen with the TI.
6. The government should demand more comprehensive information from the TI, including data regarding marketing expenses, lobbying, corporate social responsibility activities and political contributions.