



# Progress & Perseverance in the Mission to End Smoking

In a year like no other, we remained dedicated to our mission to end smoking



2020 ANNUAL REPORT

“If we do things right, we can prevent the preventable. Tobacco going into the pandemic was the largest preventable cause of death and disease; it remains the largest preventable cause of death and disease”

Dr. Derek Yach.  
Founder & President

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# Foundation for a Smoke-Free World's Mission and Work

The Foundation for a Smoke-Free World was formed in 2017 to reduce the eight million annual deaths caused by tobacco use and address the consequences of reduced demand for tobacco farmers. The Foundation's work focuses on three core areas: Health, Science, and Technology; Agriculture and Livelihoods; and Industry Transformation. The Foundation's work focuses on three core areas: Health, Science, and Technology; Agriculture and Livelihoods; and Industry Transformation.

01

Health, Science, and Technology strives to advance global tobacco research by investing in institutions and projects in countries where most smokers live. To complement ongoing tobacco-control efforts, the Foundation supports the development of innovative cessation and harm-reduction tools. We believe that a focus on both smoking cessation and harm reduction will lead to greater health benefits than focusing on smoking cessation alone.

02

Agriculture and Livelihoods aims to diversify tobacco-dependent economies, including by working with our subsidiary, the Agricultural Transformation Initiative (ATI). In Malawi, the ATI is partnering with agricultural, rural development, and smallholder experts to identify alternative livelihoods for tobacco farmers. Tobacco accounts for more than 60% of the country's total annual export earnings and 13% of the economy as measured by the gross domestic product.

03

Industry Transformation efforts focus on promoting change across the entire global tobacco industry and nicotine ecosystem. The Foundation's first major action in this area is the Tobacco Transformation Index™, which aims to accelerate the reduction of harm caused by tobacco use. The Index ranks the world's 15 largest tobacco companies on their relative progress toward harm reduction.



## A letter from Derek

In 2020, we learned to take nothing for granted. In addition to an incomprehensible loss of life, we also lost comforting rituals, such as going to restaurants, attending concerts, and embracing loved ones. 2021 brought vaccines and, along with them, hope for the res-

toration of normalcy. Yet, as the world rebuilds, many are recognizing that certain aspects of normalcy may not be worthy of restoration.

In the field of tobacco control, the status quo has utterly failed. Over a billion people still smoke worldwide and more than eight million die each year as a result of this habit—despite decades of organized efforts to curb smoking rates. Given these trends, a return to normalcy is an inadequately ambitious goal. The Foundation for a Smoke-Free World was founded on the belief that tobacco control desperately needs new ideas. Since the Foundation's inception, we have worked to identify innovative approaches to smoking cessation and harm reduction, with the goal of ending the use of combustible cigarettes worldwide. As our staff grappled with the effects of COVID-19 on both our personal and

professional lives, we did not lose sight of this goal. On the contrary, the events of 2020 reinvigorated our commitment to public health and shed new light on systemic failures that contribute to the smoking epidemic.

Indeed, the pandemic brought long-needed attention to chronic challenges in public health. Consider, for example, the slew of politicized misinformation surrounding masks. Despite sound science on the topic, ideological messaging led many to forgo these life-saving measures. A similar phenomenon has taken place in conversations surrounding tobacco harm-reduction products (HRPs). Like masks, these products save lives. Yet, their use has been politicized and their benefits clouded by groups who spread falsehoods to serve an ideological agenda. Both cases highlight the need to identify sources of misinformation and curb their spread.

Of course, the pandemic also inspired public health conversations more substantive than an inane mask “debate.” For one thing, COVID underscored the staggering global rates of noncommunicable diseases (NCDs), including those caused by smoking. In the framework of the pandemic, these came to be known as “underlying conditions”—diseases like lung cancer, diabetes, and heart disease—that render an individual particularly vulnerable to the effects of COVID. Yet, even absent a virus, these conditions represent an enormous health burden and account for the majority of the world's premature deaths.

It is troubling that lockdown conditions exacerbated behaviors that often underlie NCDs, such as poor diet, lack of exercise, and alcohol and tobacco use. Thus, as we inoculate ourselves against the virus properly, we must redirect resources to the conditions that preceded and will outlast the pandemic. Indeed, ongoing efforts toward pandemic preparedness should entail not just infrastructure to rapidly develop vaccines, but also measures to prevent and manage NCDs. Unfortunately, the pandemic has already usurped funding from some such efforts. This cannot stand.

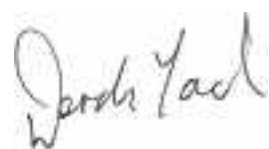
Finally, the pandemic highlighted dramatic health care inequities. Testing and vaccine distribution failed the most vulnerable populations, including marginalized communities, as well as those living in low- and middle-income countries. Historically, tobacco-control efforts have failed these same populations—an unacceptable gap that the Foundation is working to address.

As we emerge from the pandemic, the Foundation's goal remains unchanged: we are committed to ending smoking in this generation. Yet, the events of 2020 point to new strategies that may help us achieve this goal. Namely, we must combat misinformation about tobacco and nicotine, redirect resources to the prevention of NCDs, and ensure that these efforts reach the most vulnerable populations. In 2020, we launched and advanced several initiatives that speak to these priorities. For example:

- We conducted a poll investigating how lockdown conditions affected tobacco consumption, mental health, and other factors among smokers and nicotine users in five countries.
- Our staff and partners contributed to a special issue in *Drugs and Alcohol Today*, which identified shortcomings of tobacco-control orthodoxy. Articles described, among other things, the failure to address smoking rates among women and marginalized communities.
- We released findings from a Global State of Smoking poll, which documented (mis)perceptions about tobacco and nicotine—a first step in reducing false beliefs.
- We sponsored initiatives to better understand HRP misperceptions, including *Burning Issues: The Global State of Harm Reduction* and the *Dubrovnik Consultation Summary*.
- We launched the Tobacco Transformation Index, the first tool to rank the world's 15 largest tobacco companies, which account for nearly 90% of global cigarette volume, on their relative progress toward harm reduction.
- In Malawi, the ATI has made great progress on a number of programs that will help smallholder tobacco farmers transition to alternative livelihoods. This included impactful work within key pillars of the Centre for Agricultural Transformation and the launch of the MwAPATA Institute.

Like most global organizations, the Foundation found that its funding was impacted over the course of 2020. This change accelerated plans to tighten the focus of our research portfolio, which now prioritizes the corroboration of innovative cessation and harm-reduction strategies. This shift also entailed internal restructuring and affected most of our grantees. Although some of these changes were challenging, we ended the year feeling capable and confident in our plans for the future.

**2020 taught us that global health systems are critically flawed. COVID did not create these problems. However, it can motivate us to finally solve them.**



Dr. Derek Yach.  
Founder & President

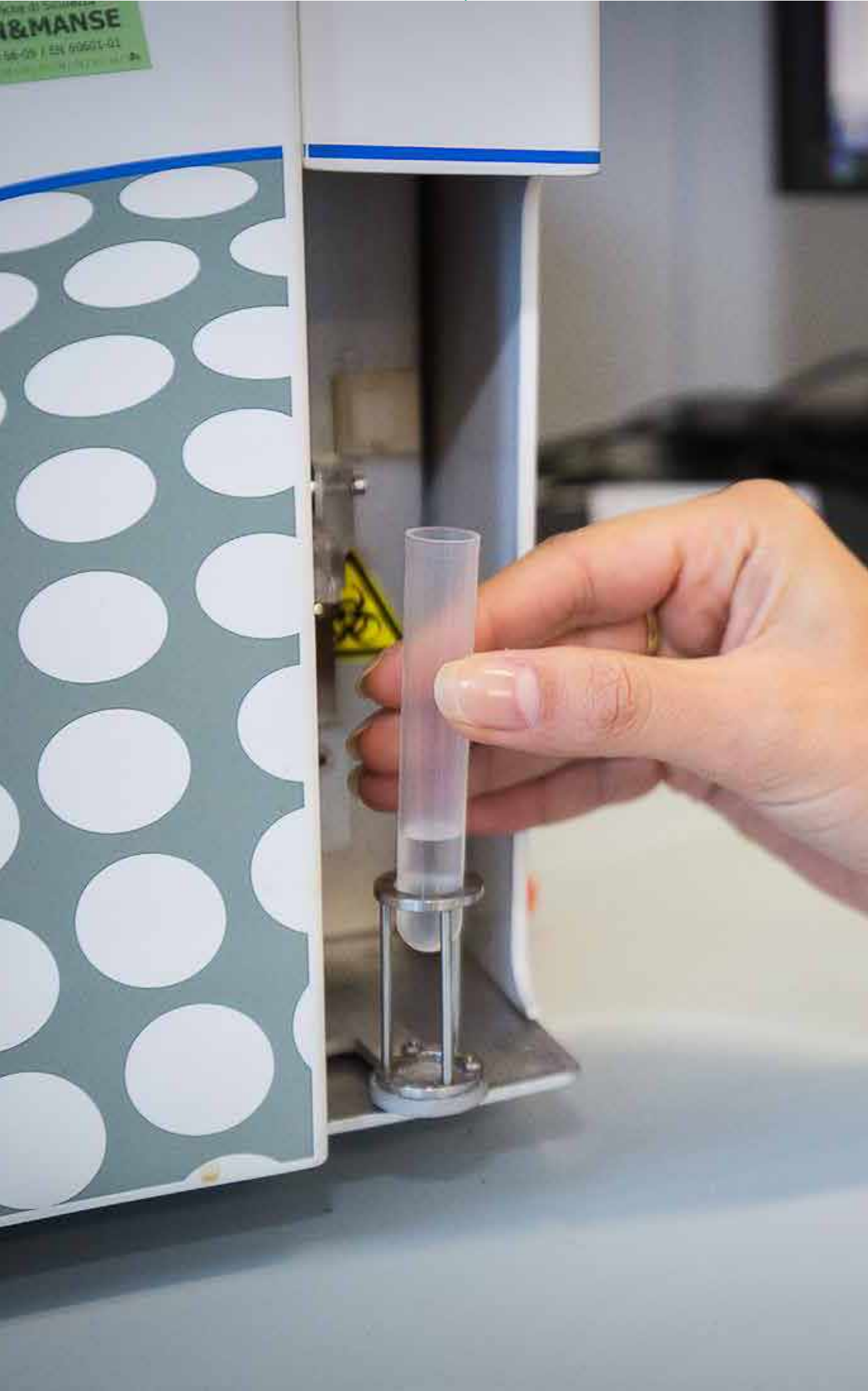


A large, stylized number '73' in a vibrant green color. The number has a layered, shadow effect, giving it a three-dimensional appearance. The '7' is composed of several overlapping rectangular shapes, and the '3' is made of overlapping curved shapes.

million dollars

## 2017 to 2020 Progress Summary

Foundation For A Smoke-Free World has awarded grants for a total of \$73 million since 2017.



# Health, Science and Technology

-Striving to advance global tobacco research by investing in institutions and projects in countries where most smokers live.



# COVID-19



The COVID-19 pandemic presents an unprecedented global health challenge that has highlighted existing gaps in health care. COVID-related deaths and disease in low- and middle-income countries (LMICs) are now equal to deaths and disease in member countries of the Organisation for Economic Co-operation and Development and will soon overtake them. This crisis must be addressed urgently and through broad support. Consistent with our charitable purposes, the Foundation made several grants totaling \$2.1 million that address pressing humanitarian needs created by COVID-19. Additionally, we are supporting research projects that look at the nexus of COVID-19, smoking, and nicotine use.

# COVID-19 Poll

To determine how the COVID-19 lockdowns affected tobacco users, the Foundation commissioned a [flash poll](#) that explored the relationship between social distancing and health. The poll found that the mental and physical toll of the lockdowns was profound for millions of smokers who increased their tobacco intake as a way to cope with the stress.

There were **6,801** tobacco and nicotine users surveyed in five countries (United States, United Kingdom, Italy, South Africa, and India). More than two-thirds of the smokers and vapers normally rely on tobacco and nicotine as their main tool to cope with stress and anxiety, and the poll found a nearly **40% increased use of those products**, which could equate to elevated use by more than 50 million smokers in the five countries polled.

## 6,801

tobacco and nicotine users surveyed in five countries (United States, United Kingdom, Italy, South Africa, and India).

## 40%

increased use of those products, which could equate to elevated use by more than 50 million smokers in the five countries polled.

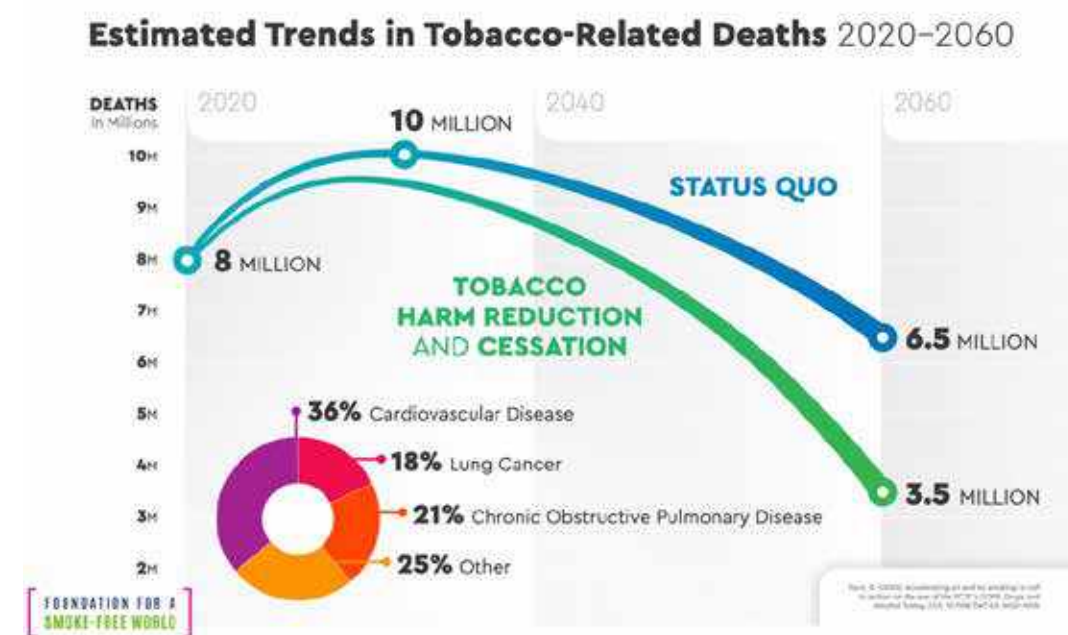
United States

## What percentage of respondents believe that smoking or vaping increase the risk of getting seriously ill from COVID-19?

30% of respondents said smoking will increase risk of getting seriously ill from COVID-19, while 29% of respondents said vaping.



# Health, Science & Technology Projects



## Drugs and Alcohol Today

A special edition of the journal [Drugs and Alcohol Today](#) explored progress toward the goals outlined in the World Health Organization Framework Convention on Tobacco Control (WHO FCTC). The issue also described strategies for improving the FCTC and its implementation. The peer-reviewed articles were written by Foundation staff, grantees, and other prominent experts.

[For more →](#)



## India Country Report

The India report provides a glimpse of the tobacco landscape in the country. Because India is one of the world's largest producers and consumers of tobacco, understanding this landscape and the opportunities to transform it—both literally and figuratively—have never been more important. This is the first in a series of country reports that will fill key knowledge gaps in our collective understanding of tobacco production and use, especially in LMICs.

[View report →](#)



# Cambridge Design Partnership

Cambridge Design Partnership, a UK organization providing product development and innovation, conducted immersive qualitative interviews and ethnographic research in Russia, China, India, and Indonesia. Their paper examines smokers' perceived risk of harm from tobacco and HRP and their constituents. Drawing on both qualitative and quantitative information, the paper compares differing perceptions across LMIC markets and benchmarked them against the case in the UK—a leading HRP adoption market that has overcome many barriers.



[Listen to podcast](#) →





# Industry Transformation

-Industry Transformation efforts focus on promoting change across the entire global tobacco industry and nicotine ecosystem.



# Cultivating and Promoting Industry Transformation



The 2020 [Tobacco Transformation Index™](#) is the first index to rank the world's largest 15 tobacco companies on their relative performance, commitment, and transparency to deliver material progress in supporting tobacco harm reduction. The goal of the Index is to stimulate the external pressure and industry competition needed to take combustion out of the tobacco market. This biennial assessment of tobacco companies evaluates several activities, including strategy and management, product sales, capital allocation, product offers, marketing, and lobbying and advocacy.

[Learn more →](#)



Analysis of the six companies that made public commitments to harm reduction showed that they were allocating between 30% and 90% of their capital and R&D resources to finance investments in reduced-risk product alternatives. However, between 30% and 55% of their marketing budgets were still devoted to high-risk products including cigarettes.

# Goals of the Tobacco Transformation Index

Accelerate the necessary transformation of global tobacco industry and reduction of harm caused by tobacco use.

## 1

Phasing out high-risk tobacco products;

## 2

Developing and responsibly offering reduced-risk alternatives to support current users to move away from high-risk products;

## 3

Preventing access and marketing of such alternatives to all non-smokers and non-users of high-risk products, especially youth; and,

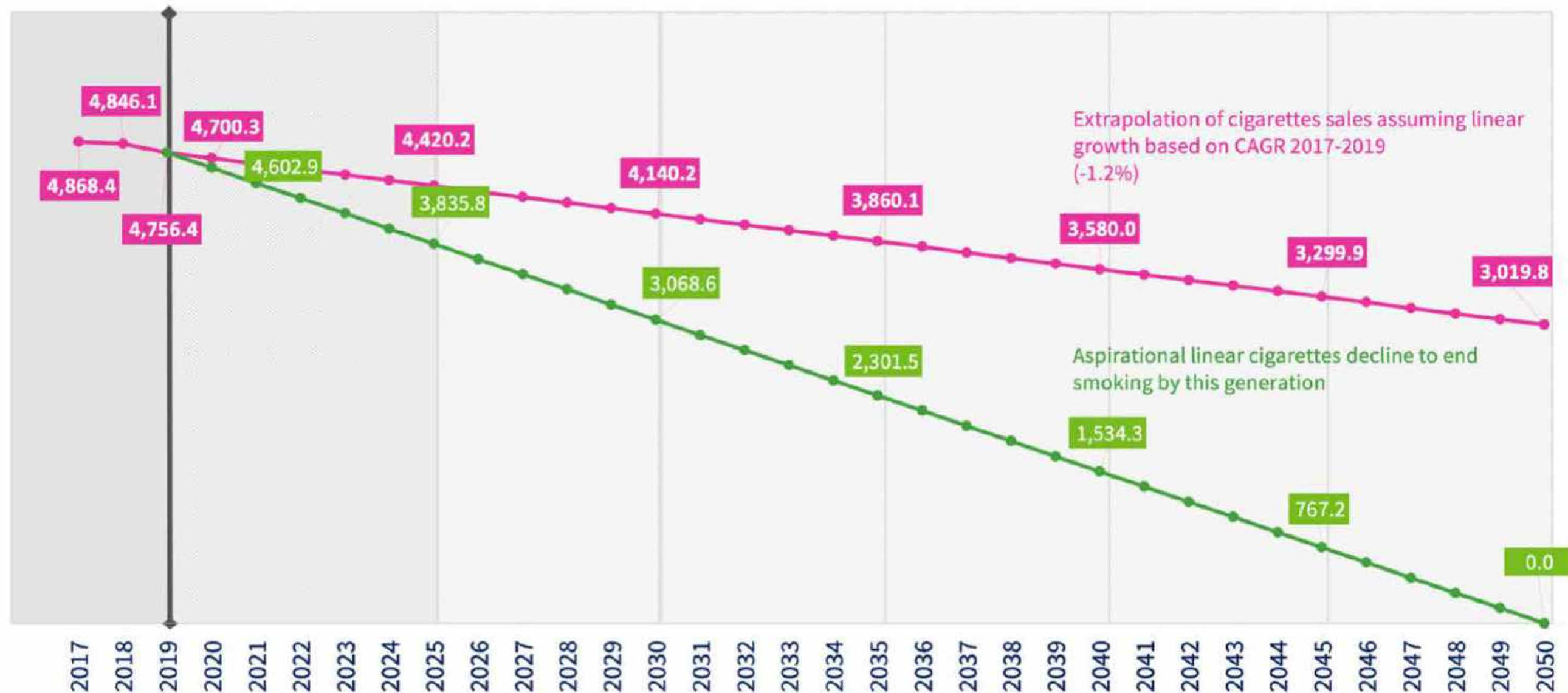
## 4

Ensuring consistency of tobacco harm reduction activities across all markets of operation, within regulatory guidelines.

# Slow Decline in Cigarette Sales Prolongs the Epidemic

Cigarette sales must decline at a faster rate to end smoking in this generation.

2017-2019 Cigarette Volume Sales Globally (Billion Sticks)  
and Extrapolation of Future Data Based on Linear Growth.



# 2020 Index Results



Please use latest versions of Chrome, Firefox or Safari to view the above chart.





# Malawi Initiatives

-Agricultural Transformation Initiative (ATI) is driving change in Malawi.



# Centre for Agricultural Transformation

The Centre for Agricultural Transformation (CAT) is a hub designed to diversify Malawian agriculture and inclusively ease reliance on the tobacco value chain through awareness, deployment, and commercialization of demand- and data-driven research, innovations, technologies, and partnerships. The CAT initiative made significant progress in 2020 through a number of programs, including:

The CAT Science, Technology, and Innovation team produced demonstration plots that attracted 23 commercial companies who signed up as partners to showcase their products, technologies, and innovations. The smallholder farmers who attended the demonstrations were introduced to improved seeds, plant protection products, and plant nutrition products.

# 23

Commercial companies who signed up as partners to showcase their products, technologies, and innovations.







Through a competitive process, the Business and Incubation (BIC) cohort of the CAT selected 18 small and medium enterprises in the agriculture sector that will help identify alternative value chains to support small-holder farmer diversification and the creation of markets.

18

Small and medium enterprises helped identify alternative value chains.



The BIC team also launched its hackathon awareness training with its implementing partners. The theme of the hackathon was “turning farm waste into energy,” which explored how to generate alternative income streams for farming households.



## MwAPATA Institute

The Malawi Agriculture Policy Advancement and Transformation Agenda (MwAPATA) Institute launched with the support of a Foundation grant with Michigan State University (MSU). This policy research will assist smallholder farmers to diversify their production through science-based policy reform. MSU and its partners—the MwAPATA Institute, the National Planning Institute, ORG, and Purdue University—have produced a number of [research papers](#) and briefs. The papers include five thought pieces developed in partnership with the National Planning Commission. These publications have directly contributed to the creation of the successor to Vision 2020 for Malawi, called Malawi 2063.

# Technology-enhanced Finance and Training Extension Pilot

A pilot program spearheaded by Opportunity International allowed them to refine the systems and procedures required to set up Farm Service Agent networks with new partners in Malawi. A total of 10,228 farmers and 75 farmer clubs participated in the pilot project during the 2019-2020 growing season. The Agent networks continued beyond the pilot period and onboarded additional farmer clubs for the 2020-2021 growing season. Additionally, First Capital Bank approved the expansion of financing for soy and groundnut inputs for pilot farmers.

75

Farmer clubs participated in the pilot project

10,228

Farmers participated in the pilot project



# Rebuilding Livelihoods Through Agriculture Recovery

The Farmers Union of Malawi (FUM) recovery program from Cyclone Idai has ended, resulting in 57 hectares of new and rehabilitated, irrigated agricultural lands. Irrigation will expand farm production from a single, rain-fed season to over two growing seasons per year. The increased income will permit farmers to use a revolving fund loan to finance input purchases and aid in their diversification efforts, promoting sustainable agricultural and nutritional alternatives for tobacco farmers. As part of FUM's final recovery program deliverable, these improvements were formally handed over to the communities. The improvements highlighted the impact irrigation can have in helping farmers achieve their diversification agenda.



# COVID-19

The Foundation's COVID-19 grants included support for initiatives with the Government of Malawi that were coordinated by the ATI. ATI partnered with several organizations to provide assistance and services for smallholder farmers and the community during the crisis. This included the following:

- Supporting the establishment of Emergency Treatment Units at Mzimba and Mangochi District Hospitals. Basic equipment and supplies were provided, such as personal protective equipment, and capacity-building efforts were launched to help health care workers and volunteers.
- ATI also partnered with NASFAM and Zodiak Broadcasting Corporation to enhance awareness of COVID-19 and to encourage farming communities to practice all recommended preventive measures. The programming reached more than 1.5 million listeners.





# 2020 Research and Reports

-This year we have been initiating and advancing key Health, Science and Technology research and reports.



# Contradictions and Conflicts



The [Contradictions and Conflicts](#) report identifies contradictions between governments' responsibility to maximize state monopoly profitability and their responsibility to minimize public health risks, and seeks potential solutions. According to the report, nearly 50% of the global combustible cigarette market is controlled by governments that claim commitment to the [WHO FCTC](#). Eight of these FCTC countries own 100% of at least one tobacco company, including China, Iran, Iraq, Lebanon, Syria, Thailand, Tunisia, and Vietnam. Notably, China National Tobacco Corporation controls roughly 44% of the global cigarette market. Contradictions and Conflicts was produced by Just Managing Consulting.

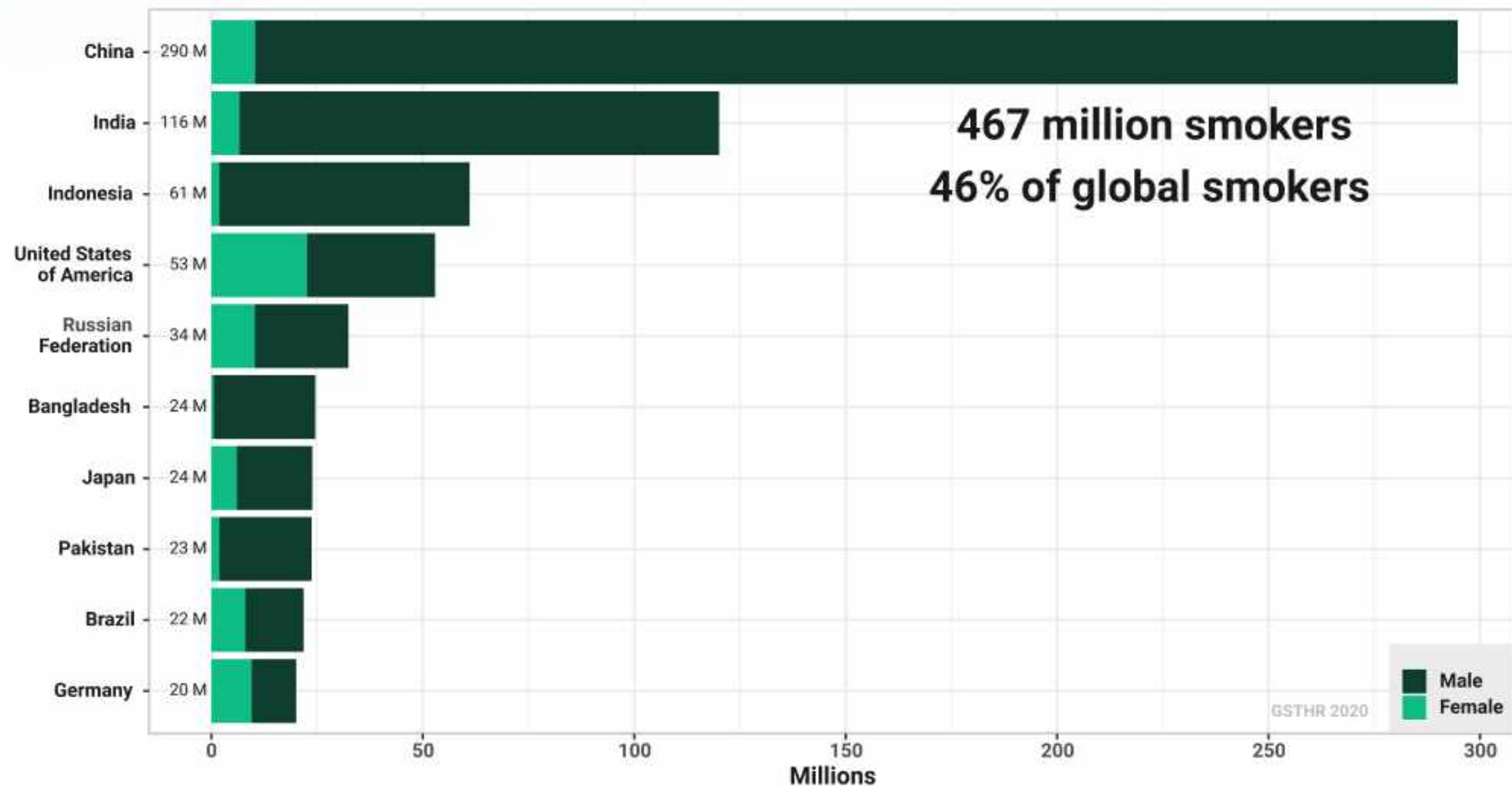
## Burning Issues Report

The [Burning Issues report](#) is the second edition in the Global State of Tobacco Harm Reduction series from UK-based public health agency Knowledge·Action·Change examining the role of tobacco harm reduction. The authors show that there is an urgent need to scale up tobacco harm reduction if its full public health potential is to be realized. They document rapid progress with almost 100 million people now being users of reduced risk products. At the same time they document major regulatory and other obstacles impeding progress. Their first report, No Fire, No Smoke, published in 2018, documents the history and development of harm reduction, as well as the use, availability, and regulatory responses to safer nicotine products around the world.



# Countries with the highest number of current tobacco smokers

Population 2018, 15+



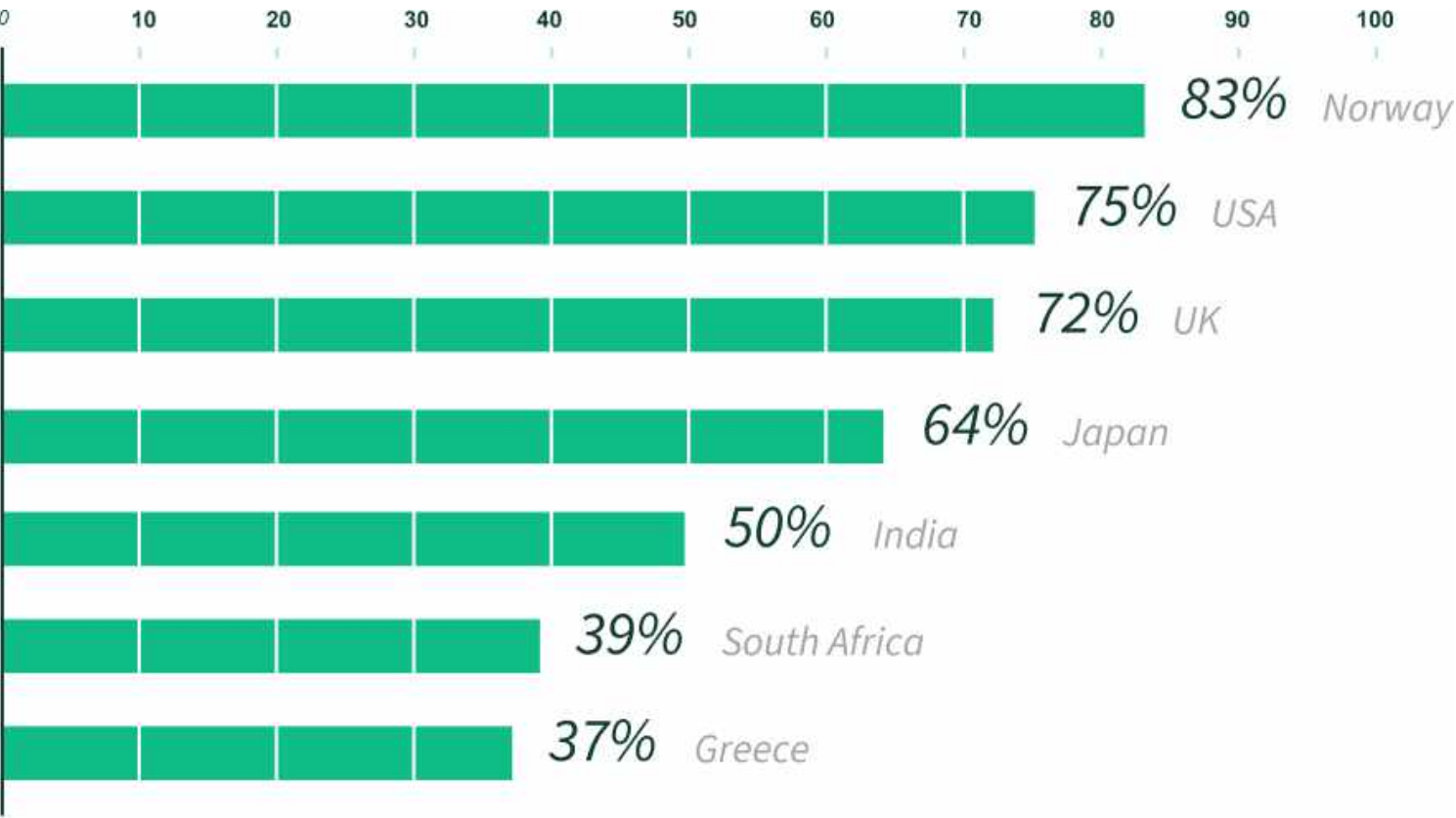
# Global State of Smoking Poll

The Foundation’s 2019 [Global State of Smoking Poll](#) provided an extensive evaluation of smoking behaviors and the use of alternative nicotine products, as well as beliefs and perceptions regarding the harmfulness of various nicotine products. More than 54,000 current and former tobacco and HRP users were surveyed in seven countries (United States, United Kingdom, India, Japan, Norway, Greece, and South Africa) in 2019, and the results were released in 2020. In six of the seven countries, more than half of those surveyed incorrectly identified nicotine as the primary cause of tobacco-related cancer (in the seventh country, Greece, 45% held this misperception). Nicotine causes addiction, but most medical researchers agree that it is not a carcinogen.

In the [Foundation’s 2017 Global State of Smoking Poll](#), an average of 50% of smokers believed that e-cigarettes are less harmful than combustible cigarettes.

The 2019 poll suggests that the number of **smokers holding this belief has dropped by 5% to 14%** in the United States, United Kingdom, South Africa, and Japan. These misperceptions are keeping many smokers from switching to alternative nicotine products such as snus and electronic cigarettes, despite the growing evidence that they pose significantly less risk than combustible products.

## Percentage of respondents who answered YES when asked in the past, have you ever made a serious attempt to quit smoking?



## EU Menthol Ban Surveys

The European Union (EU) ban on the manufacture and sale of menthol cigarettes went into effect for the Union's 27 member countries in May 2020. The ban was meant to discourage people from starting smoking or encourage them to quit. However, surveys of adult menthol cigarette smokers in eight EU countries before and after the menthol cigarette ban found that the ban had limited impact on smoking prevalence in the EU.

Commissioned by the Foundation, these surveys provide key messages for the United States, which is the largest menthol cigarette market in the world.

A ban on menthol cigarettes will save lives, but this action must be taken in conjunction with other actions that will help smokers addicted to combustible cigarettes. Concomitant strategies should include ensuring the availability of menthol-flavored HRPs such as e-cigarettes and encouraging their use to reduce risk, tightening efforts to restrict access to these products by teens, and providing accurate information about nicotine. [Our research](#) has found that the public struggles to distinguish between the health impacts of nicotine and those of tobacco.

[View survey](#) →

## 2020 Publications and Reports

View all 2020 Publications and Reports by the Foundation for a Smoke-Free World and its partners.

[Get access](#) →





# Looking Ahead: Priorities for 2021



# Interventions to Correct Misinformation



To counter global misinformation about nicotine, the Foundation is launching the [UnderstandingNicotine.org](https://UnderstandingNicotine.org) website to provide timely information on the latest nicotine research and products. The goal is for the site to become a valuable resource for the global health community and consumers who want to get facts about nicotine. It will leverage real-time data about consumer issues, scientific research, and innovative products to communicate the latest developments in the fields of nicotine science and smoking cessation.

## COP9

The WHO FCTC provides guidelines for national governments to reduce tobacco use. WHO will convene its ninth [Conference of the Parties \(COP9\)](#) in November 2021 to discuss ways in which the FCTC can be improved. The Foundation and its partners will publish articles and reports to drive discussions about strength-ening the Articles of FCTC for cessation and harm reduction. We will present the latest knowledge and data in this area while continuing to assess the research needed to address them.



# Our subsidiary in Malawi, the Agricultural Transformation Initiative, will focus on the following:

## Human Capacity Development

Twenty-seven Malawians will receive scholarships from the Institute of International Education (IIE) under the Agricultural Transformation Initiative [Fellowship and Scholarship Fund \(ATI FSF\)](#). The aim of the ATI FSF is to strengthen the capacity of researchers and professionals in Malawi in high-priority fields that will help the country transform its agricultural sector by reducing dependence on tobacco exports. The ATI FSF is providing 19 scholarships for master's study and eight awards for postdoctoral research in agriculture, business, data science, economics, ecology/environment, and engineering. Supported through a grant from the Foundation for a Smoke-Free World, the ATI FSF is administered by IIE. ATI will continue building partnerships with various academic institutions, the private sector, and other development partners to increase the number of supported students.

## Enhancing Technology Adoption and Building Resilience by Smallholder Farmers

The Centre for Agricultural Transformation (CAT) will host a series of farmer field days to promote new technologies presented by private-sector companies in a quest to promote smallholder diversification from tobacco. ATI will also focus on building farmer resilience through promotion of bamboo, among other interventions to be implemented with its partners.