

16 November 2017

Dear Dr Yach

Foundation for a Smoke-free World and Philip Morris International

We have noted the controversy surrounding the launch of the Foundation For a Smoke-Free World (FSFW, “the Foundation”). This letter does not in any way constitute an endorsement of either the Foundation or Philip Morris International (PMI), the founding funder. Its purpose is to present a challenge to the financing and governance arrangements of the Foundation.

Like others, we are concerned about the role and influence of the Foundation’s primary funder, Philip Morris International (PMI), a multinational tobacco corporation, and conflicts of interest that may compromise the integrity of the scientific process. As you know, these companies come with a long history of deceit and self-interested manipulation of science.

On the other hand, we are open to any initiative that can expand the pool of high quality, objective and relevant science or other analysis in support of the goal of eliminating smoking worldwide. Given the scale of the epidemic of smoking-related disease, we should be willing to explore every possible avenue for addressing the challenges that lie ahead, including this.

To participate effectively and openly in the scientific and analytical endeavour to tackle this epidemic, we believe the Foundation needs to meet a number of conditions concerning its financing and governance to address the widely-held concerns about its source of funds. If such conditions were met, we believe many of the concerns that have been raised so far would have been addressed, and individuals and organisations would be in a position to re-evaluate their approach to the Foundation. In providing the twelve points of advice below, we have also been mindful of the Cohen et al (2009) paper¹ evaluating models of industry funding, which we believe provides a valuable perspective.

Given the Foundation is still in its formative phase, we offer this advice without prejudice and reserve our position as individuals and institutions until more complete information about the financing, governance, management and activities of the Foundation is available.

- 1. Independence of the Foundation.** The funding relationship between PMI and the Foundation should be completely independent after the initial commitment. The grant should function like an endowment, with full responsibility for strategy and operations transferred to the Foundation’s Board of Directors (“the Board”) from the commencement of the Foundation’s main activities. Showing the funder no longer has involvement in or influence on the activities of the Foundation will be critical to winning confidence and building trust.
- 2. Irrevocable funding and transfer of fiduciary responsibility to the Board of Directors.** The most obvious way to achieve independence is for PMI to provide an upfront one-off lump sum endowment. If that is impractical for legal or accounting

¹ Cohen JE, Zeller M, Eissenberg T, Parascandola M, O’Keefe R, Planinac L, Leischow S. Criteria for evaluating tobacco control research funding programs and their application to models that include financial support from the tobacco industry *Tob Control*. BMJ Publishing Group Ltd; 2009 Jun 1;18(3):228–34. [\[link\]](#)

reasons, and the funds have to be paid in instalments, then some way to achieve the equivalent effect will need to be found, possibly using a financial intermediary. It is not for us to specify the means by which this is achieved, but to be clear that, however it is done, the commitment from PMI must be the total amount and irrevocable.

Responsibility for the Foundation's funds must be transferred unambiguously to an independent Board of Directors from the outset, whether provided as a lump sum or an irrevocably committed payment stream.

3. **Repeat funding should not be considered.** PMI's commitment should be once-only. If the Board of Directors were to seek further funds from PMI during the initial twelve-year commitment period or a replenishment after year twelve, then the prospect of attracting further funding creates a new conflict of interest.
4. **If any, only a short window should be offered to other tobacco companies to co-fund.** The attraction of funds from other tobacco companies could create new competing interests if they are allowed to join with the PMI funding beyond an initial start-up period (say, the first 12 months). The Foundation should be closed to all other tobacco funding within a short window after the initial endowment is established.
5. **Funding diversity.** The Foundation should aim to diversify its funding base, especially to support third-party scrutiny (see 8 below), by seeking other donors with established credentials and in public health or relevant fields with no conflicting interests. We recognise diversified funding cannot be guaranteed in advance, but an aim to achieve funding diversity should be a clear objective of the Foundation and pursued vigorously. This diversification will be more likely to succeed if the advice in this letter is heeded.
6. **The Board of Directors.** The key guarantor of the independence of the Foundation will be the Board of Directors and the system of governance with which the Foundation conducts its business. We cannot set objective criteria for the quality of the Board, but we would expect to see people appointed with the stature, diversity and motivation to build trust in the independence and relevance of the Foundation. The Board should have a best-practice code with respect to any conflicts of interest among its members, including on the eligibility of Board members for Foundation funding. The Board members' involvement should be motivated by public benefit, not compensation. Payments to Board members should extend to reasonable expenses and modest honoraria only.
7. **Board position for SRNT.** A connection with the mainstream nicotine and tobacco research community should be established through the Society for Research on Tobacco and Nicotine (SRNT). The Foundation could offer the option of a Board position or Board observer status. In the event of SRNT nominating a Board member, the nominee would need to assume the legal and fiduciary obligations of a Foundation trustee and the candidate be acceptable to both SRNT and the Foundation's Board of Directors. The offer would be made by the Foundation, but SRNT would be free to respond as it sees fit.
8. **External scrutiny.** Given its controversial nature, the Foundation should submit itself to an exacting external scrutiny and audit regime, which should be independently funded. The focus of such an effort would be two-fold:

- 1) To confirm that the finance and business practices of the Foundation are beyond reproach; and
- 2) To provide independent critical feedback on the programmatic, scientific investments of the Foundation.

For relatively modest expenditure, a third party could quality-assure or challenge the much larger flow of funds through the Foundation. We recognise that external funding may take time to arrange and is not under the direct control of the Foundation, but it would be useful to see proposals for independent scrutiny defined within the Foundation's governance model.

9. **The Foundation's grant system.** A transparent process for governance (for example, a science committee, internal and external peer review), priority-setting (including investigator-initiated proposals), grant allocation and grant management would add confidence that the decision-making in the Foundation was independent and driven by genuine need and sound science, with grants awarded on merit. Reasoned arguments and feedback should be provided to grant applicants. At present, the design of the Foundation's decision-making and management system is incomplete and we assume will be based on early decisions taken by a newly appointed Board of Directors.
10. **A preference for funding capabilities rather than projects.** An extra level of independence would be achieved by supporting 'centres of excellence' with relatively broad remit and a high degree of delegation to the centre to set its priorities within the remit set by the Foundation. While the Foundation should not exclude project funding, we also recognise that the centres-of-excellence approach has several additional advantages in terms of scale, efficiency, and best-practice in foundation funding.
11. **Transparency in business and governance.** Governance meetings should be documented and published online. A commitment to publish everything funded or commissioned by the Foundation should be made, even if it produces findings that are unwelcome to the tobacco industry or the Foundation. No preferential access to Foundation resources should be offered to funders or their affiliates and there should be no vetting of any outputs.
12. **Public relations.** Tobacco companies such as PMI should not deny or conceal their founding support for the Foundation. However, the Foundation should monitor any misuse of its work or inappropriate public relations.

We look forward to hearing a more fully articulated account of the proposed funding and governance arrangements for the Foundation than we have seen so far. We hope that the guidance we have provided above is helpful and will allow the Foundation to play a useful role in tackling the global toll disease and death caused by tobacco.

Further, we believe this should become part of a wider dialogue about the role and conduct of the tobacco industry with respect to the Foundation's goal "*to accelerate global efforts to reduce health impacts and deaths from smoking, with the goal of ultimately eliminating smoking worldwide*" and the industry's efforts to undermine and legally challenge the tobacco control agenda developed in the FCTC.

Please contact us if you would like to discuss or clarify any of the above.

We look forward to receiving a considered response and more detailed information on the financing, governance and operational arrangements of the Foundation, which we hope and expect will be of wider interest.

Yours sincerely

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