Cancer Research UK International Cancer Prevention Programme

Harnessing the power of thinktanks to influence policy change in Sri Lanka and Nepal







Tobacco Control Research into Policy Programme 2019 – 2024

Together we are beating cancer



# Overview

National economic thinktanks are ideally placed to publish locally tailored, policy-relevant evidence to influence policy on tobacco taxation. The Nepal Development Research Institute (NDRI), the Institute of Policy Studies of Sri Lanka (IPS), Kivu International and Cancer Research UK have brought together our complementary resources to influence tobacco tax increases in Nepal and Sri Lanka.

## Nepal

NDRI's work has increased the prominence of tobacco in public discourse and parliamentary discussion. It has contributed to two increases in excise duties – a 25% rise in 2021 and a further 20% increase in 2022 – the largest increases in at least a decade. NDRI also produced the first national study of illicit tobacco trade. It showed that less than 1% of cigarette packets were found to be illegal, countering tobacco industry arguments that tax rises lead to increases in illicit trade. These findings helped inform the May 2022 budget.

IPS' research and influencing helped to introduce an 8% increase in tobacco taxation in the November 2021 budget, a 20% increase in excise duty in January 2023 and another similar increase in July 2023. IPS also developed a new tax indexation formula for tobacco and made recommendations for its adoption to key government policymakers.

## Sri Lanka

This high level of impact resulted from an effective partnership between local organisations - embedded in their country's political context – and expert tobacco control and policyinfluencing organisations. The programme was highly locally led and highly context-specific, but it drew on world leading international advice to support and maximise impact.

This document showcases the Tobacco Control Research into Policy Programme's results and lessons to date, highlighting key success factors to share learning and insights for future collaborations.



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# Background

If organisations that share the same values work together, we can have a much bigger impact on policy. This document showcases how multiple stakeholders came together through the Tobacco Control Research into Policy Programme (TCP) to harness their different knowledge, expertise and finance to drive increases in tobacco taxes in Nepal and Sri Lanka.

The TCP was funded by Cancer Research UK (CRUK) and delivered in collaboration with Kivu International (Kivu), the Nepal Development Research Institute (NDRI), the Institute of Policy Studies of Sri Lanka (IPS) and other national stakeholders.

The **first phase** of the programme, from 2019–2021, aimed to:

- increase the supply of locally tailored, policy-relevant and politically informed research on the economics of tobacco control
- strengthen and expand the tobacco control capacity and influence of NDRI and IPS – both well-established national thinktanks

The **second phase**, from 2021–2024, adopts a more ambitious coalition-based approach.

The focus is on establishing coalitions with key stakeholders in each country and using the research findings to design targeted policy influencing strategies.

### Price and tax measures to reduce the demand for tobacco – Article 6, WHO FCTC[1]

The 2005 World Health Organization Framework Convention on Tobacco Control (WHO FCTC) sets out a roadmap of evidence-based policy interventions to curb the supply and demand for tobacco products. Article 6 states that tax and price policies must be in place to reduce tobacco use, as an essential element of tobacco control policies and efforts to improve public health, as higher taxes lessen demand.

Tobacco taxes should be implemented as part of a comprehensive tobacco control strategy in line with other articles of the WHO FCTC. Sri Lankan woman showing her textile store Photo credits: Getty Images





### The context



Men making beedis Photo credits: Getty Images/ Bloomberg

Taxing tobacco is recommended by WHO as a key intervention to reduce tobacco consumption. For every 10% increase in the cost of tobacco, there's a 4-8% decrease in consumption. [3] The WHO recommended tax is 75% of the retail price of tobacco products.

While an impressive global evidence base exists, effective policy influencing depends on context-specific policy research and longstanding relationships between national stakeholders, to identify opportunities for influencing policy in an ever-changing political environment.

# 80%

# 50% -

80% of the world's 1.3 billion smokers live in low- and middle-income countries. [2] Tobacco kills up to 50% of its users.

However, there is a lack of locally generated and politically informed research on tobacco taxation in LMICs. National research organisations and thinktanks are best placed to understand what aspects of tobacco control policy to focus on, and to develop research agendas and taxation policy proposals that are tailored to the current political context. The TCP sought to harness the potential of two national thinktanks to address this evidence and policy advocacy gap.

### National context overview

### Nepal

Despite efforts to reduce it, smoking prevalence remains high compared to other low-resource countries. At the beginning of the TCP it was 32%.[4]

## Sri Lanka

With established tobacco control policies in place, smoking prevalence is comparatively low, with a rate of between 9–14%[5] when the TCP began. The TCP intended to build on recent tobacco control policy progress and to reduce the rate further. Since 2019, the political and economic landscape has shifted significantly in both countries. Government upheaval and change, widespread social unrest, COVID-19 and economic crises have created a dynamic and challenging context for engagement on tobacco policy issues.



Image of shop selling tobacco products in Nepal Photo credits: Natalie Varney-Hopkins, CRUK Global team

## The collaboration

The TCP is delivered by different stakeholders working collectively, to reach a goal we couldn't achieve alone. The collaboration builds on the shared aims, experience and complementary assets of each partner. Here are the key partners and their contributions.

### Nepal

#### Nepal Development Research Institute

- Well-regarded independent national thinktank
- Established in 2004, delivering interdisciplinary quality research
- Strong links to academia, political bodies and government institutions
- In-depth knowledge of national context/ culture

### **Nepal partners**

- Annapurna Medi Network (AMN)
- Digital Broadcast Initiative Equal Access (DBI EA)
- The Nepal Cance Relief Society (NCRS)
- The Nepal Medic Association (NMA
- YUWA a youth advocacy group

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# TCP results to date

### The TCP is achieving its objectives in terms of:

- increasing tobacco taxation - with three increases in each country over the lifetime of the programme.
- building strong relationships and national coalitions.
- strengthening organisational capacity on tobacco control and policy advocacy.

## Impact on tobacco taxation policy

NDRI and IPS had extensive experience of conducting economic policy research and already benefited from established networks of academic, civil society and government contacts. However, neither had focused extensively on tobacco control[6] prior to the TCP and both expressed interest in enhancing their capacity and influence in this area. Kivu provided hands-on, peer-topeer mentoring to support the development of tobacco policy research and shape results for targeted political influencing around tax and pricing rates, in line with Article 6 of the FCTC.

During phase one, TCP activities focused on developing a deep understanding of the political, economic and policy contexts, and how they shape tobacco control policy. NDRI and IPS, with support from Kivu, conducted ongoing assessment and monitoring of the national political contexts, including stakeholder mapping and political economy analyses. For each

thinktank, the results were used to inform their tobacco control research agendas, the design of policy influencing strategies and the relationships that each required with relevant stakeholders to deliver them.

Building on these relationships, evidence generated from phase one and NDRI's and IPS' positions as well-respected national voices on tobacco control, the TCP shifted gear in phase two towards more targeted policy influencing with key coalition partners. Strategic and complementary public and private advocacy activities, each conducted with relevant and influential partners, focused on key policy influencing opportunities, including annual budgets (Nepal and Sri Lanka) and national elections (Nepal).

The TCP has achieved impressive taxation policy results to date and continues to engage with and influence policymakers in both countries. Successes include:

- Nepal: A 25% increase in excise duties and a 20% increase in the Health Hazard Tax in May 2021 – the largest increase in at least a decade. Nepal announced a further 20% increase in excise duties in its May 2022 budget. NDRI has also produced the first national study [7] of illicit trade in Nepal, which showed that less than 1% of cigarette packets were found to be illegal, countering tobacco industry arguments that tax rises lead to increases in illicit trade. These findings helped inform the May 2022 budget.
- Sri Lanka: An 8% increase in tobacco taxation in the November 2021 budget - the first increase in three years. In addition, there was a 20% increase in excise duty in January 2023 and another similar increase in July 2023. IPS has also developed a new tax indexation formula for tobacco and made recommendations for its adoption to key government policymakers.





#### **Key success factors:**

- Impact first the programme focused on identifying shared aims (such as increases in tobacco taxation), recognising that to achieve them would require evolving strategies to tailor messages to influential stakeholders and identify opportunities for influence. The scope of the TCP was specifically focused on tobacco economics and particularly taxation, which enabled partners to foster relationships with targeted tobacco control and non-communicable disease (NCD) stakeholders. Recognising that policy influence cannot happen overnight, the TCP was designed as a multi-year, relatively responsive programme providing flexible support to its partners.
- **Context is key** it is vital to regularly assess the context and its influence on opportunities for political engagement with government. Both NDRI and IPS have faced significant political, economic and social upheaval in their respective countries since 2019, contending with government changes, social unrest,

COVID-19, tobacco industry pushback and economic crises. These contextual shifts have narrowed the window for policy influencing and important political actors have changed in each country throughout the course of the TCP. NDRI's, IPS' and Kivu's continuous contextual and political intelligence gathering helped the TCP identify the implications of such changes, to adapt to new priorities and reframe policy recommendations to new government stakeholders. Kivu noted that the policy results seen to date are the quickest they have seen in their experience.

• Strategic adaptation and flexibility – the significant contextual shifts encouraged the TCP to adopt a highly reactive and opportunistic position, adapting activities to capitalise on the changes. For example, as part of the pre-election campaign, NDRI and Kivu learned that engaging election candidates from across the political spectrum through a pledge signing campaign was an effective way to raise awareness. In 2022, IPS re-framed

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### Over 25 policy research outputs

# 50 <

### Over 50 appearances by IPS and NDRI in national media

the case for raising tobacco taxation around the new government's stated objective to increase revenue and ease the debt situation.

Locally led research and

**communications** – national level policy changes are best led by national actors with in-depth knowledge of the context, culture and ways of working. In both countries, robust evidence was locally generated by well-regarded researchers able to adopt state-of-the-art global research methodologies and use insights on global best practices. Both NDRI and IPS worked with other relevant and influential national tobacco control stakeholders, including the media, to communicate policy recommendations and complementary messages to different audiences. Beyond economic evidence sharing, informal influencing was also vital.

• Address pushback proactively - in response to NDRI's and IPS' high profile work, the tobacco industry in each

country has used various tactics to try and discredit their research. In Sri Lanka, the Ceylon Tobacco Company has published critical articles in response to IPS' blogs and media coverage. In response, IPS and partners continued public engagement activities to keep tobacco control on the agenda and conducted additional research to prepare for and refute the tobacco industry's arguments. In Nepal, Surya Nepal Private Limited, a leading cigarette company, has claimed that a rise in taxes could lead to an increase in illicit trade, especially from India, and has continually lobbied the government not to increase cigarette taxes further. In turn, government officials and policymakers have also been concerned that increasing tax would lead to more illicit trade. In response, NDRI conducted a study on the illicit cigarette market in Nepal. The findings showed a market share of just 0.33%, suggesting that the industry's statement of 25% was grossly overstated and unsubstantiated.





## Building strong relationships and coalitions

#### Initial scoping and context analysis

CRUK and Kivu invested significant resources at the beginning of the TCP to analyse where a thinktank-focused programme could have the most policy impact and identify partners with the necessary experience, skills and interests to lead it. Through country-level scoping, Nepal and Sri Lanka were prioritised as CRUK could also support the UK-funded FCTC 2030 project [8] through civil society engagement, there was the potential for policy influence, and the two respected thinktanks NDRI and IPS were willing to bring their experience to bear on the topic of tobacco economics. Once on board,

both thinktanks, with Kivu's technical support on policy influencing, did preparation to better understand national policy and tax structures for tobacco and identify influential tobacco control stakeholders. This analysis informed the development of contextspecific research, stakeholder engagement activities, and locally led policy-influencing strategies.

#### Building partner relationships

The TCP aimed to build on partners' assets, interests and incentives. Each partner brings its own specialist knowledge and networks to the programme and partners have built relationships together to share and exchange expertise.



### **Cancer Research UK**

CRUK's existing International Cancer Prevention Programme (ICPP) supports research partners in LMICs to gather evidence and influence tobacco control policy. Through the TCP, ICPP aimed to better understand and support the role that thinktanks can play in influencing tobacco control policy. It provides funding for the TCP and links to global tobacco control and public health actors.

### **Kivu International**

Kivu supports politically informed, locally led policy change, with a focus on strengthening the capacity of thinktanks and research institutes. Kivu's advice and expertise is informed by the team's extensive first-hand experience working across policy making and supporting local partners in several LMICs over the last ten years. Kivu supports IPS and NDRI in their shift towards using their robust research and analysis for proactive and targeted policy influencing.

### Nepal Development **Research Institute**

Established in 2004, NDRI is an independent, non-profit thinktank dedicated to addressing current and emerging challenges through quality research for evidence-based policy and programming. NDRI aims to strengthen links between policy makers, academia and different national and international organisations.

### The Institute of Policy Studies of Sri Lanka

Established in 1990, IPS is an independent economic thinktank, conducting highquality, policy-relevant research for evidence-based policy making and implementation. IPS works closely with the government, private sector, development partners, civil society and academia.









View from a tuk tuk in Sri Lanka Photo credits: Getty Images



### Key partners in Nepal

- Annapurna Media Network (AMN) – a national multimedia network with country-wide reach.
- Digital Broadcast Initiative Equal Access (DBI EA) – a member-based, non-profit media organization.
- The Nepal Cancer Relief Society (NCRS) – an influential advocacy group with high-level political connections.
- The Nepal Medical Association (NMA) – a national body for medical and dental professionals.
- YUWA a youth advocacy group.

### Key partners in Sri Lanka

- Alcohol and Drug Information Centre (ADIC) – an anti-tobacco, drugs and alcohol campaigning organisation.
- Centre for Combatting Tobacco (CCT) – monitors tobacco industry activities at the University of Colombo.
- National Authority on Tobacco and Alcohol (NATA) – a government agency responsible for tobacco policy.
- Sri Lankan Medical Association (SMLA) – a medical professional body with a Tobacco Expert Committee.

Working in collaboration was critical at all levels - it enabled us to target all resources for maximum impact.

9 coalition partners supporting in country advocacy

#### Governance and accountability

Multi-partner agreements [9] ensured partners would deliver on their commitments by laying out terms, roles and responsibilities. The agreements outlined the intended results and highlighted that partners could take a flexible approach to achieving them based on contextual need. Relationships were intended to be transparent and equitable. For example, all partners retained the rights to their intellectual property.

#### Using coalition partners

The TCP conducted a review exercise at the end of the first two-year phase, which resulted in a shift towards working with additional partners and proactive coalition building (the latter notably in Nepal). The programme identified influential national

stakeholders and brought them into the collaboration. These partners supported the overall goal of the TCP and were able to reach different audiences and leverage different political connections for influencing. For example, NDRI's partnership with the Nepal Cancer Relief Society resulted in joint workshops for local political leaders on tobacco taxation, which led to meetings with senior political actors including the Health Secretary, **Revenue Secretary and Speaker** of the House. These high-level political connections were vital in the lead-up to elections to gain support for increased tobacco taxation.







Nepal's former Prime Minister Sher Bahadur Deuba unveiling Health Impact Report Photo credits: NDRI TCP team



#### **Key success factors:**

#### Proactive relationship management

- CRUK and Kivu took a purposeful and considered approach to identifying NDRI and IPS as lead national partners and to building transparent and open relationships with them. The collaboration also enjoyed senior level buy-in and commitments from all partners from the start. Thanks to low staff turnover for each partner, it benefited from having consistent and strong team leaders throughout. Ways of working were collegial and constructive, with partners showing mutual respect. Partners felt that this way of working contributed to the impact that TCP has had in a short time frame. Strong relationships were also built with other relevant national stakeholders to harness shared goals, resources and networks.
- Strategic adaptation thanks to the flexibility that was built in from the start, approaches, milestones and stakeholder relationships could be reframed and adapted in line with shifting contextual needs over the course of the programme. This proved vital during the COVID-19

pandemic and significant political and economic upheaval in both countries, which required different ways of working (such as more virtual methods) and ongoing strategic adaptation.

 Identifying opportunities for impact – through relationships with government actors, NDRI and IPS could engage directly to address emerging research questions or concerns and develop arguments to counter pushback, such as from the tobacco industry. For example, the Nepal Revenue Advisory Board commissioned NDRI to produce taxation proposals for the budget and the Senior Economic Adviser at the Ministry of Finance. Similarly, IPS has developed a solid relationship with the National Authority on Tobacco and Alcohol Subcommittee on Tobacco Taxation. This has helped align their mutual ideas into tobacco policy reform discussions and progress, for example around the Special Goods and Services Tax, the taxation index and the potential ban on single stick sales.















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## Strengthening organisational capacity

One of the key objectives of the TCP was to support Kivu, NDRI and IPS to enhance their knowledge of and influence in the tobacco control domain, in particular strengthening IPS' and NDRI's advocacy and influencing skills, knowledge and practices. Although both thinktanks were greatly respected for their research and policy analysis, the tailored, hands-on capacity strengthening support from Kivu has enabled NDRI and IPS to expand their knowledge of, and approach to, strategic policy advocacy. It's also helped them become more recognised and established actors in national tobacco control communities.

### Key success factors:

 The value of a 'learning through doing' model - Kivu provided ongoing mentoring and tailored advice for the NDRI and IPS teams on the practical implementation of policy influencing activities. This included how they think about framing policy change, determining which research to conduct for most impact, and identifying influential stakeholders to target. This involved, for example, supporting NDRI with the production of high-quality policy outputs and the design and delivery of an effective advocacy strategy. Kivu also ran organisation-wide capacity development sessions with all NDRI staff on approaches to politically informed policy influencing. For IPS, Kivu provided detailed input into the framing, structure and drafting of research reports and accompanying blogs. They also helped IPS to address other identified capacity gaps, such as strategic media communications.

Kivu, NDRI and IPS have all enhanced their knowledge and understanding of tobacco economics and taxation policy.

 Institutionalising the knowledge and learning - NDRI and IPS have embedded the policy influencing approaches at an institutional level and are actively using the lessons learned to work with additional funders on other NCD-related policy analysis. NDRI and IPS are also working to build further partnerships in their respective countries to ensure these policy gains are maintained, by proactively countering pushback from the tobacco industry and building support for future tax increases. During the final year of the TCP, Kivu will also support NDRI and IPS to effectively plan their future work on tobacco control, to make sure momentum is maintained and gains are sustained.

Interactive workshop in Nepal regarding tobacco tax raise Photo credits: NDRI TCP





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# **Conclusion and** recommendations

The TCP offers valuable insights that can be built on for future research and policy collaborations.

Importantly, as a multi-year commitment it was able to harness the complementary resources of its partners and other national stakeholders to adapt to significant contextual changes. In both Nepal and Sri Lanka, tobacco control policy advocacy required robust and targeted research. This research then had to be framed to resonate with shifting government priorities and engage multiple influential tobacco control actors. Having contributed significantly to the prominence of tobacco control in public discourse and to tax rises over the past few years, the momentum and relationships built by NDRI and IPS will strongly support the likelihood that these policy gains are maintained, by harnessing support for future tax increases and proactively countering pushback from the tobacco industry.

Summarised recommendations for future programmes include:

#### Impact on tobacco taxation policy

- Build on existing relationships and networks of academic, civil society and government contacts.
- Conduct regular political economy analysis and stakeholder mapping to inform and adapt advocacy and engagement strategies to shifting political and economic contexts.
- Conduct locally led research and communications which respond to the national context and culture as well as the needs of different audiences.
- Use complementary public and private advocacy activities, in collaboration with relevant and influential partners, focused on key policy influencing opportunities (eg prebudget and pre-election campaigns).
- Adopt a reactive and opportunistic approach, adapting advocacy activities to capitalise on political and contextual changes and key influencing moments.
- Address pushback proactively through public engagement to ensure tobacco stays in the national discourse and generating evidence to prepare for and refute counterarguments made by the tobacco industry.

#### Build organisational capacity and strengthen relationships for advocacy

- Invest in scoping and context analysis to identify partners that have mutual interests and goals.
- Build on partners' expertise, knowledge and networks and actively understand and align incentives for collaboration.
- Agree clear governance mechanisms and accountability within the collaboration, to ensure everyone is clear on their roles and responsibilities.
- Proactively build relationships amongst partners and identify partner leads for engagement.
- Adapt the purpose of the collaboration and partners as required to reach identified goals. This helps to identify opportunities for influence and impact.
- Learn by doing Use experiential learning through trial and error to encourage valuable co-learning amongst partners.
- Institutionalise the knowledge and learning by embedding the ways of working across the organisation – this helps with maintaining the momentum gained and can lead to further impact on tobacco control policy.



















### Footnotes

- 1. WHO FCTC Guidelines for Implementation of Article 6.
- 2. WHO Factsheet on Tobacco Control 2023.
- https://fctc.who.int/who-fctc/ development-assistance/fctc-2030/areas-of-work.
   Areas of work of the FCTC 2030 project.
- 4. National Survey on Socioeconomic and Policy Aspects of Tobacco Use in Nepal, 2020, NDRI/TCP. Available at www. ndri.org.np.
- 5. Global Adult Tobacco Survey, Sri Lanka Fact Sheet, 2020 and Sri Lanka STEPS Survey, 2021.

- 6. The IPS Head of Research's PhD was on tobacco taxation, so the TCP aimed to build on this expertise.
- 7. Extent of illicit cigarette sales in Nepal: findings from a retail survey, NDRI, 2021.
- 8. The FCTC 2030 project is funded by the UK Department of Health and Social Care and is implemented by WHO.
- 9. A tri-partite agreement was developed for CRUK, KIVU and IPS; with another in place for CRUK, KIVU and NDRI.

To find out more about the programme or partnering with CRUK contact **global@cancer.org.uk** 

# Thank you

Working collaboratively is key to national policy change



