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10 Key Insights from the Foundation for a Smoke-Free World's 2021 Tax Returns

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In 2017, the [Foundation for a Smoke-Free World \(FSFW\)](#) was established, with the world's largest transnational tobacco company, Philip Morris International (PMI), as its sole funder. Despite its clear and strong ties to PMI, the Foundation claimed its independence and was purportedly working to [“accelerate an end to smoking.”](#)

Five years later, FSFW's tax returns confirm that its ties to the industry remain strong—even as PMI begins to wind down its funding, suggesting FSFW is failing to deliver on its goals. Here are 10 key insights on FSFW's latest activities based on an initial analysis of its 2021 tax return.

1. FSFW funding is projected to flatline for the rest of the decade.

When PMI started funding the Foundation in 2017, the tobacco giant promised US \$80 million per year. Five years on, things look very different and FSFW's budget has been cut not just for this year, but for the rest of the decade.

Last year we reported that funding from PMI [had been cut](#) from US \$80 million in 2019 to US \$45 million in 2020, and then to US \$40 million in 2021.

This year's analysis confirms FSFW's budget has shrunk again. In its audited accounts for this year, FSFW admitted that not only would the budget be reduced to US \$35 million in 2022, but, crucially, it will remain at this level until the end of the decade. The accounts state the budget will remain at US \$35 million “beginning 2022 and ending 2029.” That leaves its budget at

under half that originally proposed. FSFW is not only failing now, but it's failing into the future, too. This is hardly a vote of confidence in the Foundation that its supporters would have wanted.

2. As FSFW's influence declines, the number of grants it's giving is declining, too.

The tax documents show that in 2021, FSFW gave 48 total grants, down from 76 in 2020. The documents also outline that the Foundation only projects 13 grants so far for 2022. Some of the grants were for higher amounts than in 2020, but the pattern seems to be fewer grants going to fewer organizations, a number of which are focused on the tobacco industry-friendly harm reduction narratives and COVID-19 issues. View an updated list of FSFW's grantees [here](#).

3. As funding falls, FSFW issues contradictory financial statements.

The falling grant money is leading to FSFW issuing contradictory statements about planned spending. In its [2022 Operations Update](#), the Foundation states: "Estimated expenditures pertaining to charitable activities planned for the subsequent calendar year are estimated to be approximately \$40 million." Meanwhile in its audited accounts, FSFW states: "The pledge agreement was amended in 2020 such that PMI agreed to contribute ... \$35,000,000 during the period beginning 2022 and ending 2029."

4. FSFW continues to fail to secure new donors, leaving the world's largest transnational cigarette company as its only funder.

At its outset, [FSFW said](#), "The Foundation is seeking and expects to receive funding from other sources" beyond PMI. The 2021 tax documents confirm that PMI remains its sole funder. In contrast to its supposed "smoke-free" mission, FSFW remains closely aligned with one of the world's primary drivers of smoking-related death and disease.

5. As key staff left, FSFW spent money on recruitment and increased spending on professional fees.

The Foundation's 990 tax form confirms that senior leadership left in 2021, including FSFW's founder, Derek Yach. There were other departures from the Foundation, from Board members to staff, as well. Yach's sudden departure reinforces that PMI's plans for the Foundation are not progressing as planned, and that the latter is failing.

The departure of Yach and others also means the Foundation had to spend tens of thousands of dollars on recruitment fees. The audited accounts also reveal that, despite a US \$5 million reduction in the budget in 2021, the amount spent on professional fees actually increased just under US \$200,000 from US \$3.4 million to US \$3.6 million, or about 9% of the budget.

6. The U.K., U.S.A. and EU received significantly more grant funding than low- and middle-income countries.

In its [2022 Operations Update](#), the Foundation outlines how its charitable activities have “contributed significantly to the field of tobacco control, smoking cessation and harm reduction, particularly in low- and middle-income countries, marginalized communities, and relating to culturally sensitive interventions.”

Financial documents from FSFW, however, reveal that the vast majority of grant funding—some 95%—is going to consultants or organizations based in the U.K., U.S.A. or Europe, rather than in low- and middle-income countries (LMICs) (see table). This includes grants to consultants based in the U.K. and U.S.A. who are undertaking work in Africa and Asia. The documents also show that FSFW awarded less money to LMICs overall [compared to the previous year](#), when it awarded close to US \$2.5 million to grantees in Argentina, Bangladesh, India, Indonesia, Malawi, Maldives, Pakistan, South Africa, Turkey and Ukraine.

Total grant expenditure (US \$)	High-income countries/regions (U.K., U.S.A., EU)	LMICs
\$25,309,552	\$24,216,717 (96%)	\$803,496 (3%)

7. Some funding seemed to go against FSFW's stated aims.

In its certified accounts, FSFW says: “The Foundation’s primary program is to fund research to improve global health by ending smoking worldwide.” However, significant funding seems to be counter to this, especially grant funding

used to try to [undermine the ninth Conference of the Parties \(COP9\) meeting](#) and the Framework Convention on Tobacco Control, the global health treaty to reduce tobacco use. In 2021, FSFW awarded more than US \$257,000 in grants related to COP9.

8. The amount paid out on salaries and benefits was 25% the amount paid out on grants.

In 2021, FSFW paid out nearly US \$6.2 million in salaries and other employee benefits, which equates to nearly 25% of the total funds paid out in grant expenditure: \$25 million. With such a comparably large amount dedicated to salaries compared to grants, this once again shows FSFW's misdirected priorities.

9. Documents show notable grant increases for research on “switching” and industry-defined harm reduction.

The figures appear to show a significant increase for certain research institutes investigating industry-defined harm reduction and “switching” (switching from cigarettes to newer tobacco and nicotine products) narratives. These narratives are key marketing messages for the tobacco industry.

In one example, the Rose Research Center saw a massive grant increase for “Reduced Risk Products,” from about US \$1.2 million in 2020 to more than US \$4.5 million in 2021. The center [is closely interlinked](#) with both PMI and FSFW.

10. FSFW appeared to still be trying to manipulate COVID science.

STOP and the University of Bath have documented how the tobacco industry has tried to [manipulate science related to COVID-19](#) and also publish research without links to the industry being disclosed. One of the 2021 grants reveals that the Foundation's grantees are still attempting to publish research in peer review journals, despite obvious conflict-of-interest issues associated with funding from the tobacco industry and its allies.

One grant to the South Africa-based Foundation for Professional Development outlines to this end: "Research to determine the effects of tobacco use and smoking on long-term recovery from mild COVID-19 in South Africa. Disseminate results, including by publishing a manuscript(s) in a peer-reviewed scientific journal(s)."

Conclusion

The Foundation's [purported mission](#) is to end smoking within a generation. Both its most recent and [past tax returns](#) make it clear the institution is failing and looks certain to fail in the years until its funding is ceased. Still subsidized solely by PMI, it argues its values are those of collaboration and inclusion. Yet FSFW is reducing its grants as it remains [largely ostracized](#) from the public health community. PMI's vision to spin a decade of science on tobacco and health has failed.



About STOP (Stopping Tobacco Organizations and Products)

STOP is a global tobacco industry watchdog whose mission is to expose the tobacco industry strategies and tactics that undermine public health. STOP is funded by Bloomberg Philanthropies and comprised of a partnership among the Tobacco Control Research Group (TCRG) at the University of Bath, The Global Center for Good Governance in Tobacco Control (GGTC), the International Union Against Tuberculosis and Lung Disease (The Union) and Vital Strategies. For more information, visit exposetobacco.org.

