

Version 1 published: Nov 2017
Revised: January 2020
Version 2 approved: February 2020
Author: James Nicholls

TRANSFORM

Drug Policy Foundation

Policy on working with drug, alcohol, pharmaceutical and tobacco (DAPT) industries

Introduction

Transform believes that drugs should be legally regulated, with retail placed under a system of state licensing. Inevitably, this implies that a legitimate commercial market in currently illegal drugs will emerge. While our policy models allow for a range of different licensing options, all would involve some degree of commercialization. However, Transform also believes that the goal of drug policy should be the promotion of public health, social justice and human rights. There is, inevitably, a tension between these goals and the pursuit of profit that motivates the actions of commercial actors in this market.

Transform also highly values its independence and ability to speak truth to power. Therefore, it is critical that Transform remains, and is seen to remain, unswayed by the influence of commercial interests in its work. This can only be achieved by retaining a clear distance between its financial interests and those of the commercial sector.

The opportunity to enter into financial relationships with DAPT companies has only grown with the emergence of large companies engaged in the production and retail of legal cannabis. Transform recognizes that such enterprises are a valid and inevitable aspect of a regulated market; however, we also believe that public health policy should be designed without the undue influence of those whose primary purpose is profit-maximisation. Therefore, despite the potential attraction of income, we should strive to remain independent of such influence.

Transform understands that any engagement with DAPT industries brings specific risks for the organisation. In particular:

- Transform may be perceived as **endorsing** – or lending credibility to – an organisation, sector or set of policies associated with either. This may be the case even if the involvement did not involve direct endorsement or was not related to a specific policy position
- **Reputational damage** can arise if Transform is perceived to be either promoting the interests of an organisation or sector, or if it is perceived to be naïve in its dealing with industry.
- **Bias or conflicts of interest** can arise where Transform is either directly or indirectly influenced in taking a position on policy that has a direct bearing on the interests of a partner organisation

Definitions

The term ‘DAPT industry’ refers to any businesses directly involved in the production or retail of DAPT, or entities that invest substantially in such industries. We recognize that this is an imprecise definition, and that there will always be a need for judgements at the margins. We refer to the ICARA Guidelines on the Management of Relationships with Organisations with Vested Interests for our baseline definition of such industries (see <https://icara.uconn.edu/wp-content/uploads/sites/1106/2020/02/ICARA-Guidelines-Relationships-w-Vested-Interests-Final-2019-1.pdf>).

- **Drug industry** refers to organisations involved in the production or retail of psychoactive substances other than alcohol or tobacco; or whose income substantially derives from such business
- **Alcohol industry** refers to organisations involved in the production or retail of alcohol for human consumption; or whose income substantially derives from such business
- **Pharmaceutical industry** refers to organisations involved in the development, production or retail of pharmaceutical drugs not marketed for their psychoactive properties. This definition, therefore, includes producers of opiates and opioids where they are marketed as painkillers.
- **Tobacco industry** refers to organisations involved in the production or retail of tobacco products or whose income substantially derives from such business. This would not necessarily include companies producing e-cigarettes – although many e-cigarette producers are also involved in the tobacco market.

There are also many not-for-profit organisations that receive either substantial or partial funding from DAPT industries. In some cases, these will be operating effectively as DAPT

industry ‘fronts’, wholly established to further the commercial interests of the funders. In other cases, they may be legitimate and valuable organisations who have made the strategic decision to accept industry funding in some form. In determining our relationship with such organisations, we will refer to the decision criteria set out below.

Key principles

Financial relationships

- Transform should not engage in relationships that create, or are seen to create, conflicts of interest regarding our independence *vis a vis* drug policy
- Transform should be fully transparent about its sources of funding and should carry out due diligence in regard to any funding relationship
- Any activity involving a possible financial relationship with a DAPT industry, however small, should be subject to open discussion at board level

Non-financial relationships

- Non-financial engagements with DAPT industry actors can be valid and important. However, they should never compromise the integrity or independence of the organization
- Non-financial relationships can compromise integrity if their role is primarily to enhance the intelligence-gathering of the industry partner, lend credibility or create the impression of an endorsement. A judgement must always be made as to whether this is likely to be the case.

In considering these issues in detail, Transform will refer to the ICARA guidance.

Working with DAPT industry partners

When engaging with individuals or organisations that are involved in DAPT industries, Transform board and staff will:

- Refuse gifts, benefits, hospitality or sponsorship of any kind unless part of a formal agreement, discussed at board level
- Maintain a register of any offers of gifts, hospitality or sponsorship in connection with Transform’s work, regardless of whether they are accepted.
- Not act under any conditions that compromise, or appear to compromise, professional independence or judgement.
- Ensure Transform’s role, reputation or status are not used in the promotion of commercial products or services.
- Only advocate policies based on an accurate and impartial assessment of the evidence

Transform will keep a record of all engagements with DAPT industry partners, which will be reported to the full board. This record will be made available to anyone (inside or outside the organisation) who requests access.

Financial arrangements

In any case where a financial relationship with a DAPT industry organisation is approved, then the following core principles will apply. Transform will:

- Ensure that total payments received from any such companies in any financial year are no more than 10% of Transform's income for that year
- Agree and deliver any such work at the organisational not individual level
- Safeguard the good name and independence of Transform in all such arrangements
- Enter into a full contractual agreement, which will specify
 - a. What the partner organisation will provide
 - b. What Transform will provide
 - c. The benefits of the relationship for the partner organisation
 - d. The benefits of the relationship for delivering Transform's strategy
 - e. The time scale for the project, and clear agreement on how Transform's name will be used, publication dates, power of veto on publication, copyright, etc.

If any term of the contract is broken, then the joint venture will be terminated immediately, and copyright and publication rights will remain Transform's.

Transparency and governance

- Any financial arrangement with DAPT organisations will be declared on the Transform website
- All funding sources will be transparently disclosed in Transform's annual report together with an account of the work product delivered
- Transform board members will declare any actual, or potential, conflicts of interest at all board meetings
- The Trustees will take final responsibility for the final decision on whether or not to proceed with any financial partnership involving a DAPT organisation
- The Chief Executive will take final responsibility for any non-financial relationships involving a DAPT organisation and will report this to the board.
- This policy will be made available to anyone on request

Decisions criteria

Each potential partnership will be assessed on a case-by-case basis. Board approval will be needed before proceeding.

Status of the proposed partner organisation

- Is the proposed partner organisation DAPT entity according to our definitions?
- Does the proposed partner organisation receive significant funding from one more DAPT?
- Is this funding likely, in reality or perception, to create a conflict of interests?
- Have due diligence checks been carried out to answer these questions with confidence?

Nature of the relationship

- Is the relationship financial or non-financial?

Financial relationships

Does the financial element of the proposed relationship involve:

- Travel / accommodation / subsistence costs only
- Restricted project funding
- Consultancy payments
- Unrestricted / core funding?

If travel / accommodation / subsistence only:

- Are these payments higher than might reasonably be expected from non-DAPT partner organisations?
- Are we confident that, if accepted, they will not create in reality, or in perception, a conflict of interests?

If restricted project or consultancy payments:

- Would we have complete independence in the design, delivery, data analysis and communication of the project?
- Is there a reasonable risk that, even if independence is assured, we will be perceived as influenced by our funder?
- Is a third-party firewall arrangement possible which could separate the source of funding from the project delivery?
- Will the partnership provide undue credibility to the funder, regardless of any specific project outputs?
- Might the partnership be used to further aims that do not align with our values and strategic goals?

If unrestricted or core funding

- Is there a complete guarantee that the funder will not interfere, in any way whatsoever, with our strategy, work programme, project delivery, analysis or communications?
- Is there a reasonable risk that, even if independence is assured, we will be perceived as influenced by our funder?
- Will the partnership provide undue credibility to the funder, regardless of any specific project outputs?
- Might the partnership be used to further aims that do not align with our values and strategic goals?

Non-financial arrangements (e.g. informal meetings; sharing platforms at events etc.)

- Would the engagement reasonably give the impression that Transform is influenced by the relevant DAPT organisation?
- Would engagement provide undue credibility to the organisation, especially in furthering objectives that do not align with the values or strategic goals of Transform.