Webinar on NCD Financing with emphasis on Bilateral and Multilateral Financing

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WHO Global Coordinating Mechanism on the Prevention and Control of Noncommunicable diseases (GCM/NCD)
Levels and trends in NCD external funding
NCDs accounted for 1.7% of all development assistance for health (DAH) in 2014, or US$611 million (1). While still tiny, NCD donor funding from official sources is growing roughly proportional to overall DAH. The ten-year trend shows almost a four-fold increase in DAH for NCDs, from US$160 million in 2000, and a parallel tripling of overall DAH, from US$12 billion to US$36 billion in the same period.

NCD funding by disease area
Earlier data (2) showed that the largest segment of donor funding is non disease-specific “general non-communicable disease funding.” Among disease-specific funding, tobacco received the most funding, followed by obesity, sense organ diseases, diabetes, and mental health (2). Tobacco control DAH quadrupled from 2005 to a peak of approximately $100 million in 2010 primarily due to efforts by the Bloomberg Foundation and the Bill & Melinda Gates Foundation.
Total DAH and NCD Funding, 2000-2014

Source: IHME DAH Database 2014, in USD 2011

<table>
<thead>
<tr>
<th>Year</th>
<th>DAH Funding (billion USD)</th>
<th>NCD Funding (mill. USD)</th>
<th>NCD Funding as % of Total DAH</th>
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</thead>
<tbody>
<tr>
<td>2000</td>
<td>11.6</td>
<td>160</td>
<td>1.38</td>
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<tr>
<td>2001</td>
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<tr>
<td>2002</td>
<td>13.8</td>
<td>219</td>
<td>1.58</td>
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<tr>
<td>2003</td>
<td>15.9</td>
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<tr>
<td>2004</td>
<td>18.1</td>
<td>217</td>
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<tr>
<td>2005</td>
<td>20.0</td>
<td>251</td>
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<tr>
<td>2006</td>
<td>21.9</td>
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</tr>
<tr>
<td>2008</td>
<td>29.2</td>
<td>442</td>
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<tr>
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<td>474</td>
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<tr>
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<tr>
<td>2013</td>
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<td>608</td>
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<tr>
<td>2014</td>
<td>35.9</td>
<td>611</td>
<td>1.70</td>
</tr>
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</table>

NCD Funding by channel

Multilaterals (including the EC) are collectively the largest source of NCD funding, providing 45% of overall external support in 2011 (1). The World Bank provides 25% of the total, making it the largest individual NCD donor. NGOs as a group provide $100 million (20%) for NCDs in 2011. This category includes organizations that receive substantial funding from the USA government, as well as individual charitable giving.

NCD and overall global health funding channels

Bilateral donors are the dominant funding source in global health overall, providing 52% of overall DAH. The World Bank and WHO each provide 9% of funding for DAH (1). In sharp contrast, bilateral donors provided only $40 million or 11% of DAH for NCDs in 2011 (3).
NCD funding by recipient region

Most NCD donor funding is not regionally targeted. Where there is geographic targeting, donor funds for NCDs are concentrated in regions that showed an earlier rise in NCDs and their risks (obesity, tobacco use), such as Western and Central Asia and Latin America and Caribbean (1).
Bottlenecks in bilateral and multilateral funding for NCDs. Lack of funding interacts with limited and fragmented advocacy and a weak evidence base of proven, cost-effective interventions to create a vicious cycle (4). Additional factors include: (a) the lack of immediate risk to others from NCDs (5); (b) the high cost and possible futility of NCD interventions; (c) low capacity and preparedness of developing countries; and (d) placing responsibility for addressing NCDs elsewhere.

Awareness of the importance of NCDs (6). Progress in NCD-related advocacy and governance (7).

Improved evidence for proven cost-effective interventions, policies and system actions (8,9).
MOTIVATION for donors to act on NCDs appears to be an economic argument—that developing country economic growth and health system stability are undermined by continuing neglect of NCDs (10,11).

To demonstrate FEASIBILITY and create URGENCY, policy champions can help overcome an underdeveloped advocacy network, and galvanize other actors, including donors (12). Evidence-based policy proposals are an important stimulus to donor governments, especially when they come from respected institutions in their own countries (10,13).

Recipient countries can strengthen requests for assistance to support prevention and control of NCDs by adding NCDs to strategic priorities, both in national development plans and in health sector plans. Beyond plans, concrete steps are needed to define financial and technical assistance needs.
Learning from experience

Funding for diagonal approaches (sometimes called integration) is growing (14). Some donors are supporting new health care delivery methods that focus on community-based or inter-disciplinary providers (10). Among these are: integrating NCD care with other chronic disease programs like HIV/AIDS and Tuberculosis; integrating NCD care with patient and population-specific programs, such as maternal and child health; and including NCD care in primary health care delivery (15,16).
Future Considerations

Donor funding does not always align closely to disease burden (1,2,10). At left, the shares of burden of disease (measured by disability adjusted life years) and total DAH for a selection of diseases are shown. The largest gap between burden and funding is for NCDs. These conditions constitute 50% of the global disease burden but received less than 2% of DAH in 2014.

WHO and others (17,18) projected that US$11.2 billion is needed annually to carry out NCD “best buy” interventions in all LMICs. The current level of NCD DAH (US$611 million) is 5.4% of this estimated need. Donors could meet 10% of annual NCD needs by providing a mere $1.1 billion annually for NCDs, or less than a doubling of current levels, and only 3% of total DAH (2014 value).
References

NCD Financing Typologies – Overview of country options

(acknowledgment to Craig Courtney)
NCD financing

Generate new resources

- Raise public funds
  - Sales / excise taxes
    - Example: Tobacco tax (Philippines)
  - Payroll taxes
    - Example: SHI roll-out (Ethiopia)
- Raise private funds
  - Lottery fund
  - Bonds
    - Example: Diaspora bond (India)
- Access global funds
  - Financing facility
    - Example: Global Financing Facility
  - Debt buy-back / swaps
- Improve public sector performance
  - Results-based financing
  - Public-private partnerships

Manage existing resources

Characteristics:
- Large revenue potential
- Suitable for LMIC as well as HIC

Characteristics:
- Modest revenue potential
- Suitable for some countries

Characteristics:
- Suitable for eligible countries

Characteristics:
- Large efficiency potential
- Suitable for selected countries
High-volume, adequate range of application suitable for poorer countries; the aim is to mobilize more public funds. Problems arise from unfavourable prevailing market conditions and from the uniqueness of some events.

Fund volume mobilised

Breadth of regional/sector applications

- Public funds mobilised
- Private funds mobilised
- Funds freed up through efficiency gains

IFFm

Results-based financing

Debt-buy back/ Swaps

Domestic taxes (alcohol, tobacco)

Universal Health Care/Social Health Insurance

Blended finance structures

Public Private partnerships

International bond offerings

Securities and structured funds (Health Fund)

Strategic purchasing fund

Domestic bond offerings

Lotteries

Diaspora bonds
GCM NCD Typology Landscape – options to be pursued with vigor, cont’d

- Domestic taxes (alcohol, tobacco)
- Universal Health Care/Social Health Insurance
- Strategic purchasing fund
- Domestic bond offerings
- IFFm
- Lotteries
- Diaspora bonds
- International bond offerings
- Blended finance structures
- Public Private partnerships
- Securities and structured funds (Health Fund)
- Results-based financing
- Debt-buy back/Swaps
- Funds freed up through efficiency gains

High-volume, broad range of application
BUT primarily suitable for advanced/middle income countries; the driver is the private capital; not all ideas are practically verified yet

Breadth of regional/sector applications
GCM NCD Typology Landscape – considered more often

- Domestic taxes (alcohol, tobacco)
- Universal Health Care/Social Health Insurance
- Blended finance structures
- Public Private partnerships
- International bond offerings
- Strategic purchasing funds
- Securities and structured funds (Health Fund)
- Local currency loans
- IFFm
- Debt-buy back/ Swaps
- Results-based financing

Fund volume mobilised

Public funds mobilised

Private funds mobilised

Funds freed up through efficiency gains

Breadth of regional/sector applications

Fair level of volume and range of application
THEREFORE suitable for many countries; mixture of efficiency improvements and mobilising private capital; potential for successful applications and increasing importance (local currency loans, structured funds)
GCM NCD Typology Landscape – complete others in specific contexts

- Domestic taxes (alcohol, tobacco)
- Universal Health Care/Social Health Insurance
- Strategic purchasing fund
- Domestic bond offerings
  - Securities and structured funds (Health Fund)
  - Results-based financing
- IFFm
- Debt-buy back/ Swaps
- Lotteries
- Diaspora bonds
- Public funds mobilised
- Private funds mobilised
  - Funds freed up through efficiency gains

- Low volume and only suitable for a few contexts but for those contexts might be reasonable application
- Breadth of regional/sector applications