Outline Business Plan for a Catalytic Multi-Donor Trust Fund for the Prevention and Control of Noncommunicable Diseases and Mental Health

Synopsis

This report has been prepared for Working Group 3 of the WHO Independent High-Level Commission (Commission) on NCDs. It is intended to:

1. Provide an outline business plan for a Catalytic Multi-Donor Trust Fund for the Prevention and Control of NCDs and Mental Health (NCD MDTF); and
2. Provide recommendations on the key elements of the NCD MDTF and the next steps of its realization.

In line with the terms of reference, this report:

- Describes a preferred business model for the NCD MDTF, including its governance and operational structure;
- Outlines eligibility and resource allocation and return on investment;
- Provides a theory of change, a risk analysis, a results framework, and accountability mechanisms;
- Outlines a resource mobilization and funding model.

The report is based on a structured review of existing development funds and their respective business plans, incorporates a series of twenty-eight stakeholder consultations from Member States and development partners, and builds on the technical expertise of the Health Finance Institute. The report further builds on the background paper ‘Lessons learnt from previous global health and development trust funds and financing mechanisms and their applicability to developing a multi-donor trust fund to scale up action on NCDs’ that was presented to the Commission in WHO, Geneva on April 2, 2019.

The result is a draft business plan of the NCD MDTF together with a recommended set of next steps to further the conceptualization of the NCD MDTF. Notably, the report reflects the ongoing fluidity of the global discussions, developments of this proposal and provides action items for the original intended next phase.

The Commission is encouraged to use this draft business plan, with its recommendations and next steps to propose bold and actionable recommendations in their report to the WHO Director-General.

The report was prepared by the Health Finance Institute (healthfinanceinstitute.org), and written by Andrea B. Feigl, Surabhi Bhatt, Niloofar Ganjian, and Lizzie Nelson.

Suggested Citation:
Acknowledgments

The Health Finance Institute would like to thank the WHO Independent High-Level Commission on NCDs for their support of the herein presented work, as well as their feedback, comments, and guidance throughout. This report has greatly benefitted from the input of over 27 stakeholder interviews, representing stakeholders from donor and recipient governments, global financing facilities, foundations, civil society, and the private sector. Further, we are indebted to the UNDP MPTF office for their guidance on the rules and process to set up a multi partner trust fund.
# Table of Contents

**Executive Summary**  
- 4 -  
  - Summary of the Stakeholder Consultations - 4 -  
  - Recommendations to the WHO High-Level Commission on NCDs - 5 -  
  - Establishing the NCD MDTF: Questions and Answers - 5 -  
  - Next Steps in Setting Up the NCD MDTF - 8 -  

**Rationale for a Multi Donor Trust Fund for NCDs and Mental Health** - 9 -  

**Recommendations on the Key Elements of the Fund** - 10 -  

**Business Model** - 14 -  
  A. Governance Structure - 14 -  
  B. Operations - 17 -  
  C. Eligibility Criteria and Allocation Mechanism - 18 -  
  D. Theory of Change, Return on Investment, Results Framework - 20 -  
  E. Accountability Mechanism - 22 -  
  F. Resource Mobilization and Funding - 23 -  
  G. Risk Analysis - 25 -  

**References** - 29 -  

**Appendix** - 32 -  
  Additional background on UN MPTFs and WB MDTFs - 32 -  
  Methods - 33 -  
  Conversation Guide Example - 37 -
Executive Summary

Summary of the Stakeholder Consultations

- Overall, there is widespread support for establishing a Catalytic Multi-Donor Trust Fund for the Prevention and Control of NCDs and Mental Health (NCD MDTF), as part of the global push to include NCDs and mental health in universal health coverage (UHC). All those interviewed from low- and middle-income countries (LMICs) unanimously endorsed the need for the NCD MDTF. This is in keeping with technical support requests from Member States collated by WHO.

- There is consensus that predictable, multilateral, multi-year funding is critical in enabling countries to catalyze action on NCDs and mental health and to scale up domestic resourcing for NCDs and mental health. Current domestic and external funding for action on NCDs and mental health is woefully inadequate. If well-designed and financed properly, an NCD MDTF would enable countries to catalyze domestic financing and action. The NCD MDTF has the potential to further align and harmonize ongoing bilateral efforts.

- There is support for an NCD MDTF that explicitly encourages innovation, for example through digital platforms and the exploration of blended finance mechanisms.

- The interviews highlighted that now was the time to establish an NCD MDTF, building on the leadership of the Commission and the call for an NCD MDTF from the Economic and Social Council of the United Nations (ECOSOC) and the WHO Executive Board.

- Overall, there is agreement that the five focus areas for an NCD MDTF as described in 2018 in a concept note by five agencies (WHO, UNDP, UNICEF, UNFPA, and the World Bank) under the UN Inter-Agency Task Force on the Prevention and Control of NCDs (UNIATF) are appropriate (Table 1). These focus areas strongly align with the integration of NCDs and mental health into ongoing health systems strengthening activities.

<table>
<thead>
<tr>
<th>Five Focus Areas of the NCD MDTF</th>
</tr>
</thead>
<tbody>
<tr>
<td>1 – National investment frameworks for NCDs and mental health</td>
</tr>
<tr>
<td>2 – Establishment of pro-health partnerships and policy coherence</td>
</tr>
<tr>
<td>3 – Stronger legislative and regulatory environments, supportive of a healthy and prevention focused approach</td>
</tr>
<tr>
<td>4 – Stronger health systems – scaled up access</td>
</tr>
<tr>
<td>5 – Community-based and population-wide responses</td>
</tr>
</tbody>
</table>
Recommendations to the WHO High-Level Commission on NCDs

1. The Commission is recommended to advise the WHO Director-General that now is the time to convene a small number of Member States and development partners, represented at a high political level, to establish the NCD MDTF.

2. The Commission is recommended to identify a small number of Commissioners to support the WHO Director-General in creating the NCD MDTF and to commit initial resources.

3. The Commission is recommended to use the findings of this report and the next steps described in order to promote an approach for establishing and operationalizing the NCD MDTF.

Establishing the NCD MDTF: Questions and Answers

*Question 1: Do the Terms of Reference (TOR) for an NCD MDTF need to be developed through an intergovernmental process, and if so, under the auspices of which Member State and for approval by which governing body, for example UNGA, ECOSOC or WHA?*

We [the authors] understand that the TOR development is an intergovernmental process only insofar as those stakeholders involved in setting up the fund are government representatives. Any two or more UN agencies or entities can establish an MPTF. While a UN governing body can request a TOR, it is usually the agencies themselves that commence the design and establishment process.

Overall, TORs are developed by the participating agencies and follow the generic United Nations Development Group (UNDG) MDTF TOR template (UNDG, 2015). Then, based on consultations with all stakeholders, the Participating UN Organizations (PUNOs) supported by the AA develop the NCD MDTF TOR with functions of the NCD MDTF, programmatic scope and theory of change, governance structures, allocation criteria, and NCD MDTF and project/programmatic allocation and closure issues outlined. Potential donors can provide input also.

*Question 2: Does the establishment of the NCD MDTF require an additional/explicit request from a governing body, such as UNGA, ECOSOC, or WHO?*

While such explicit requests are helpful, they are not necessary. However, the outcome documents listed below are clear and add salience to the next steps in the establishment process.

The NCD MDTF has been highlighted in the following four resolutions and declarations, which will be important when calling for additional action and funding to establish the NCD MDTF:

A. ECOSOC 2019 resolution, paragraph 4 (United Nations, 2019):

   *Encourages bilateral and multilateral donors, as well as other relevant stakeholders, to mobilize resources to support Member States, upon their request, to catalyse sustainable domestic responses to non-communicable diseases and mental health conditions,*

---

1 Note: this Q&A section builds on and heavily draws on direct feedback received by the leadership of the UN MPTF office.
considering various voluntary funding mechanisms, including a dedicated multi-donor trust fund’;

B. ECOSOC 2018 resolution (United Nations, 2018):

‘Noting with concern the continued shortage of resources available for the Task Force and, in particular, the global joint programmes developed by the Task Force, as well as for non-communicable disease-related task forces and mechanisms at the regional and sub-regional levels, which remain mostly unfunded to date, and in this regard noting ongoing relevant discussions on catalyzing financing to fill the gap, including by identifying funding mechanisms, such as a multi-donor trust fund’;

C. Political declaration of the third high-level meeting of the General Assembly on the prevention and control of NCDs, Heads of State and Government and representatives of States and Governments (United Nations General Assembly, 2018):

‘commit to mobilize and allocate adequate, predictable and sustained resources for national responses to prevent and control non-communicable diseases and to promote mental health and well-being, through domestic, bilateral and multilateral channels, including international cooperation and official development assistance, and continue exploring voluntary innovative financing mechanisms and partnerships, including with the private sector, to advance action at all levels.’ (Paragraph 46)

D. World Health Assembly 2019 (World Health Organization, 2019a) paragraph 3j requests the Director-General:

‘to make available adequate financial and human resources to respond to the demand from Member States for technical support in order to strengthen their national efforts for the prevention and control of noncommunicable diseases, including by identifying voluntary innovative funding mechanisms, such as a multi-donor trust fund, building on ongoing relevant work’

Question 3 – Precedent: has there been an explicit request from UNGA, ECOSOC or the WHA for other (similar) trust funds? What did the process look like, and what lessons can be applied to the NCD MDTF?

While there has been an explicit UNGA/ECOSOC/WHA request for some trust funds, this was not the case for all (successful) MDTFs. The need for such a request depends on the substantive aspects of the Fund under consideration and the nature of the partnerships/financing that underpins them. Some (i.e. the recently established Migration Trust Fund) had an intergovernmental Global Compact negotiation underway; or, the Peacebuilding Fund has a General Assembly Resolution. Still, some Trust Funds originate from an SDG-agreed-goal or target rather than a specific resolution where the mandate for that work is shared by agencies and partners. These partners then voluntarily agree to set up a dedicated financing instrument rather than pursue other financing strategies.
Question 4: What financial resources are needed to set up the fund and ensure (initial) viability?

One or two champions who pump-prime financial resources at the launch are critical for many reasons. These include quick start-up, political signaling, positive competition, and leveraging additional financing. An ideal start-up sum is 5 million USD or more, depending on the scope and purpose of the Fund.
Next Steps in Setting Up the NCD MDTF

Note: the steps below are adapted from the UN Development Group Guidance on Establishing, Managing and Closing Multi-Donor Trust Funds, 2015 (United Nations Sustainable Development Group, 2015) and conversations with UN MPTF office, 2019. This is for informational and illustrative purposes and may change accordingly if i.e. the World Bank was chosen as the fund management unit. The MPTF office also emphasized that since the issuance of the 2015 guidance note, one notable evolution of the stakeholder makeup for establishing of MDTFs has been the inclusion of a wider range of private and philanthropic actors in this process.

Completed

1. **Convening of initial consultations between all stakeholders**
   Stakeholders discussed the objectives and scope of a possible NCD MDTF.

2. **Development of a Concept Note**
   The five UN agencies co-developed a concept note for a catalytic fund on NCDs and mental health. This proposal was discussed during a breakfast meeting in late 2018, which was attended by member states.

In Progress

3. **Decision to establish the NCD MDTF**
   “Based on the agreed Concept Note outlining the programmatic scope, purpose and the financial viability of the MDTF, the stakeholders may decide to establish the NCD MDTF. In setting up the new NCD MDTF, stakeholders should carefully consider the impact of programmatic and operational decisions on the overall transaction costs of running the Fund.” (United Nations Sustainable Development Group, 2015)

   Modalities of an NCD MDTF were explored by the development of a working paper in April 2019, and an outline business plan was completed in July 2019. An in-depth feasibility study is recommended as a next phase for this business plan development.

Next steps

4. **Agree and Develop the Terms of Reference (TOR) of the Fund** (Fund programmatic framework which spells out the function, objectives and governance structure of the Fund).

5. **Request the MPTF Office to act as Administrative Agent (AA) of the Fund**

6. **Signing of the document that establishes the Fund** (Memorandum of Understanding (MOU) with Participating UN organizations for inter-agency pooled fund or Fund Framework Agreement for Agency-led pooled fund)

7. **The Administrative Agent signs the Standard Administrative Agreements (SAAs) –standard contribution agreements with donors.**
Rationale for a Multi Donor Trust Fund for NCDs and Mental Health

The need for an NCD MDTF is clear in terms of disease burden and country demand

Health is one of the two components of the human capital index (The World Bank) and serves as a universal, common currency needed to achieve the Sustainable Development Goals (SDGs).

Yet, there is currently a dramatic shortfall in the resources needed to achieve meaningful progress on SDG3 – health and well-being. The United Nations Development Programme (UNDP) estimates an annual required investment of up to 371 billion USD in Low- and Middle-Income Countries (LMICs) to achieve SDG 3 (United Nations Development Program, 2018); while up to 85% of necessary investments may be met with domestic resources, poorer countries—arguably the very countries for whom SDG3 progress is most critical—will face shortfalls of up to 54 billion USD annually (Stenberg et al., 2017).

This investment gap is especially stark for the group of diseases attributable to the largest burden of diseases and premature mortality globally – noncommunicable diseases (NCDs), comprised of diseases such as cancer, diabetes, heart disease, chronic obstructive pulmonary diseases, and other chronic conditions. Currently, no economic analyses have estimated an NCD-specific global investment gap. However, under the crude assumption that the economic shortfall is roughly proportional to the share of the disease burden, the annual investment gap to be met by private and ODA investment would be at least 27 billion USD in low- and middle-income countries (analysis by authors). A different figure shows that an annual investment of 11.2 billion USD would be needed to fully fund the Best Buys in developing countries annually (World Health Organization, 2015). Past analyses revealed that the annual development assistance for health is < 1 billion USD per year for all NCDs, with most of the funding earmarked for cervical cancer and eye diseases (Dieleman et al., 2015) (R. Nugent, 2016; R. A. Nugent & Feigl, 2010). Nationally, NCD-specific funding is barely tracked in LMICs, and costed NCD action plans remain the exception rather than the norm.

As a direct result from the underfinanced yet looming NCD disease burden, there is strong demand by Member States – particularly by LMICs - for WHO technical assistance and support. From data collected between October 2018 to March 2019, more than 50% of the 270 requests submitted to WHO HQ by Member States were for assistance on NCD policy development. Requests primarily focused on cardiovascular disease, mental health conditions, oral health, as well as on violence and injuries. Two of the three highest demand areas related to improving access to quality essential health services and reducing risk factors through multisectoral action.²

The NCD MDTF has gained political traction at the intergovernmental level

To support countries in scaling up action to meet SDG target 3.4 (to reduce by one-third pre-mature mortality from NCDs through prevention and treatment, and promote mental health and wellbeing), the WHO Independent High-Level Commission on NCDs’ report indicated that ‘the international community should consider the establishment of a multi-donor fund, to catalyze financing for the development of national NCDs and mental health responses and policy coherence at country level’ (World Health Organization, 2018b).

² Preliminary analysis by WHO, 2019
In 2018, UNIATF published a concept note developed by WHO, the World Bank, UNDP, UNICEF, and UNFPA for a Catalytic Multi-Donor Trust Fund (United Nations Inter Agency Task Force on NCDs, 2018; World Health Organization, 2018a) to respond to the needs identified during Task Force joint programming missions (UNIATF, 2017). The catalytic fund was proposed as a mechanism to enable LMICs to access catalytic support, including country-demanded technical support to meet SDG 3.4. The concept note proposed a 200 – 300 million USD Fund, to support 20 – 25 countries, over a 5-year period.

In December 2018, the Government of Kenya hosted a working breakfast among a selection of LMICs to further gauge and assess the demand for an NCD MDTF. The outcome of the meeting was considerable support for such a Fund to be established.

In January 2019, the WHO Executive Board in Paper/7 2019 ‘requested the WHO Director-General ‘to make available adequate financial and human resources to respond to the demand from Member States for technical assistance in order to strengthen their national efforts for the prevention and control of NCDs, including by identifying voluntary innovative funding mechanisms, such as a multi-donor trust fund, building on ongoing relevant work.’ (World Health Organization, 2019b)

In June 2019, ECOSOC resolution E/2019/l.16: ‘encourages bilateral and multilateral donors, as well as other relevant stakeholders, to mobilize resources to support Member States, upon their request, to catalyze sustainable domestic responses to non-communicable diseases and mental health conditions, considering various voluntary funding mechanisms, including a dedicated multi-donor trust fund’.

**Recommendations on the Key Elements of the Fund**

*Where should the NCD MDTF be hosted?*

The emerging consensus is that an MDTF for NCDs and mental health should take into account both existing structures and the political window of opportunity offered by the leadership of the WHO HL Commission for NCDs, the WHO, and UN reform. Therefore, the recommendation is that the MDTF could have a shared structure between the WHO and either the World Bank or the UN Multi Partner Trust Fund (MPTF) office, wherein the Secretariat would be hosted and coordinated by WHO, while the funds would be managed with either the WB or the MPTF office.

*What activities should the NCD MDTF principally fund?*

Overall, there was great resonance on the relevance and scope of the five suggested focus areas (see Table 1), with some donors more strongly supporting one focus area versus another. The general feedback was that these five areas are broad enough to allow countries flexibility in their application of the funds, while providing the specificity needed to align with national priorities.

In addition, key new elements that were suggested included a focus on environmental health including air pollution and a strong focus on mental health. Many stakeholders emphasized the need for multi-sectoral approaches to NCDs, and that such an approach could be featured more prominently within the five parameters. Some country representatives suggested that high income countries be considered as recipients of the funds’ services, given that aging populations and inadequate NCD strategies demand global concerted action and assistance. This support could be administered through the Fund, through a tiered contribution structure.
Whether a technical-assistance-focused fund is feasible in terms of donor support and country demand has been met with some skepticism. However, both LMIC interviewees and the large number of assistance requests to WHO, however, buttress the argument that additional and coordinated resources are paramount for countries to appropriately scale their NCD responses to meet SDG target 3.4.

*What types of funders could be approached, and how could they be involved in the governance of the fund?*

Most MDTFs use public and donor funding to leverage private sector resources for specific global health needs through innovations at different levels of the value chain. Understanding and pre-defining the level of influence and engagement of all stakeholders and their associated expectations of the MDTFs will be required, and in turn, will inform the governance arrangements.

Along with the unanimous interest in the fund and the general support of the idea, those interviewed strongly recommended that a high-level political advocacy group (led by the WHO Director-General and supported by a core group of Member States and development partners) be formed to attract funding and buy-in.

Most interviewees were hesitant about private sector engagement, as they expressed concern about conflict of interest issues. Yet, they also acknowledged that the highest likelihood of upfront financing would be from engaging with the private sector through the exploration of innovative financing methods and a general focus on innovation.

While most stakeholders noted a fund of 200-300 million USD over five years was very modest compared to other global health financing partnerships, they deemed this an appropriate initial investment for NCDs and mental health, areas that have historically seen a dearth of investment.

Most interviewees suggested that the NCD MDTF should attract funding by engaging the major bilateral organizations as well as philanthropic donors.

*What are the key building blocks of the NCD MDTF, and what are the recommended next steps?*

Table 2 below describes the building blocks for the NCD MDTF, paired with key recommendations and suggested next steps. The six areas summarized in the table below are detailed in the report: (A) governance; (B) operations; (C) eligibility criteria and allocation mechanisms; (D) theory of change, return on investment and results framework; (E) accountability mechanisms; (F) resource mobilization and funding; and (G) risk analysis.
### Table 2: Proposed Buildings Blocks for the NCD MDTF, including specific recommendations

<table>
<thead>
<tr>
<th>Building Block</th>
<th>Recommendation</th>
</tr>
</thead>
<tbody>
<tr>
<td>A. Governance Structure</td>
<td>The NCD MDTF should have a shared structure between WHO and either the World Bank or the UN Multi Partner Trust Fund (MPTF) office.</td>
</tr>
<tr>
<td></td>
<td>Within, WHO, the Secretariat for the NCD MDTF could be hosted and coordinated by the UNIATF Secretariat. Funds could be managed through either the World Bank or the UN MPTF office.</td>
</tr>
<tr>
<td></td>
<td>A Steering Committee (SC) should form the highest-level of governance for the NCD MDTF. There should be broad participation of countries and development partners on the Steering Committee.</td>
</tr>
<tr>
<td></td>
<td>A partner consortium or external consultant group should be set up to investigate the feasibility of various governance structures and business models.</td>
</tr>
<tr>
<td>B. Operations</td>
<td>Country governments should submit proposals requesting for the catalytic funding directly to the NCD MDTF Secretariat, drawing from existing evidence and addressing the various criteria to access the fund resources, demonstrating commitment to increasing domestic resources for NCDs, and delineating how the funding will be ‘catalytic’.</td>
</tr>
<tr>
<td></td>
<td>After submission of a proposal, peer-review by the SC would ensure consistency with the NCD MDTF’s terms of reference, in accordance with national policies and demonstration of how the funds will be catalytic, and the feasibility of the workplan.</td>
</tr>
<tr>
<td></td>
<td>In terms of disbursement mechanisms, countries prefer integration of this process into existing systems, whether vis-à-vis direct budget support, earmarked support, and/or technical assistance.</td>
</tr>
<tr>
<td>C. Eligibility Criteria and Allocation Mechanism</td>
<td>The Steering Committee should participate in a prioritization exercise on eligibility indicators to determine both the criteria and process to establish eligibility.</td>
</tr>
<tr>
<td></td>
<td>It is recommended that a composite impact matrix based on cost-effectiveness, favoring the worst off, and financial risk protection, and taking into account political feasibility, be developed as part of the financing allocation mechanism.</td>
</tr>
<tr>
<td>D. Theory of Change, Return on Investment, Results Framework</td>
<td>A full theory of change should be developed, building on the work done in this report, including country-level input. This should be validated by the Steering Committee. The theory of change should include a set of key performance indicators based on country and intervention context.</td>
</tr>
<tr>
<td>Building Block</td>
<td>Recommendation</td>
</tr>
<tr>
<td>-----------------------------</td>
<td>-----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------</td>
</tr>
<tr>
<td>E. Accountability Mechanisms</td>
<td>The NCD MDTF should build accountability structures into each level of governance at the conceptualization phase. These accountability structures should include an inclusive Steering Committee, in-country/regional support for the rolling out of programs and funds, as well as civil society as potential watchdogs. Internal and external evaluations should supplement donor and country auditing processes as needed to provide the desired level of assurance of NCD MDTF processes.</td>
</tr>
<tr>
<td>F. Resource Mobilization and Funding</td>
<td>As the fund is inherently ‘catalytic’ in nature, how it will be leveraged for further investment is recommended to be explored in the next phase. This sustainability strategy should explore private sector participation.</td>
</tr>
<tr>
<td>G. Risk Analysis</td>
<td>The three greatest risks identified are that insufficient funds for the NCD MDTF are raised, that politics will overshadow evidence in determining the scope and projects of the NCD MDTF, and that owing to the multifactorial nature of the NCD etiology, proving impact of the fund will be difficult. It is therefore recommended that a thorough risk assessment, analyzing internal and external threats, is conducted during the design of the NCD MDTF. Based on the above analyses, a risk management framework and strategy should be designed for each level and category of risk.</td>
</tr>
</tbody>
</table>
Business Model

The proposed business model will flow largely from consensus answers around the five focus areas (1 – National investment frameworks for NCDs and mental health; 2 – Establishment of pro-health partnerships and policy coherence; 3 – Stronger legislative and regulatory environments, supportive of a healthy and prevention focused approach; 4 – Stronger health systems; 5 – Community-based and population-wide responses). Further, striking a balance between operational effectiveness and global governance principles and stewardship will be a crucial design element. The below sections highlight specific design elements and recommendations. They will require further elaboration, discussion, and key stakeholder (recipient country, Secretariat, and donor agency) input during the relevant next phases.

A. Governance Structure

All interviewees recommended that establishing NCD MDTF should make use of existing structures (such as the UN MPTF office or the WB Trust Funds) to avoid creating parallel processes and structures, thereby minimizing transaction and start-up costs.

More specifically, given the WHO’s role as the United Nations specialized agency and steward for international public health, it is recommended that the WHO serves as the Interagency Secretariat for the Fund. As the World Bank or UN MPTF office have a strong track record of serving as the financial administrative agent for development funds (e.g., Global Financing Facility (GFF) and over 80 funds, respectively), it is recommended that either one of these institutions serve as the Fund Manager. (See Table 2 for additional information on the UN MPTF system).

Table 2: Information on the UN MPTF role.
Information taken directly from (United Nations Multi-Partner Trust Fund Office, 2019)

| Multi-Partner Trust Funds (MPTFs) build on the principles of the aid effectiveness agenda |
| 'The MPTF Office assists the UN system and national governments in establishing and administering pooled financing mechanisms—multi-donor trust funds and joint programmes — to collect and allocate funding from a diversity of financial contributors to a wide range of implementing entities in a coordinated manner. These funding mechanisms build on the principles of the aid effectiveness agenda, which calls for country-driven, coherent, timely, flexible and result-oriented assistance. |
| UN and national pooled funding mechanisms do not follow a rigid template or provide a one-size-fits-all solution; programming priorities drive the selection of funding sources and governance, implementing and fiduciary arrangements. Implementation is similarly flexible and may involve UN agency, mixed or national execution—with an emphasis on using countries’ own public financial management systems to channel funds, an objective increasingly integrated into multi-donor funds, particularly in transition contexts.' |

Who should be involved in the formation of the NCD MDTF?

The NCD MDTF should operationalize a partnership between stakeholders that share the same objectives in scaling up support to low- and lower-middle-income countries (and possibly, beyond) in their efforts to meet SDG 3.4. As such, the governance arrangement is recommended to take on a broad and inclusive, yet nimble and minimally bureaucratic. Anticipated governance stakeholders include committed UN agencies,
What should the governance structure of the NCD MDTF be?

The typical elements of the governance and organization of the NCD MDTF are the Steering Committee (SC), Secretariat, Financial Administrator, Donors/Funders, Implementing Partners, and participating UN agencies (adapted from UNDP MPTF guidance (United Nations Sustainable Development Group, 2015)) (See Figure 1 for a schematic, adapted from materials shared by the UNDP MPTF office).

---

**Figure 1:** Description of Diagram of Governance Structure and (simplified) Operational Process of NCD MDTF.

Country governments interested in applying for funding from the NCD MDTF should submit a project proposal to the Secretariat, the WHO, who manages the day-to-day operations and serves as the administrative interface between the donors, the Fund Manager, member-states, and the other UN agencies. Implementing partners who are working with country governments may support this process. Technical functions within the Secretariat or a formalized Technical Committee, will evaluate the proposals objectively given the agreed upon eligibility criteria. (Given the size and scope of this fund, a Technical Committee may be an extra governance structure that would decrease the nimbleness of the Trust Fund operations. As such, it is recommended that the Secretariat absorbs this function in the preliminary phases.) The proposals and commensurate allocations are then presented to the Steering Committee, the highest-level of governance of the NCD MDTF and composed of diverse stakeholders, who would review, provide feedback, and ultimately submit approval to move forward. This approval would reach the Fund Manager, the World Bank or UN MPTF office, who collect and manage resources and contributions from Donors/Funders and ultimately disburses funds to the recipient country governments.

---

3 In the formation stage of the NCD MDTF, the SC will be the highest-level governance structure of the Fund. The SC (first in pre-funding and early establishment phase) can be phased into an elected governance board during later phases. While both the SC and Governance Board constitute similar players/structure, the latter may be considered a more formal structure and appropriate once the NCD MDTF is formally established and fully resourced.
Due to the relatively small size of the proposed fund, these elements should be adapted to ensure efficiency. The governance of the NCD MDTF should be spearheaded by a Steering Committee (or alternatively named, Governance Board). The composition of the Steering Committee should be decided during the design stage of the fund and follow a set of principles to avoid any potential conflicts of interest. Such principles could address, but are not limited to, the percentage of funding that would be assigned to UN vs implementing partners, the governing rights (if any) of private donors, and other areas of debate.

A number of those interviewed expressed early interest to be members of the Steering Committee. In addition, there were varied reactions on whether the private sector should have a seat on the Steering Committee. The World Bank or UN MPTF office (fund administrator) should also be an ex-officio member of the Steering Committee.

Other characteristics of the Steering Committee, such as global and country-level arrangements may share similar characteristics akin go the Global Fund’s global board and Country Coordinating Mechanisms (CCMs). However, some countries expressed hesitancy around the existing CCM model by noting that they are often cumbersome and coordinator-dependent and can lead to miscommunication and disconnects between the donor and recipient government. Acknowledging the country-driven mandate as a key component of the NCD MDTF, country-level representation should be built in and developed from the design and early stages of the Fund’s establishment, including presence on the Steering Committee (SC).

The five UN organizations (WHO, UNDP, UNICEF, UNFPA, WB) should remain engaged vis à vis the Steering Committee. Still, other agencies, given their involvement with the UNIATF and the cross-sectoral nature of NCDs, are strongly encouraged to participate in laying the foundation and content creation of the NCD MDTF. Already, several UN agencies vocalized more of a role within the governance arrangements (e.g., participation in the NCD MDTF SC). Another interviewed UN agency expressed hope that the operational structure would provide an enabling environment for UN agencies to demonstrate greater capacity in supporting country governments. In addition, the UN organizations, where appropriate, would serve as implementing partners, as they provide programmatic implementation support and technical assistance. This would be based on country demand and other considerations.

The Secretariat, hosted at WHO, would manage day-to-day operations, and serve as the administrative interface between the donors, the Fund Manager, member-states, and the other UN agencies. Alignment with WHO’s Framework for Engaging with non-State actors (FENSA) will be required (World Health Organization, 2016).

What is the timeline for the establishment of the Governance structure?

Pre-establishment, a partner consortium or external consultants should investigate the feasibility of various governance and business model structures. This would not only contribute to the success of the model, but also, support the buy-in of various partners at launch. One interviewee with particular experience in setting up similar MDTFs noted that a seed capital of minimum ~5 million USD, a certain level of pre-committed resources for the Fund, and high-level political commitment to lobby for financial resources will be critical for the successful startup of the Fund. Once these factors are in place, a MDTF can be established within several months. Anecdotal evidence provided by other parties mentioned that the Global Fund was established within a six-month period, with an initial capital of 15 million USD to guarantee the initial setup.
Additional governance considerations

Over a period of time, the management responsibilities of the NCD MDTF could transition to national or regional entities. These responsibilities of grant-making and day-to-day operations should follow transition plans to ensure that national capacity is built and that operations are stable and sustainable (United Nations Development Program, 2017b). One country interviewee preferred a similar structure to the SDG Performance Fund (pooled fund within the Ministry of Health (World Health Organization, 2017a). Most interviewees hypothesized that leveraging existing country funds would reduce undue administrative and bureaucratic burden of a novel MDTF. Eventually, the NCD MDTF is recommended to devolve some decision-making to the country level. Transitioning ownership from a globally driven mechanism to more country-level, decentralized mechanism would follow recommended guidance and frameworks, including tools and templates developed by UNDP, such as the Capacity Development and Transition Planning Tool (United Nations Development Program, 2017a). Such transitions are recommended to follow a phased approach to ensure that the absorptive capacity of countries is being developed where pertinent (United Nations Development Program, 2017b).

Proposed Next Steps – Governance

- The NCD MDTF should have a shared structure between WHO and either the World Bank or the UN MPTF office. Within WHO, the Secretariat for the NCD MDTF could be hosted and coordinated by the UNIA TF Secretariat. Funds could be managed through either the World Bank or the UN MPTF office.

- A Steering Committee (SC) should form the highest level of governance for the NCD MDTF. There should be broad participation of countries and development partners on the Steering Committee.

- A partner consortium or external consultant group should be set up to investigate the feasibility of various governance structures and business models.

B. Operations

General Recommendations on the Operations

Interviewees from countries preferred NCD MDTF presence embedded in-country to facilitate processes through existing mechanisms (i.e., Secretariat presence in country office of MDTF partner). As such, it is recommended that to maintain agility and streamline processes, the NCD MDTF should utilize existing UN and/or WHO structures and engagement modalities.

Country governments should submit proposals requesting for the catalytic funding directly to the WHO Secretariat or through the country or regional office of the WHO. Guidance and consultation with the local WHO office in proposal development and submission can help to ensure that requests are consistent with ongoing and planned activities of the MDTF. These proposals should align with national NCD priorities, plans and investment frameworks (where available), and take into consideration existing investment cases. Investment cases may be guided by the list of Best Buys, ongoing country programming, and programmed interventions ranging from policies and initiatives on prevention to screening, treatment, and diagnoses. The proposals should also address the various criteria to access the fund resources, demonstrate commitment to increasing domestic resources for NCDs, and delineate how the funding will be ‘catalytic’ in this regard.
The proposals should include, but are not be limited to, background and justification of the project, objectives of the project, a work plan, measurement of impact and anticipated results, and a budget narrative.

C. Eligibility Criteria and Allocation Mechanism

The NCD MDTF aims to mobilize at least 200 – 300 million USD, to support 25 countries over a span of five years. This catalytic funding is aimed to accelerate country-level action towards achieving domestic and global NCD targets. Preliminary projections indicate that USD 200 - 300 million ‘seed capital’ could leverage an additional 1.5–2 billion USD in domestic and private sector investments for NCD prevention. Further estimates indicate that between now and 2030, this seed capital could: (i) save 5 million lives; (ii) result in 63 million healthy life-years gained; and (iii) avert 30 billion USD in economic losses based on a set of interventions leveraging the current set of Best Buys (United Nations Inter Agency Task Force on NCDs, 2018).

Eligibility criteria – which countries can benefit?

Most stakeholders shared similar opinions around technical indicators for eligibility. Table 3 provides options based on stakeholder input and a review of funds and financing mechanisms in global development.

A recurring theme in the eligibility discussion was that given that 80% of the world’s poorest population resides in middle-income countries (2012 data (Sumner, 2012))4, that indices that reflect within-country inequality and the number of those living in poverty (versus national income indices) should form part of the decision-making metric. A particularly applicable metric to explore for this purpose might be the Oxford Multi-Dimensional Poverty Index (MPI) (Oxford Policy Group, 2019), which was further developed and applied by the Lancet Commission on NCDI and Poverty (Lancet NCDI Poverty Commission, 2017).5

For those interviewees who commented on the eligibility criteria, it was also important that eligibility criteria are based on multi-factorial indices, rather than single, national indexes, such as country income status, which would mask important details such as within-country inequality and health system readiness. Furthermore, several interviewees noted that an additional explicit eligibility criterion should highlight the political commitment/will of a recipient country.

Notably, some interviewees suggested that even several high-income countries might benefit from what the NCD MDTF may have to offer; and, that given a suggested tiered contribution structure, the services of the

---

4 According to Sumner (2010): ‘Half of the world’s poor live in India and China (mainly India), a quarter of the world’s poorest live in MICs (mainly in populous MICs such as Pakistan, Nigeria, Indonesia), and a quarter of the world’s poorest live in the remaining 35 low-income countries. A surprising pattern emerges: only 7% of world poverty is found in stable low-income countries.’ (Sumner, 2010)

5 ‘The global MPI can be used to create a comprehensive picture of people living in poverty, and permits comparisons both across countries and world regions, and within countries by ethnic group, urban/rural area, subnational region, and age group, as well as other key household and community characteristics. For each group and for countries as a whole, the composition of MPI by each of the 10 indicators shows how people are poor. This makes the MPI and its linked information platform a useful tool to identify the most vulnerable people – the poorest among the poor, revealing poverty patterns within countries and over time, enabling policy makers to target resources and design policies more effectively.’ Taken from (Oxford Policy Group, 2019)
NCD MDTF could also be offered towards high income countries, thus truly constituting a funding mechanism reflective of the SDG era.

Once eligibility is determined, additional factors such as absorptive capacity and specific need will also need to be considered.

Table 3: Options to determine country eligibility to receive MDTF support

<table>
<thead>
<tr>
<th>Suggested options for Eligibility Criteria</th>
</tr>
</thead>
<tbody>
<tr>
<td>o e.g. mirroring Global Fund criteria, which use income classification + disease burden + key population exceptions (The Global Fund, 2018a) “highest burden of disease and least economic capacity” (note: if focus is on NCD prevention, disease burden criteria may not be as highly relevant)</td>
</tr>
<tr>
<td>o e.g. similar to GFF criteria, based on need, population, income, and ad hoc qualities (United Nations Multi-Partner Trust Fund Office, 2019)</td>
</tr>
<tr>
<td>o Based on poverty indexes (poorest communities/populations) or multi-dimensional poverty indexes (MPIs)</td>
</tr>
<tr>
<td>o Based on NCD-specific criteria (e.g., national NCD strategy necessary)</td>
</tr>
<tr>
<td>o Based on health system readiness/preparedness criterion</td>
</tr>
</tbody>
</table>

Allocation criteria – what programs and policies should be funded?

The most important criterion to determine the allocation mechanism was that it should reflect country demand and need, a notion strongly supported by the Addis Ababa Agenda for Action (UN, 2015). An additional, critically important metric to include in the consideration for resource allocation and eligibility is the ethical component, which applies more to various definitions and indicators of ‘fairness’. As such, there is an emerging global consensus that the criteria of cost-effectiveness, priority to the worse-off, and financial risk protection should all be taken into account when determining resource allocation in health financing (Hernaes, Johansson, Ottersen, & Norheim, 2017; Norheim, 2016; Norheim et al., 2014).

Indeed, several interviewees recommended the importance of exploring not only the economic eligibility factors, but also, issues around equity and risk protection. Additionally, political feasibility will need to be strongly considered, as economics and disease burden evidence on their own are not enough to ensure the sustainability of any supported intervention. Furthermore, demonstrated commitment to increase domestic resources for NCDs (through national NCD strategies, accompanying investment cases and/or frameworks, etc.), should be strongly considered as well.

Initial intervention areas of the NCD MDTF may be based on WHO-recommended cost-effective preventive and clinical interventions, as outlined in the Best Buys. As an example, in Jamaica, the UNIATF investment case focused on four NCD interventions packages, including tobacco control policies, alcohol policies, cardiovascular (CVD) clinical control interventions, and diabetes control interventions. Therefore, in this particular example, a starting point for NCD MDTF support could be catalytic financing of the specific policy and clinical intervention recommendations based on the investment case. However, it is important to note that the scope of the UNIATF NCD investment cases may be limited to only a small subset of the 88 Best Buy Interventions; and thus while a good starting point, more comprehensive studies that explore investment opportunities for cancer, physical diet, etc. – and those beyond the Best Buys – may be necessary.
Proposed Next Step – Eligibility

- It is recommended that the Steering Committee participates in a prioritization exercise on eligibility indicators to determine both the criteria and process to establish eligibility when developing the Terms of Reference (TOR) for the NCD MDTF.

- Proposed Next Step – Allocation Mechanism

- It is recommended that a composite impact matrix based on cost-effectiveness, favoring the worst off, and financial risk protection, and taking into account political feasibility, be applied toward the allocation algorithm of the NCD MDTF.

D. Theory of Change, Return on Investment, Results Framework

A theory of change framework is necessarily interlinked with the development of a results framework. The results framework needs to be based on actions and desired outcomes at each level of the results chain.

Theory of Change

The raison d’être and Theory of Change of the NCD MDTF should rest on the following principles:

- Countries are able to harness technical assistance for NCDs more efficiently and expediently than at present via a MDTF, thereby allowing for a more efficient use of resources.

- By offering a more sustained approach toward providing assistance to countries’ efforts to implement their national NCD agendas and investment frameworks (rather than the current piecemeal system), building on the new One UN health agenda, and coordination with non-health sectors, the NCD epidemic can be more commensurately addressed than at present, alleviating human suffering and the massive economic burden posed.

- Newly available resources would catalyze further financing and investment pathways for recipient countries. This would occur when small amounts of optimally applied financing leverage significant resources for the integration of NCDs into health systems for UHC.

To apply these principles, it is recommended that the NCD MDTF develops an overall theory of change framework such as the following Figure 2 (adapted from the Global Financing Facility Theory of Change framework):
Return on Investment / Catalytic Nature of the Fund

Below, we highlight an example of how investment cases offer an optimal segue to demonstrate the catalytic impact that additional financing for NCDs via the NCD MDTF may have.

The UNIATF-conducted NCD investment case in Jamaica showed that over a 15-year period, implementation of the policy packages would result to an estimated 5,735 lives saved and 67,462 health life years restored, contributing to a net present value of 77.1 billion JMD (US$ 607 million) (UNIATF, UNDP, & PAHO, 2018). By monetizing the health benefits, the gains from the policy packages demonstrated to be about 4.3% of the country’s 2018 annual GDP, 47.3 billion JMD of which could be attributed to productivity gains and an additional 29.8 billion JMD to averted treatment costs (UNIATF et al., 2018). Notably, the analysis also found that since the gains from the investments (77.1 billion JMD) exceeded their costs (36.7 billion JMD) with an ROI of 2.10 over the 15-year period (2017-2032). Further, the long-term economic benefits of the policy packagers were shown to amplify exponentially over time in comparison to cost increases which were shown to occur to a smaller degree (UNIATF et al., 2018).

Thereby, by simply investing in the proposed policies investigated in this economic case, the funding of the NCD MDTF could be catalytic, as the investments could be recouped more than two-fold. However, the
total implementation costs of 36.7 billion JMD over 15 years (~270 million USD over 15 years) far exceed the anticipated investments of the NCD MDTF.

Given the anticipated positive returns of the modelled health interventions, this could be an example where technical support in leveraging either international development assistance (IDA) or the creation of a health bond for this set of interventions could be explored. The support of the NCD MDTF could be utilized to help secure a loan or a health bond for the recommended intervention package. If realized, both the impact and catalyptic nature of the assistance can be quite easily shown.

**Results Framework**

Nevertheless, given that key indicators and a strong monitoring and evaluation (M&E) framework are crucial for donors, a set of NCD-specific key performance indicators (KPI) should be agreed upon by all parties, including the countries in which these funds will be invested. Notwithstanding, the results framework and indicators will need to match each specific focus area of the NCD MDTF.

These indicators should include, but are not limited to, those from the WHO NCD Global Monitoring Framework (World Health Organization, 2019c). Existing health management information systems and data collection at the country-level should feed into the monitoring and evaluation of this NCD MDTF. Underlying data availability and quality challenges are quite varied across country contexts and should be taken into consideration. Interviewees, including development partners and countries noted that information systems will need to be strengthened, aligned, and geared toward NCD data collection to ensure that monitoring systems are strengthened, and information collection is not redundant. Further, depending on country contexts, data collection responsibilities may require delineation at each administrative level to help ensure the flow of information. Given the challenges of monitoring of NCDs, there should an independent evaluation group that applies the general framework, as noted in the succeeding section. The challenges of assessing and attributing outcomes as they pertain to policy assessments should be flagged.

**Proposed Next Steps**

A theory of change should be developed, including country-level input, and validated by the Steering Committee. This includes, agreeing on a set of key performance indicators (KPI), specific to NCDs, based on country and intervention context.

**E. Accountability Mechanism**

Past trust funds have faced challenges in mismanagement and lack of transparency and accountability (Barakat, Rzeszut, & Martin, 2011; Downs, 2011). To avoid these past pitfalls, this NCD MDTF should build accountability structures into each level of governance at the conceptualization phase. These accountability structures should include an inclusive Steering Committee, in-country/regional support for the rolling out of programs and funds, as well as civil society as potential watchdogs. Civil society, in particular, has played an increasingly larger role in holding governments and private sector accountable, thus their engagement within the NCD MDTF governance arrangement will critical. Civil society actors (such as the NCD Alliance and their affiliates) can provide national and local-level accountability through civic engagement (such as anti-corruption agencies) to ensure that the funds are being used effectively and efficiently, and the strategy remains free of corporate interest that may be in direct conflict with curbing the NCD burden (Tembo, Wells, Sharma, & Mendizabal, 2007).
Effectively applying the MPTF accountability framework from the UNDG Management and Accountability Framework of the UN Development and Resident Coordinator System (United Nations Sustainable Development Group, 2019) further includes ensuring the timely annual delivery of information from the Secretariat (or Resident Coordinator) to the UNDG/AG offices. Internal and external audits from an external evaluator should supplement donor and country auditing processes as needed to provide the desired level of assurance. For the evaluation of the impact of technical assistance, it is recommended that periodic, independent qualitative evaluations of the NCD MDTF’s relationship with country officials and implementers be carried out. Further elements can include phased reporting or rapid early warning systems, similar to an outcomes-based financing approach.

As an independent entity, the Independent Evaluation Group (IEG) at the World Bank, employs many evaluation instruments to measure performance of World Bank projects and processes, in turn, fostering a culture of accountability and learning (Independent Evaluation Group- World Bank Group). Their framework and methodology can be adapted for monitoring of this NCD MDTF, and in particular, fund management. This includes assessing outcomes based on the objectives stated in the country proposal for funding, and gleaning learnings from each evaluation (e.g. dissected by thematic area or country) to apply for further refinement of the NCD MDTF.

Proposed Next Step – Accountability Mechanism

- The NCD MDTF should build accountability structures into each level of governance at the conceptualization phase. These accountability structures should include an inclusive Steering Committee, in-country/regional support for the rolling out of programs and funds, as well as civil society as potential watchdogs.

- It is recommended that internal and external evaluations should supplement donor and country auditing processes as needed to provide the desired level of assurance of NCD MDTF processes.

F. Resource Mobilization and Funding

In a pooled multi-donor Trust Fund, resources need to be mobilized from multiple financial partners, and then channeled to countries based on NCD-specific development needs at national, regional, or local levels.

As is the case for other Trust Funds, the resources will most likely originate from traditional development partners, including donor governments, bilateral agencies, and foundations. From those interviewed, while there is interest in supporting the fund, mobilizing resources will require political buy-in and effort from those at the higher-levels of government. In particular, the bilateral agencies and partners signaled that they would prefer to see a clear outline and financial and political pre-commitments before investing own agency resources.

Owing to the relatively small scope of the NCD MDTF compared with other global health financing partnerships, a strategy to leverage this funding for further investments will be necessary to ensure sustainability. One example is a matching mechanism to further mobilize resources. For example, with the Health Results Innovation Trust Fund (HRITF), as employed by the GFF, $1 dollar of grant source was linked to $4 of IDA. However, in order to leverage IDA for NCDs, a portion of each country’s IDA would need to be pre-committed to health/NCDs, which is likely to be a challenge.

Another approach to catalyze further funding would be through a sliding scale modality based on country domestic capacity to finance - where partners contribute specific/tiered percentages to a country (e.g., NCD MDTF contributes 50%, UN agency (25%), and country government (25%).
A further suggestion arising from the key informant interviews was to mobilize resources through tax-based and fiscal measures, such as excise taxes on tobacco, sugar taxes, or other earmarked taxes on consumer products. However, the political opinions whether to include unhealthy product taxes as part of the NCD MDTF agenda varied and might prove a point of contention. Also, it is unclear why LMICs should pay into a global fund when faced with resource scarcity. Rather, using health taxes as a way to raise domestic resources for health to complement/match the NCD MDTF’s funding and support is recommended.

A strength of the UN MPTF process is its ability to leverage each of the UN agencies’ funding networks. The NCD MDTF should therefore encourage UN system agencies to create a joint plan to raise funds from their own funding partners.

The potential role of the private sector in resource mobilization

It is proposed that the NCD MDTF also creates space for investment from non-traditional actors, including the private sector. One country, for example, highlighted ‘donor fatigue’ where traditional donor partners have very little appetite for supporting the NCDs and mental health agenda. Therefore, a thoughtful private sector resource mobilization strategy will be essential for the viability of the NCD MDTF.

However, it is clear that consensus around which types of private funders to welcome will need further discussion in order to manage issues around diversity and conflicts of interest. The PPP Initiative’s categorization of industries across the axis of value alignment provides a helpful visualization (Figure 3) to determine which players align with progress towards SDGs on health and well-being (Trager & Sim, 2019). The actors towards the alignment end of the spectrum worth exploring are employers, digital health (with focus on prevention and reducing risk factors of NCDs) and wellness industries, the sporting goods industry, insurance, private providers, and the pharmaceutical and medical device industries. Digital health (focused on treatment), food and beverage industries, and retailers are demonstrated as potentially being aligned with NCD related SDG goals. As noted in the next paragraph, the interviewee responses have resonated with this framework.

All those interviewed were clear that the tobacco industry should not be engaged (in line with the WHO Framework Convention for Tobacco Control (FCTC)); there was a mixed response towards the food and beverage industries; and generally, a neutral to positive response towards the pharmaceutical and medical device industries. Guidelines such as the WHO Framework of Engagement with Non-State Actors (FENSA) and UNDP’s Policy on Due Diligence and Partnerships with the Private Sector provide due diligence guidance on how the private sector should engaged, particularly if contributing resources (in-kind or financial) (World Health Organization, 2016).

Some interviewees noted potential engagement of more non-traditional private sector entities. In one country, it was noted that patient organizations play a substantial role in the advocacy of financing chronic diseases nationally, with an aim to pivot to the international sphere. It was suggested that this avenue be explored. An African country noted the increasing role and presence of African companies such as the diamond and natural resources industries. As unusual suspects and players in the healthcare field, this avenue was also suggested for exploration. Another interviewee gave an example of the NFL (note: the US National Football League), due to its interest in preventing brain injuries, as one of the funders for a mental health financing partnership. These experiences can be applied for the context of this NCD MDTF.
There also exists a strong need for support and fostering an enabling environment for advocacy and lobbying efforts by civil society and recipient governments to create necessary traction and political will.

**Proposed Next Steps – Resource Mobilization**

- In order for resources to be mobilized, there is a need for political action, political triangulation, and the elevation of the NCD MDTF advocacy to the highest level.

- As the fund is inherently ‘catalytic’ in nature, how it will be leveraged for further investment is recommended to be explored in the next phase. This sustainability strategy may include private sector participation.

**G. Risk Analysis**

In a MDTF model, all partners share risks. Key risks and challenges are at the political and resource mobilization level, around the causal attribution of NCD policy action, and at the governance and operational level. Both the potential risks prior to and after the fund’s establishment are elaborated on below. Three general risks associated at the current conceptualization phase of the NCD MDTF are presented, followed by an overall initial model of the components of a risk mitigation framework once the fund is established.

**Risk 1: Insufficient funds raised**

In this planning phase of the NCD MDTF, the perhaps largest risk is that the proposal will be met with political inaction and/or insufficient willingness for concerted global action and funding. This is a real risk...
–multiple calls for global action and funding for NCDs have largely been left unanswered (Maher & Sridhar, 2012; D Sridhar & Batniji, 2008), development assistance for health for NCDs has stubbornly remained at under three percent of total development assistance for health (DAH) (Dieleman et al., 2014; Dieleman et al., 2016; R. A. Nugent & Feigl, 2010), the 2018 UN HL meeting on NCDs and the 2018 Copenhagen NCD Financing Dialogue saw no additional global commitments towards financing the NCD agenda at large, and past Trust Fund proposals (i.e. in 2012) have but accumulated dust on bureaucrats’ desks.

Even if resources are mobilized, if the NCD MDTF follows a traditional replenishment model, against the flatlining of international development budgets and other competing priorities and among actors that see the financing agenda as a zero-sum game.

To address this, there needs to be willingness of a handful of development actors, beneficiary countries, and global leaders to assume the role of torch bearer to establish this fund. No level of soundness in the technicality of this proposal will be able to compensate for political leadership for the NCD MDTF.

This risk was identified in conversations with recipient countries. There was concern as to whether donor support - even in small and catalytic quantities – would become a reality.

There was also some mismatch that would need to be resolved between responses by funders who signaled the need for a very focused and narrow deliverable based approach of the NCD MDTF, and by countries who would want to be able to shape the agenda of the disbursements by their (very strong) country demand. This is of course not a new tension in international development finance. Yet, in keeping with the 2030 SDG framework, this issue will need to be resolved to favor country demands.

At a later stage, when the funds are ultimately deployed, there is a risk that implementing partners or countries, especially those with low absorptive capacity do not use the funds effectively and efficiently. Also, due to the global nature of this fund, the separate functions and various ‘hand-over’ points in the deployment and implementation chain may be vulnerable to corruption issues (Disch & Sandberg Natvig, 2019).

**Risk 2: Politics (rather than evidence and country demand) drive the NCD MDTF’s agenda**

At present, contentions exist around several Best Buy recommendations (World Health Organization, 2017b), wherein some interviewees expressed concern about the inclusion of recommendations for sugar tax policies, whereas other stakeholders were very keen on supporting the implementation of these levies. Other interviewees suggested that the policy and intervention range should be purely determined by the recipient countries, recognizing their sovereignty and the overall tenets of the Addis Ababa Agenda for Action.

As political consensus building around the Best Buys stalled prior to Montevideo 2017 and the UNGA HL Meeting in 2018, resulting in an arguably weak outcomes resolution, one key risk may be convergent political agendas among those forming the Steering Committee, thereby jeopardizing the success and wider scope of the NCD MDTF.

It is recommended that these political issues and conflicts be declared from the very early stages of the formation of the Steering Committee, and that both a political stakeholder analysis and a consensus building process be an integral part of the scoping phase. The specification of a set of Guiding Principles that apply
to this process and that will offer a resolution when these issues may arise is advised. The key is to address any potential (perceived or real) conflicts of interest, rather than to avoid them altogether.

Risk 3: Causal attribution difficult for complex political processes and for diseases with a long lag time between exposure/intervention and disease burden impact

An additional risk is posed by the challenge of evaluating the impact of technical assistance and supported policy dialogue and implementation, where the impact may be diffuse, and policy changes might be the result of multiple factors aligning (or not). Conversely, it is easier to attribute impact for specific interventions i.e. healthcare worker education, new cases diagnosed, etc.

Designing impact evaluations can be costly and time-consuming. In addition, the timing might also align poorly with the policy process. Further, given the limited financial scope of the NCD MDTF, rigorous step-wedge policy design trials might be beyond the purview of the assigned budgets for assistance. In the same vein, attributing catalytic action will be faced with the same hurdle of difficulty as causal impact attribution.

In addition, one interviewee noted that because of the relatively limited scope and amount of projected funding from the NCD MDTF per year, when transaction costs and administrative time are factored in, the impact may be less substantial than signaled in the 2018 proposal.

Therefore, to mitigate this risk, a strong M&E framework with both process and outcome indicators will be critical. Additionally, and as was mentioned by several experts and interviewees, the monitoring process will heavily rely on improved surveillance systems and rigorous data collection efforts. NCD indicator collection is particularly poor and data on NCD specific health financing is non-existent at the disease specific level in most developing countries at the national level. Therefore, this might be an area ripe for exploration for public-private sector collaboration e.g., many private sector foundations and mobile technology companies are investing in improved digital technologies. Improved health and health finance data collection might be a win-win scenario for such partnerships. For example, the NCD MDTF could furnish matching grants (part NCD MDTF, part government, part private sector) that can be applied via a competitive process. This process would achieve both a blended finance model, ‘catalyze’ investments domestically and from the private sector (a key tenet of the SDG financing approach), as well build sustainable monitoring systems that will guide future health investment decisions.

Overall Risk Mitigation and Management for the established NCD MDTF

Overall, it is recommended that a risk management framework and strategy are utilized to determine risks on a continuous and consistent basis. A risk appetite framework such as the Global Fund’s Risk Appetite Framework should be adapted at the beginning of the design phase, alongside a strong due diligence process (The Global Fund, 2018b). This includes the assessment of internal and external threats and main risk sources (e.g., procurement of funds, fund management and oversight, country management capacity, compliance risks, etc.), which would then be ranked to determine a risk score. All risks should be analyzed by the Secretariat and communicated to the Steering Committee. Further, a risk mitigation strategy and policy should be developed. To manage fiduciary risk, the World Bank recommends strategies for mitigation which include internal controls to ensure there is a cash flow of grant disbursements reflective of donor contributions (Koch, 2011). In addition, pegging streams of funding to existing funding or to a percentage of all health systems ODA/loans might significantly de-risk funding. The components of a suggested risk mitigation strategy are shown in Box 2.
Overall, and similar to the recommendation under Risk 3, without good data and outcomes frameworks, solutions to mitigate and manage these risks – as well as measure impact and conduct operations – will be a challenge. The underlying data structures and data systems are necessary to facilitate this; the challenge will be collecting data in countries where systems are insufficient to meet this need.

### Suggested Components of Risk Mitigation Strategy

<p>| | |</p>
<table>
<thead>
<tr>
<th></th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>●</strong> Risk Appetite Framework adapted</td>
<td></td>
</tr>
<tr>
<td><strong>●</strong> Assessment of internal and external threats with a risk score:</td>
<td></td>
</tr>
<tr>
<td>o Procurement of funds</td>
<td></td>
</tr>
<tr>
<td>o Fund management and oversight</td>
<td></td>
</tr>
<tr>
<td>o Country management and absorptive capacity</td>
<td></td>
</tr>
<tr>
<td>o Compliance risks</td>
<td></td>
</tr>
<tr>
<td>o Supply chain risks (if applicable)</td>
<td></td>
</tr>
<tr>
<td>o Political risks</td>
<td></td>
</tr>
<tr>
<td><strong>●</strong> Development of mitigation strategy</td>
<td></td>
</tr>
<tr>
<td><strong>●</strong> Supporting strong underlying data systems to allow ongoing risk assessment</td>
<td></td>
</tr>
</tbody>
</table>

**Box 1: Suggested Components of a Risk Mitigation Strategy**

*Proposed Next Steps – Risk Analysis*

The three greatest risks identified are:

1. Insufficient funds raised
2. Political stalemates
3. Attributing catalytic impact to (modest) funding

It is therefore recommended that a thorough risk assessment, analyzing internal and external threats, is conducted during the design phase.
References


Appendix

Additional background on UN MPTFs and WB MDTFs

Fund management by the UN or World Bank builds on decades of success

Traditionally, 70% of all MDTFs are hosted by the World Bank, and approximately 30% by the UN MPTF office. Therefore, the suggested structure builds on a long track record of experience, allows the involvement of various UN agencies, and guarantees strategic alignment with WHO and member country priorities.

Most existing MDTFs in the global health ecosystem consist predominantly of partnerships between public sector players (including donor governments) and their development finance institutions, private sector, and civil society actors. These partnerships aim to use public and donor funding to leverage private sector resources for specific global health needs through innovations at different levels of the value chain. According to the WHO, the objectives and scope of MDTFs are to “ensure government ownership and alignment with established regional and national priorities and plans.” (United Nations Multi-Partner Trust Fund Office, 2019)

The World Bank is the trustee and/or executor of over 11 billion USD portfolio of Trust Funds (The World Bank, 2017). In global health, these Trust Funds include those in which the Bank is a major donor and trustee, such as the African Programme for Onchocerciasis Control; and, those in which the Bank is simply a fiduciary with all allocation and disbursement decisions made outside of the Bank’s mechanisms, such as the Global Fund, (Browne & Cordon, 2015; D. Sridhar & Tamashiro, 2009; Winters & Sridhar, 2017; World Health Organization, 1991), for which the World Bank manages a FIF (Financial Intermediary Fund) (The World Bank, 2017), constituting a distinct subset of the Bank’s trust fund portfolio.

Another entity, the United Nations Multi-Partner Trust Fund (MPTF) Office, housed within the UNDP, is responsible for a variety of pooled fund mechanisms, which can be established at the global, regional, and national levels, and now manages over 100 Trust Funds (United Nations Multi-Partner Trust Fund Office, 2019).

Of particular note is the MPTF for road safety, which was established in 2018 to support the implementation of the Global Plan for the Decade of Action for Road Safety 2011–2020 (United Nations Development Program, 2019). It is modeled to direct small grants from a range of donors to governments and nongovernmental organizations to support road traffic injury prevention programmes in countries and communities (United Nations Development Program, 2019). The Road Safety Fund Secretariat is held by UNECE, whereas the funds are managed by the UN Multi-Partner Trust Fund Office (United Nations Development Program, 2019).
Methods

The draft business plan outline represents the learnings from intense key stakeholder conversations, as well as the thereby emerging recommendations on the modality and components of a MDTF for NCDs and mental health.

The report is the result of a structured review of existing development funds as well as their respective business plans, a series of stakeholder consultations from Member States and development partners, as well as the cumulative expertise of the authors.

This report further builds on the background paper ‘Lessons learnt from previous global health and development trust funds and financing mechanisms and their applicability to developing a multi-donor trust fund to scale up action on NCDs’ that was presented to the Commission in WHO, Geneva on April 2, 2019.

Interview methodology

The HFI team used its technical and interviewing expertise to conduct stakeholder interviews in rapid fire succession during a two-week period from July 15- August 2, 2019. 53 key stakeholders (89 individuals in total) were identified and contacted for interviews (see Figure 4 below). Individuals and institutions that did not respond to initial contact efforts were followed up with in two to three-day intervals. Interviewees were also asked to identify further relevant interviewees and share their contact information. In circumstances where country representatives were unresponsive, country missions were called to identify other pertinent representatives. In total, twenty-seven interviews were conducted with representatives from countries who participated in the Kenya Breakfast meeting, bilateral agencies and development partners, UN agencies, and key informants in development finance. These stakeholders were interviewed due to their demonstrated interest in this topic, responsiveness to outreach, and availability within the limited two-week time period. A complete list can be seen in Figure 4 below.

<table>
<thead>
<tr>
<th>Development Partners / Donor Governments</th>
<th>LMIC Countries</th>
<th>Non-State Actors</th>
<th>Financing Mechanisms</th>
<th>UN Agencies</th>
</tr>
</thead>
<tbody>
<tr>
<td>IFCA [1]</td>
<td>Botswana</td>
<td>Global Alliance for Health and Pollution (GAHP)</td>
<td></td>
<td></td>
</tr>
<tr>
<td>New Zealand</td>
<td>Mozambique</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>European Union</td>
<td>Vietnam [3]</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Switzerland</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>France</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Italy</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Gulf Health Council</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

Figure 4: Organizations and countries contacted for interviews. Note that those in bold responded and were interviewed. The [ ] symbol contains the number of distinct persons that were contacted in each organization.
In preparation for the interviews, four different conversation guides (Bilateral, UN agency, Recipient Country, Private sector/other) were created to accurately capture feedback given the different roles and relationships that the stakeholders would have with the NCD MDTF. Questions were adjusted based on the interviewee’s background, as well as the level of previous involvement with the NCD MDTF proposal. An example of the bilateral conversation guide can be found in the appendix. Key stakeholders were asked to comment on the relevance and scope of the five areas proposed in the initial concept note of the catalytic fund co-developed by the 5 UN agencies (see Table 4 below), resource mobilization, governance and operational consideration for the Trust Fund (including the funding model and eligibility criteria), and the role of the private sector. Notably, the responses are reflective of stakeholders’ varying degrees of technical expertise across the areas of inquiry. Stakeholders were also given the opportunity to provide other general feedback and contributions. Conversations were audio recorded and transcribed to inform the creation of a summary of recommendations for each interview. Additionally, interviewees were asked to review the summary of their recommendations and to confirm accuracy.

| 1 | National investment frameworks for NCDs and mental health |
| 2 | Establishment of pro-health partnerships and policy coherence |
| 3 | Stronger legislative and regulatory environments, supportive of a healthy and prevention focused approach |
| 4 | Stronger health systems – scaled up access |
| 5 | Community-based and population-wide responses |

Table 4: List of five focus areas of the MDTF for NCDs and mental health

Interviews conducted

Key Informant interviewees / Contacts

Development Partners/Donor Governments

- **JICA**
  - Ashida Tatsuya (Head of Non-Communicable Diseases and Health Sector Programs, South Asia)
  - Inoue Yumiko
  - Abe Yasuaki

- **KfW**
  - Matthias Nachtnebel (Health Advisor, Asia)

- **GIZ**
  - Charlotte Aberdein (Development Advisor - Non-communicable Diseases, Ministry of Health Cambodia)

- **IDRC**
  - Greg Hallen (Program Leader)

- **Public Health Agency of Sweden**
  - Anders Tegnell (State Epidemiologist and Head of the Department of Monitoring and Evaluation at NPA)
● Italy (Ministry of Foreign Affairs)
  o A.H.E. Mr. Ernesto Massimo Bellilli (Ambassador, Deputy Permanent Representative to the United Nations Office at Geneva)
  o Matteo Evangelista (First Secretary, Permanent Mission to the United Nations Office at Geneva)

● Australia
  o Leila Jordan (WHO Engagement — International and Commonwealth/State Relations Branch)

● Grand Challenges Canada
  o Zoe Boutilier (Program Officer, Global Health, IDRC)

● Public Health Agency of Canada
  o Jamie Baker (Manager)
  o Tammy Bell (Director, Bilateral Engagement, Office of International Affairs for the Health Portfolio)

Lower-and-Middle Income Countries

● Ethiopia
  o Noah Elias (Health Attaché of Ethiopia to the United Nations Office at Geneva)

● Sri Lanka
  o Champika Wickramasinghe (Deputy Director General of NCDs, Ministry of Health)

● Mozambique
  o Francelina Romao (Health Attaché of Mozambique to the United Nations Office at Geneva)

● South Africa
  o Yogan Pillay (Deputy Director-General for Health)

● Kenya
  o AH.E. Dr. Cleopa Mailu (Ambassador, Permanent Representative of Republic of Kenya to the United Nations Office at Geneva)

Civil Society/Other

● NCD Alliance (note: comments provided in writing)
  o Katie Dain (Executive Director)

● Global Alliance for Health and Population (GAHP)
  o Rachael Kukpa (Director of Strategy and Development; Acting Executive Director)

● Novo Nordisk (note: comments provided via June 2019 phone call)
  o Soraya Ramoul (Director, Global Access to Care)
  o Dorte Blume Boldsen (Associate Global Project Director)

● Pfizer
Outline Business Plan for a Catalytic Multi-Donor Trust Fund
for the Prevention and Control of Noncommunicable Diseases and Mental Health

- Chris Gray (Senior Director, Global Health & Patient Access)

**Financing Mechanisms**

- **Global Fund**
  - Marijke Wijnroks (Chief of Staff)

- **Global Financing Facility**
  - Muhammad Pate (Director, Global Financing Facility)

- **One Mind / Healthy Brain Financing Initiative** (phone call did not follow regular format but was informational)
  - Garen Staglin (Co-Founder and Board Chairman)
  - Eliot Sorel

**UN Agencies**

- **UNDP**
  - Doug Webb (Team Leader, Health and Innovative Financing at the HIV, Health and Development)
  - Dudley Tarlton (Program Specialist for HIV, Health and Development)

- **UNFPA**
  - Tim Sladden (Senior HIV Adviser)

- **World Bank**
  - Dr. Muhammad Pate (Global Director, Health, Nutrition and Population (HNP))

- **UNICEF** (note: comments provided in writing)
  - Rory Nefdt (Senior Adviser, Health)

- **WHO**
  - Nick Banatvala (Head of Secretariat UN Interagency Task Force on the Prevention and Control of NCDs)
  - Menno van Hilten (Senior External Relations Office Officer, Office of the Assistant Director-General for NCDs & Mental Health at WHO)
  - Gini Arnold, Senior Adviser
  - Gerard Schmets (Chief Coordinator – UHC Joint Working Team) / Denis Porignon (interview with Denis) (Policy Adviser, Department of Health Systems Governance and Financing)

An additional conversation between HFI and the leadership of the UN MPTF office took place on August 7, 2019, with Jennifer Topping and Henriette Keijzers. This conversation served to review and comment on the procedural guidance on setting up a UN MPTF.
Outline Business Plan for a Catalytic Multi-Donor Trust Fund for the Prevention and Control of Noncommunicable Diseases and Mental Health

Conversation Guide Example

MDTF for NCDs and mental health conversation guide for bilateral organizations and countries

Background

To address the investment gap vis-à-vis SDG target 3.4, the UN Inter-Agency Task Force (UNIATF) on the Prevention and Control of NCDs alongside the WHO Independent High-Level Commission on NCDs in 2018 jointly expressed a global call for the creation of a catalytic Multi-Donor Trust Fund to mobilize resources to fill the investment gap for NCDs. This proposal to establish a NCDs MDTF was further developed by the WHO, the World Bank, UNDP, UNICEF and UNFPA, and conceived of as a “Catalytic Fund” to provide country-demanded technical support for low-and-middle-income countries to meet SDG 3.4.

Further heralded as one of the ‘bold ideas’ put forth by the WHO HL Commission on NCDs presented at the UN HL meeting on NCDs in 2018, a country-breakfast led by the Kenyan government in late 2018 echoed the need and demand for such a catalytic fund, resulting in the following conclusions:

- The demand and need for the Catalytic Fund is clear;
- Member States need to jointly drive the idea from a concept note to a fully-fledged proposal with the help of the Secretariat;
- Those attending the meeting agreed to become the core group for driving this agenda forward at both expert and ambassador level.
- Agreed next steps were as follows:
  - An expert meeting to set a clear timetable and process for the fund’s full development;
  - A follow-up meeting among experts and ambassadors and
  - The Member states to share progress with the Commission and WHO Director-General.

In addition, the 2019 ECOSOC resolution on the work of the Task Force and the January 2019 WHO Executive Board called for further work to be done around a MDTF, buttressing the momentum towards the realization of such a Fund.

Following these developments, the Commission has now asked the Health Finance Institute (HFI) to provide a background paper on the potential financing modalities of such a MDTF. Both an executive summary and the full version of this background paper have been shared with you.

In addition, the Health Finance Institute is developing an outline business plan for a catalytic multi-donor trust fund for the prevention and control of NCDs and mental health.

As this MDTF should be reflective of country needs and priorities – supporting governments to better coordinate and integrate NCD responses into existing sustainable development plans – this conversation is

---

6 Note that four different conversation guides existed: (1) For the 5 UN agencies as part of the Joint Programming Work; (2) For bilateral donors or representatives from donor countries; (3) For representatives of development funds or the private sector/civil society; (4) For representatives of potential recipient countries.
of particular importance. Therefore, the main purpose of this conversation is to discuss you and your agency’s views on if and how a MDTF should be established. Your responses will be recorded and integrated into the business plan outline, which will be shared with the Commission by the end of July, 2019, as well as with all country governments representatives who attended the December 2018 breakfast meeting.

We plan to record this interview. The responses will be anonymized and aggregated. We will ask for specific permission if we intend to quote any of your statements directly.

Conversation Guide

(Ask if any clarifications are needed before starting the interview)

A. A previous proposal, prepared by five UN agencies (WHO/UNDP/UNICEF/UNFPA/WB) started to outline some of the potential parameters of such a fund, which was then further elaborated on in the working paper that was shared with you.

In broad terms, the funds could be used to support:

1 – National investment frameworks for NCDs and mental health
2 – Establishment of pro-health partnerships and policy coherence
3 – Stronger legislative and regulatory environments, supportive of a healthy and prevention focused approach
4 – Stronger health systems – scaled up access
5 – Community-based and population-wide responses

What is your general reaction to these five focus areas? Would you emphasize a particular one or prioritize one focus area over the other?

What do you think should be the main focus of such a fund, thematically, and programmatically?

B. What do you believe is the most sustainable way to mobilize resources for such a fund?

What role do you see your agency playing as it pertains to resource mobilization under the proposed fund?

C. In this next part of the interview, we would appreciate your feedback on the governance and operational considerations that were outlined in the shared background paper. Could you share your/your agency’s perspective, how would it be best to incorporate accountability mechanisms to ensure the funds are used efficiently and effectively?

In addition, when reviewing Table 5 of the background paper, highlighting various potential options for the organization and governance of the proposed Fund, could you share your feedback on the following categories and proposed options:
a. Governance
b. Administration
c. Funding model (and country ownership)
d. Allocation mechanism
e. Eligibility Criteria (disease burden, system readiness, income classification, etc)
f. Efficient monitoring: how to ensure maximum transparency and minimal bureaucratic burden
g. Perceived challenges

D. Based on your/your agency’s conversations with partners in this area, who do you think will be more motivated to contribute to this proposed fund? How surmountable do you perceive the resource mobilization challenge for a catalytic Fund for NCDs and mental health?

E. Increasingly, the private sector has been involved in either financing partnerships or as a funder of global NCD initiatives (i.e. GHIT, Access Accelerated, Defeat NCDs, etc). What do you think should be the role of the private sector should be, with respect to financing this proposed fund?

F. Going forward, are there any other representatives that you would recommend we talk to as we draft the business plan?

G. Any additional comments/ concerns