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Remarks on NCD financing:

“How do we get to 100+%?”
by Dr Mukesh Kapila, CEO, The Defeat-NCD Partnership

It is now well established that investing in NCD prevention and management is not just necessary to counter their massive negative social and economic development impacts but that doing so generates significant and quantifiable benefits in both short and long terms.

But how do we get the billions in sustained and sustainable financing needed for `NCDs? This is the challenge especially in low and lower-middle-income countries that are hardest hit by the rising tide of NCDs but that also have the least capabilities to resource Universal Health Coverage for NCDs without which the broader UHC can’t be achieved.

There is no magic solution, and a package of approaches will be needed, tailored to specific country circumstances. We need a new NCD financing compact (not the same as a monolithic fund) for resourcing rigorously -costed Country Operational Action Plans built on the WHO best-buys but finely-tuned to the specific circumstances and backed by credible national political leadership. A financing compact could then be agreed among national, local, and international partners to co-invest. For example,

- 20% could come from cost savings from efficiencies in service delivery. There is plenty of scope for doing so through demystifying, demedicalising, decentralising, and digitising NCD service delivery models at the community level to get the universal screening and early treatment needed to keep people away from expensive secondary or tertiary care. More efficiencies would come from linking NCD programming with other conditions and underpinned by investments in stronger health systems.

- 20% could come from reducing the costs of NCD drugs, diagnostics, and devices. Such access is a basic human right and yet, for many millions, affordable access is a lottery. The burden is even greater if you happen to be young with an NCD and faced with impoverishing life-long costs. And for the many millions who live in humanitarian crises (including refugees, displaced, and migrants), the situation is even more precarious if they happen to suffer from an NCD. But the problem of affordable and reliably available supplies could be tackled through a fair, organised, transparent, and honest marketplace that gets countries what they need more efficiently and more suppliers get better incentivised to provide products at better
prices. Measures such as market-sizing, market-shaping, and market-tracking will help here.

- 20% could come from increased national budgets knowing, of course that governments’ fiscal space is tight and additional investment in NCDs should not be at the cost of investments for other SDG commitments. It has already been argued that governments could increase their revenues to fund NCDs by taxing unhealthy products and behaviours. Governments could also seek investment from international financial institutions – who have done so much for other global health issues.

- 20% could come from out of pocket personal and socially-pooled expenditure. In practice, poor people spend more than this and impoverish themselves further in the process. But there is a legitimate role for out-of-own-pocket payments, not least from the moral hazard minimising perspective and for personal empowerment and participation. However current out-of-pocket expenditures are inefficient. This could be much improved through scaling-up social pooling mechanisms such as insurance, micro-finance, and employment-based social welfare schemes.

- 20% could come from foreign aid especially for the poorer countries and populations. But we know that significant oda increases are unlikely. And probably the best use of available oda is for public good measures that tackle systemic issues trough capacity building or incentivise pro-poor and pro-public health policy shifts.

- And finally, 20% could come from innovative financing approaches that bring additional cash into the NCD eco system. There is some promising work on that, not just through social impact bonds (which tend to be expensive and raise relatively little) but multi-country bonds raised through the capital markets that are properly structured, pool risks from different countries, bring some reasonable returns for investors, and are de-risked by guarantees from respected institutions such as sovereign funds and multilateral bodies.

Of course, my different “20%”s are nominal – to make the point that we must bring many approaches together in a whole-of-society package that the WHO Independent High-Level Commission has called for – with all sharing responsibility, risk and investment.

You may have also noticed that my various “20 per cents” add up more than 100%. That is to make the point that we will be required to not just close the financing gap that we can currently estimate but provide for the additional resources required by the NCD trends and projections to 2030.

The private sector – on which I was asked to speak – is central to such a wholistic package and has key responsibilities in all the components I have mentioned. In fact, that is why we have initiated Defeat-NCD as a public-private-people Partnership, anchored in the UN system but extending well beyond and focused practically at the country level.
Our four tracks of work – national capacity strengthening; community and health systems scale-up; the Marketplace for essential supplies and distribution; and innovative financing – are organised so that their sum is greater than that of the individual tracks.

Our expectation from the HLM in September is that we can achieve agreement on such an “NCD financing compact” including the specific targets and proportions that I have tried to illustrate – and hence enable concrete progress to beat NCDs.