

**NCD Alliance Comments on the SDSN Financing Sustainable Development Report
18 January 2015**

The NCD Alliance welcomes the opportunity to comment on the SDSN report on Financing Sustainable Development. We acknowledge the reference to the achievements of the health-related MDGs and agree that the Post-2015 Development Agenda will require substantial financial resources and an increase in domestic resources in order to be fully realized. The absence of non-communicable diseases (NCDs) in the report, however, fails to provide an accurate estimate of the true investment commitments required to achieve sustainable development.

Therefore, the NCD Alliance believes the report could be further strengthened by incorporating the following:

Financing global public goods: (P33, L32)

The NCD Alliance supports the key global public goods identified in the SDSN report as climate change mitigation, health, ecosystem services and biodiversity, and technology development. All of these are interlinked and key contributors to sustainable development. However, the need for health as a global public good to go beyond infectious diseases must not be overlooked. Non-communicable diseases are the leading cause of mortality worldwide; 38 million (68%) of the world's 56 million deaths in 2012 are attributable to NCDs.¹ According to the WHO, cumulative economic losses due to NCDs under a "business as usual" scenario for 2011–2025 in low- and middle-income countries have been estimated as 7 trillion USD, which far outweighs the estimated annual 11.2 billion USD cost of implementing interventions to reduce the burden of NCDs.²

Drawing upon the lessons from the MDG era, excluding NCDs from the financing for health discussion will have serious consequences for sustainable development. The absence of NCDs in the MDGs has been a major barrier in generating political priority, resources, and accountability for NCDs in LMICs. Many LMICs now lack the national capacity to respond to the epidemic, which is crippling national economies, overwhelming ill-equipped health systems, and pitching poor households and vulnerable populations into vicious cycles of poverty. Bilateral and multilateral technical assistance and resources for NCDs in LMICs has been deeply inadequate to date, due in part to aid policies focusing solely on the health priorities in the MDGs and enduring misperceptions that NCDs are diseases of affluence or old age.

On account of the linkages between NCDs and all aspects of sustainable development, including poverty, gender equality and other health issues such as infectious diseases and maternal health, investing in NCD prevention and control is proven to deliver significant and measurable benefits for a number of development indicators.

Health sector investment needs: (P53, L1)

The report notes that spending needs presented for health do not include the cost of treating NCDs and are therefore an underestimation of actual financing needs. The NCD Alliance acknowledges this, and hence calls for evidence to be presented that includes the cost of NCDs in order to provide a true estimate for investments in health. In order for governments to fully comprehend the investment estimates for health, NCD data must be presented.

The burden of NCDs disproportionately impacts LMICs; NCDs are now the leading cause of death in LMICs, representing 29 million of the 36 million NCD deaths every year. In absolute terms, deaths from NCDs in LMICs are projected to rise by over 50% by 2030, with the largest increases in Sub-Saharan Africa and South Asia; the economic toll for LMICS is projected to reach \$21 trillion USD by 2030.³ In addition to economic losses, failing to address NCDs results in lost productivity and increased household poverty. NCDs affect people in LMICs during their prime working years; close to half of all NCD deaths in LMICs occur below the age of 70, and nearly 30 percent occur under age 60.⁴ Providing an accurate estimate of investment needed in the health sector for the post-2015 agenda will help inform governments as they make financing commitments.

Investment strategies and financing mechanisms for health:

- **Adequate domestic resource mobilisation:**

The recent Council on Foreign Relations (CFR) report on NCDs states that improved tobacco control is first among WHO “best buy” strategies for addressing NCDs, as it is cost-effective and able to generate revenue due to its emphasis on taxation.⁵ Current estimates show comprehensive tobacco control programs in developing countries generate a return of forty-to-one in health-care costs saved.⁶

Taxing tobacco and other unhealthy products such as alcohol, sugar-sweetened beverages, and saturated fats are innovative financing mechanisms that support domestic resource mobilisation for sustainable development and health.⁷ These methods are prioritized in the WHO Global NCD Action Plan 2013-2020; taxation on unhealthy products has the dual benefit of improving the health of the population through reduced consumption while raising funds. Ensuring full implementation of the Framework Convention on Tobacco Control, and expanding its methods to other unhealthy products, will provide tangible financial results.

- **Global financing mechanisms:**

Whilst pooled international financing facilities such as the Global Fund and GAVI have resulted in significant improvements in health outcomes during the MDG era, NCDs and a general focus on horizontal health systems strengthening have consistently been left out. The NCD Alliance supports the call for increased harmonisation across international financing mechanisms, and a stronger focus throughout these mechanisms on health systems strengthening and a holistic view to health.

WHO has played a pivotal role for health during the MDG era, providing normative guidance and standards, articulating evidence-based policy options, providing technical support to countries, and monitoring and assessing health trends. When discussing financing for health, it is therefore important to highlight the need to ensure WHO is well financed and that funds are flexible (rather than earmarked). The Ebola epidemic has emphasised the need for a strong, well resourced and agile WHO that is able to respond quickly and effectively to global health challenges and emergencies.

- **Sufficient international resources:**

For many LMICs, Official Development Assistance (ODA) and Development Assistance for Health (DAH) can be a catalytic funding stream for improving human development and health outcomes. However, while DAH has grown over the past decade, multiple analyses show that it is not being allocated in relation to the burden of disease. Much of the increase in health aid

over the past 10 years has come from new organizations such as foundations and global funds, targeted to specific diseases and interventions and creating a skewed allocation of resources.⁸

Despite the significant burden of NCDs, less than 2% of ODA is spent on NCDs.⁹ The story is similar in multilateral agencies - in 2012-2013, WHO allocated only 6.7% of its total budget to NCDs, 23.1% to infectious diseases, and less than 1% to injuries and violence.¹⁰ Similarly, between 1997-2002, the World Bank's spending on NCDs amounted to just 2.6% of loans on health, population and nutrition.¹¹

The current skewed allocation of resources for health demonstrates that during the MDG era, donors have repeatedly violated their commitments to aid effectiveness. All bilateral development agencies and donor countries are signatory to the Paris Declaration of Aid Effectiveness (2005) and the Accra Agenda for Action (2008), which emphasise country ownership, alignment, harmonisation and mutual accountability as the foundations for effective aid. In order for aid to be effective during the post-2015 era, donors must be held accountable to their commitments on aid effectiveness.

The tendency for NCDs to be excluded from development cooperation policies has resulted in a lack of transparency and accountability. Unlike HIV/AIDS, TB, Malaria, and reproductive health, there is not a marker for NCDs in the OECD Creditor Reporting System (CRS). This makes it very difficult to track and analyse aid expenditure on NCDs.¹² Furthermore, the way health ODA is categorized and the insufficient level of details makes it impossible to verify bilateral aid agencies' reporting on their expenditure, including claims that NCDs are being funded under the health systems strengthening category.

In addition to ODA, emerging donors are beginning to play a larger role in international financing. The BRICS countries, which themselves have significant NCD burdens, are important emerging donors, and their contributions must be leveraged for health.

- **Role of public-private partnerships:**

Enhancing public-private partnerships is a key strategy for the post-2015 era. The multisectoral nature of NCDs supports mixed financing models that draw upon the strengths of both the public and private sector. Public-private partnerships can help develop and deliver innovations and solutions to support NCD and other health programs. However, in embarking upon public-private partnerships, governments will have to safeguard against any potential conflict of interest.

A wide range of organizations provides funding for NCDs, as the NCD community has drawn considerably on the multisectoral nature of the field. For example, Bloomberg Philanthropies has been a major supporter of tobacco control; in 2011, spending on tobacco control amounted to \$35 million USD of a total \$68 million USD DAH for tobacco control.¹³ Enhancing such partnerships and increasing investment commitments will help ensure NCDs and the health sector at large will receive sustained financing.

- **Better integration of vertical programmes into health systems:**

The NCD Alliance supports the call for better integration of vertical programmes into health systems, as we have seen successes from NCD integration. Notably, cancer-screening programs

have been integrated into PEPFAR's existing work due to the high incidence of co-morbidity of HIV/AIDS and cervical cancer. PEPFAR's Pink Ribbon Red Ribbon program is an innovative public-private partnership that provides screening and treatment for breast and cervical cancer for HIV-positive women treated at PEPFAR centres.¹⁴ Drawing from this successful integration of programs and adapting it for different issues results in greater effectiveness of the health system as a whole.

Other successful examples of NCD integration into existing health program platforms include integration of HIV/AIDS, diabetes, and hypertension management in Cambodia and other LMICS. These programs are achieving good outcomes and are being well received.¹⁵

Investment strategies and financing mechanisms for other SDG areas: (P93, L1)

The SDGs, and the Post-2015 framework as a whole, are an ambitious agenda and, as such, present a challenge for domestic financing. Though also ambitious at their time, the MDGs did not address the three dimensions of sustainable development, making the SDGs a progressive step towards recognising the need to address these interlinked dimensions in order to achieve sustainable development.

However, this has practical implications for financing for sustainable development, as implementing the SDGs will involve greater financing commitments. In order to achieve this, the international aid community must advance their understanding of expenditure for a particular issue across multiple sectors. There is a lack of understanding across government departments of how funding is allocated to a particular multisectoral issue, which results in inefficiencies.

In order to combat this, the climate change community has developed public expenditure reviews – Climate Public Expenditure and Institutional Reviews (CPEIRs), funded by UNDP - that have proven to be quite effective. These reviews involve the analysis of allocation and management of public expenditures across all government departments on climate, which is then used to guide strategic planning and budget preparation in order to identify key areas to improve efficiency and effectiveness of resource allocation.¹⁶ Adapting this method for other multisectoral issues, such as NCDs, would improve the efficiency and effectiveness of international aid in a time where substantial increases in public investments will be required.

Participation of Civil Society and Other Stakeholders: (P116, L34)

Another noticeable omission from the report is the role of civil society organizations (CSOs) and other stakeholders in the run up to the Third International Conference on Financing for Development. CSOs are not just social service providers but also play a crucial role in building up good governance and strengthening accountability, namely through inclusive policy-making processes. The NCD Alliance would therefore welcome a reference to the leading role civil society and other relevant stakeholders can have in the financing for development process and outcomes, and a recommendation for the full inclusion of civil society in the preparations for the Conference.

¹ World Health Organization, Global Status Report on Noncommunicable Diseases 2010, 2011, 2014.

² World Health Organization, Global Status Report on Noncommunicable Diseases, op. cit.

³ World Economic Forum and Harvard School of Public Health, The Global Economic Burden of Non-communicable Disease, September 2011.

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- ⁴ World Health Organization, Global Status Report on Noncommunicable Diseases, op. cit.
- ⁵ Council on Foreign Relations: “The Emerging Global Health Crisis: Noncommunicable Diseases in Low- and Middle-Income Countries,” December 2014.
- ⁶ Council on Foreign Relations: “The Emerging Global Health Crisis: Noncommunicable Diseases in Low- and Middle-Income Countries,” op. cit.
- ⁷ Jamison DT, Summers LH, Alleyne G, et al (2013). Global health 2035: a world converging within a generation. *Lancet*, Volume 382: 1898-1955.
- ⁸ Nugent R, Feigl A: Where Have All the Donors Gone? Scarce Donor Funding for Non- Communicable Diseases. CGD Working Paper 228. Washington, Center for Global Development, 2010
- ⁹ World Health Organization, Global Status Report on Noncommunicable Diseases, op. cit.
- ¹⁰ World Health Organization, Programme Budget 2014-2015, October 2014, http://www.who.int/about/resources_planning/en/
- ¹¹ Yach, D., & Hawkes, C, Towards a WHO long-term strategy for prevention and control of leading non-communicable diseases. Geneva: World Health Organization, 2004
- ¹² OECD, The Paris Declaration on Aid Effectiveness, Paris, 2005.
- ¹³ Institute for Health Metrics and Evaluation. *Financing Global Health 2013: Transition in an Age of Austerity*. Seattle, WA: IHME, 2014.
- ¹⁴ U.S. State Department, U.S. Global AIDS Coordinator, PEPFAR, Pink Ribbon Red Ribbon, <http://www.pepfar.gov/partnerships/ppp/prrr/index.htm>.
- ¹⁵ Council on Foreign Relations: “The Emerging Global Health Crisis: Noncommunicable Diseases in Low- and Middle-Income Countries,” op. cit.
- ¹⁶ ODI and UNDP: Climate Public Expenditure and Institutional Review (CPEIR): a methodological note, August 2012, <http://www.odi.org/publications/6191-cpeir-methodology-climate-finance-national-public-expenditure>