

Health Financing Challenges and Opportunities for Integrating Noncommunicable Diseases into Global Health and Development Priorities

A Policy Thought Paper

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Foreword

Health financing for non-communicable diseases (NCDs) stands as one of the most important issues in today's global health policy landscape. NCDs are the leading cause of death and disability globally—accounting for 74% of all deaths, with 85% of premature deaths occurring in low- and middle-income countries (LMICs). Since 2011, the NCD Alliance has highlighted this topic through evidence generation and advocacy and underscored health financing as a critical pillar of their strategy.

There is strong policy coherence among global health actors underscoring the importance of financing NCDs, with emerging positive narratives from countries like Rwanda, Tanzania, Bangladesh, and the Philippines, showcasing commitment to NCD implementation and financing. We have also seen the private and philanthropic sectors supporting innovative NCD financing and service delivery programs.

The global macroeconomic environment, increasingly characterized by its shrinking fiscal space, presents an opportunity to transition towards integrated health systems and move away from siloed health systems and financing structures towards models that include enhanced NCD service delivery by centering UHC and primary health care (PHC).

Recent dialogues and strategic directions, such as the WHO Economics of Health for All and the Future of Global Health Initiatives' Lusaka Declaration, have emphasized equity and a health-in-all-policies approach, providing a foundation for integrated financing and garnering commitment from a wide range of stakeholders. It's still to be seen how domestic resource mobilization, disease burden, and health system alignment will come together in a way that will advance specific health issues, particularly those like NCD prevention and care integration that fall outside the current mandates of Global Health Initiatives (GHIs).

As the NCD Alliance prepares for the co-hosted WHO and World Bank Second Global Dialogue on Financing NCDs (June 2024) and the 2025 High-Level Meeting on NCDs, we remain committed to focusing on how to ensure adequate financial resources to, and prioritization of, NCDs as countries endeavor to implement UHC. One thing is certain: the fragmented data and tracking on NCD financing, including its tracking at the country level, necessitates further investments to demonstrate the tangible impact of NCD investments on individuals, communities, and economies.

With the burden of NCDs and mental health conditions on a continuous rise, they must occupy a more significant place in health and development conversations. The future of the NCD Agenda is not a standalone one, but rather one that is intertwined with the broader movement towards co-investment and integration, advocating for a unified approach to prioritize and finance NCD prevention and care within the global health financing ecosystem.

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Abbreviations

| | |
|----------------|----------------------------------------|
| CRD | Chronic Respiratory Disease |
| CVD | Cardiovascular Disease |
| DAH | Development Assistance for Health |
| DFH | Domestic Financing for Health |
| DHB | Domestic Health Budgets |
| DIB | Development Impact Bond |
| FIND | FIND – Diagnostics for All |
| GAVI | Global Vaccine Alliance |
| GFF | Global Financing Facility |
| IMF | International Monetary Fund |
| KII | Key Informant Interview |
| L-LMICS | Low- and Lower-Middle-Income Countries |
| MDB | Multilateral Development Bank |
| MDTF | Multi-donor Trust Fund |
| MTEF | Medium-term Expenditure Framework |
| OOPs | Out-of-Pocket Payments |
| NCDs | Noncommunicable Diseases |
| NCDA | The NCD Alliance |
| NSA | Non-State Actors |
| PHC | Primary Health Care |
| PLWNCD | People Living with NCDs |
| SDGs | Sustainable Development Goal |
| TGF | The Global Fund |
| THE | Total Health Expenditures |
| UHC | Universal Health Coverage |
| VHI | Voluntary Health Insurance |
| WB | World Bank |
| WHO | World Health Organization |

Introduction

There is a growing policy voice supporting the integration of noncommunicable diseases including mental health (NCDs) into other global health and development agendas, and there is further consensus that this integration is best done through a Universal Health Coverage (UHC) lens, with primary health care (PHC) serving as the foundation. Given that 74 percent of all global deaths are attributable to NCDs and 86 percent of premature NCD-related deaths occur in lower- and middle-income countries (LMICs) (WHO, 2023), addressing economic development, human capital formation, and health as a human right in LMICs will require addressing NCDs as a policy priority. The progressive realization of UHC provides countries with the flexibility to include NCDs, depending on the burden of disease, fiscal space, and health system capacity.

Despite their importance, NCDs continue to be underfinanced in global health and development priorities receiving less than two to three percent of global health funding (WHO, 2018). This means that progress on implementation is persistently lagging with very few countries on track to achieve SDG 3.4 (reducing NCD mortality by one-third) or 3.8 (UHC). Slow progress has been further compounded by COVID-19 (WHO, 2022).

This paper argues that the biggest priority for global health and development organizations must be to accelerate this integration agenda with a focus on supporting country-led, health financing actions. It then pivots to focus on health financing for integration, framing the discussion in the current macroeconomic, political, and health sector context.

Its analysis is limited to LMICs where the NCD burden is growing and health systems are not prepared to address the rising rate of NCD morbidity. In these countries there is a need to integrate NCDs into UHC and develop the collection of improved health data to enhance policy and service delivery.

This paper also puts forward suggestions for consideration by the global health community (WHO, governments, civil society, and the private sector) as they plan the 2nd Global Financing Dialogue, and other inputs for the UN High-Level Meeting on NCDs in 2025. It references the 2018 First WHO Global Financing Dialogue's outputs and recommendations, placing them within a broader health and development financing landscape.

During the First Global Financing Dialogue on NCDs (2018), recommendations were made to increase domestic resource mobilization; leverage existing sources of financing to cover NCDs; and capitalize on innovative public-private financing. Integration of NCDs within domestic and global health development programs was implied.

All of these recommendations are still relevant in 2024. What is different now is the urgency for action as countries and global health and development partners recognize that integration of health services, including NCDs, is not simply good to have but the only way to advance towards Sustainable Development Goal 3 (Good Health and Well-Being) in the current tight macroeconomic context.

Introduction

Outcomes of the First Global Dialogue on Financing NCDs

Overarching:

1. Complement domestic resources with international cooperation, including official development assistance and other resources, with a focus on least developed countries, to increase health expenditure on prevention and control of NCDs, consistent with country needs and priorities.
2. Expand the fiscal space for health through an increase in general tax revenues, improved efficiency and equity, and better prioritization of health in public sector budgets.

Domestic:

1. Governments should devote at least 5% of GDP to health and ensure government expenditure per capita of at least US\$ 86. Middle-income countries should be able to reach these targets without external assistance.
2. Governments should generate domestic revenues for health through improved and innovative taxation (e.g., financial transaction taxes).
3. Excise taxes on tobacco, alcohol, sugar, and carbon emissions, combined with measures to improve tax administration, should reduce the consumption of these harmful products, improve public health, and generate revenues at the same time.
4. To increase government spending on health and other social sectors (underlying social determinants for NCDs) and ensure the implementation of the WHO “best buys” and other recommended interventions, investments are needed to improve tax compliance and administrative capacities.
5. Resource-rich countries should consider maximizing their revenue through increasing taxation on natural resources and reducing subsidies on harmful products (e.g., fossil fuels) to spend on health and prevent NCDs.

External:

1. High-income countries should commit to contribute at least 0.15% of gross domestic product (GDP) to development assistance to health and establish clear, well-defined, and publicly available criteria for the allocation of resources with inputs from key relevant stakeholders, including civil society.
2. Development partners should align their support with recipient countries' national multisectoral NCD plans and strategies and strengthen the capacity of ministries of health to facilitate multisectoral action for SDG target 3.4.
3. Governments should consider pooling external resources for health (including from the Global Fund, Gavi, the Vaccine Alliance, and the World Bank) and allocating funds to the prevention and control of NCDs and their risk factors proportionate to the national NCD disease burden.
4. Governments should recognize official development assistance for NCDs as a catalyst to mobilize domestic resources, both public and private, for the prevention and control of NCDs.
5. Governments should develop NCD investment cases demonstrating a high return on investment for NCD prevention and control to ensure prioritization and scale-up of NCD interventions.
6. Governments should secure low-interest loans from financial institutions to address the NCD needs of vulnerable populations (e.g., refugees, pregnant women and children, the elderly, the poor, and stigmatized communities).

Private:

Promote and incentivize innovative and bold partnerships comprising financing and engagement of relevant non-State actors, including the private sector in public–private partnerships and philanthropies, to mobilize additional funds to address NCDs, while respecting country policies and priorities, and considering adequate management of conflicts of interest for the protection of public health.

1. Governments should mobilize private investments for the financing of national NCD responses, including through public–private partnerships, to accelerate the implementation of the 2030 Agenda for Sustainable Development and attain SDG target 3.4.
2. Governments need to establish sound national statutory and regulatory frameworks to enable more concrete contributions from the diverse range of private sector entities to NCD prevention and control.
3. Global public–private partnerships (e.g., the Global Fund, Gavi, the Vaccine Alliance, and UNITAID) with existing innovative financing models should build on their experience and make space for NCDs in providing a comprehensive package that includes NCD-related interventions.

Integrating NCDs into UHC policies and programmes: Background and context

There is broad policy agreement that NCDs and UHC are inextricably linked. With NCDs constituting 74 percent of global deaths, there is no UHC without coverage across the full continuum of care (prevention, diagnosis, treatment, rehabilitation, and palliation) for NCDs. There is also a similar consensus on the need for and benefits of NCD integration into UHC programs, with primary healthcare (PHC) as the bedrock from which NCD-UHC services are provisioned.

The Global NCD Compact Commitment 3 states that “all people by 2030 should have access to quality essential health services and quality, safe, effective, affordable, and essential medicines, vaccines, diagnostics, and health technologies for the prevention and control of NCDs, integrating NCDs into PHC and UHC.”

This consensus is supported and strengthened by extensive scientific evidence available on cost-effective NCD interventions at PHC level. For instance, WHO’s updated Annex 3 (aka ‘the Best Buys’) of the Global Action Plan on the Prevention and Control of NCDs highlights proven cost-effective interventions for NCDs. The UN Interagency Task Force on NCDs has generated many investment cases on the NCD best buys covering most LMICs. This evidence and these models can be used by countries to realize UHC-NCD service delivery and address primary prevention such as tobacco control, nutrition, air pollution, and physical exercise.

There is additional evidence on HIV/AIDS, cardiovascular health, and cervical cancer integration (NCD Alliance, 2023). Mental health service integration models have also emerged, as have tuberculosis and diabetes integration models. This has contributed to global health initiatives such as the Global Fund including integrated service provision in their new strategies, and there are more country proposals for integration in the 2023-26 grant cycle. The Global Financing Facility (GFF) in its new replenishment cycle has committed to a strong focus on PHC. The inclusion of integrated service provision in the strategies of global health initiatives and the commitment of financing facilities to PHC underscores the growing emphasis on integrated health service delivery. (Buckman G et al, 2023).

WHO Regions (e.g., EMRO) have also developed regional guidance on integration. At the same time, regional forums led by leaders from Asia, Africa and Latin America are taking greater ownership of health financing. For example, African leaders are operating through groups such as the African Leadership Meeting (ALM) for Investing in Health.¹ India’s leadership of the G20 and the inclusion of sub-Saharan Africa in the G20 is increasing the voice of such groups.

Finally, innovative models that reach beyond PHC, such as PEN+, are being assessed for their capacity to extend cost-effective NCD services to district hospitals, showcasing the potential for impactful health interventions even in resource-limited settings.

However, for progress to be made, all of this global evidence needs to be translated into country plans, budgets, and actions supported by monitoring, evaluation, and learning.

¹Facilitating Health Budget Accountability and Health Financing Reforms through the ALM and NHFDs – FGHI
[https://futureofghis.org/research-other-inputs/facilitating-health-budget-accountability-and-health-financing-reforms-through-the-alm-and-nhfds/](https://futureofghis.org/research-other-inputs/facilitating-health-budget-accountability-and-health-financing-reforms-through-the-alm-and-nhfd/)

Integrating NCDs into UHC policies and programmes: Background and context

Despite all the positive trends, there is still a big learning curve for LMICs to move from episodic to integrated care models, grounded in PHC. The landscape of chronic care models is complicated, and each country will have to adapt such models to their country's conditions and capacity. It is important that countries not wait to start implementation, but rather take a learning-by-doing approach and work in rapid learning cycles to implement and scale NCD integration into UHC. An overall challenging fiscal environment, including the health financing environment, means that countries and global health and development partners must make bold decisions and pivot to a singular focus on integrated service delivery, despite the acute health system challenges that are present, especially in LMICs.

For instance, low-income countries are only able to invest US\$ 9 per capita of public financing for health, and even when external support is added, the total amount per person amounts to less than US\$ 20 per capita. Lower-middle-income countries are also unable to reach the target of US\$86 per capita public financing to fund an essential benefits package. The burden of this health system funding gap is passed on to service users. Out-of-pocket (OOP) payments feature prominently in the financing of low- and lower-middle-income countries (over 40 percent) and even in middle- and upper-middle-income countries OOP payments are significantly higher (30 percent) than in high-income countries (12 percent).

One thing is clear: there is no way around raising more money to achieve UHC that includes NCDs and provides adequate financial protection to all populations. Countries and the global health and development community will have to be united in their efforts, undertaking together fiscal space analyses and planning to support integrated care towards UHC.

NCD financing in 2024: Macroeconomic, political and health sector developments

The world in 2024 looks different from 2018 when the First Global Financing Dialogue took place, and this framing is important to understand the urgency of the NCD financing agenda. According to the International Monetary Fund (IMF), the world has been in a synchronized economic slowdown since 2019 which is exacerbated by shocks like COVID-19, wars in Ukraine and Palestine, and rising energy and food prices², so much so that close to 21 countries in Sub-Saharan Africa (SSA) are at risk of debt stress or are already under debt stress, up from 15 countries in 2019.³ In this post-COVID era, and within a context of multiple crises, **governments are deprioritizing health within their budgets**, according to a recent World Bank study that looked at 78 countries (Kurowski, 2023).

A **shrinking fiscal space and changes in global needs and priorities have shifted investment trends** in international development to emphasize integrated approaches within health and across other development agendas like climate change. For LMICs, this is becoming increasingly important, as Development Assistance for Health (DAH) is no longer the main source of financing for the health sector. In low-income countries, DAH is around 30 percent of total health financing. In all other LMICs, DAH is small to non-existent (3% for lower-middle-income countries, less than 1% for middle-income, and 0.6% for upper-middle-income countries). This means that **the focus must be on how DAH can unlock, complement, and support domestic resource mobilization for health, including NCDs** (World Bank, 2023).

This recognition of the need for integrated health systems and structures is taking place not just at the national level, but in global discussions as well, as evidenced by initiatives such as the Future of Global Health Initiatives (FGHI) process, which evaluated how **health systems and financing can support country ownership** around a single health plan and budget.⁴ Countries – especially LMICs – are calling upon global funders and partners to support integrated service delivery with a focus on PHC, as there is increasing recognition that fragmented healthcare systems and financing structures are barriers to improving health and efficient resource utilization.

This contributes to the reality that **globally we are off-track on realizing universal health coverage (UHC)**. Financial protection targets were already off-track before COVID-19 but have gotten worse and are compounded by shortfalls in service coverage as governments struggle to adequately resource their public health systems (WHO and World Bank, 2023).

Health is not the only development priority that has been negatively impacted by the economic slowdown. While the climate crisis was also an issue in 2018, the impacts, including on population health, reached a new crescendo in 2023 with the COP28 being the first to include a health-themed day of its agenda. Extreme weather and weather-related events (heat waves, floods, storms), air pollution, contaminated drinking water, and chemical exposure have led to negative health impacts that will continue to challenge progress on NCD goals and targets, as addressing all of these urgencies requires financial resources.

According to recent estimates, additional spending of some \$3 trillion per year is needed by 2030 to advance the SDGs, of which \$1.8 trillion represents additional investments in climate action (a four-fold increase in adaptation, resilience, and mitigation compared to 2019), mostly in sustainable infrastructure, and \$1.2 trillion in additional spending to attain other SDGs (including a 75% increase in health and education). To finance this gap, there is growing recognition of the need for private financing of up to US\$ 500 billion annually to advance the SDGs (Independent Experts Group, 2023).

² The IMF's baseline forecast (October 2023) is for global growth to slow from 3.5 percent in 2022 to 3.0 percent in 2023 and 2.9 percent in 2024, below the historical (2000–19) average of 3.8 percent. Advanced economies are expected to slow from 2.6 percent in 2022 to 1.5 percent in 2023 and 1.4 percent in 2024. Emerging markets and developing economies are projected to have a modest decline in growth from 4.1 percent in 2022 to 4.0 percent in both 2023 and 2024..

³ African countries at substantial risk of debt distress were listed as Burundi, Cabo Verde, Cameroon, Central African Republic, Comoros, Djibouti, Ethiopia, The Gambia, Ghana, Guinea Bissau, Kenya, Malawi, Sierra Leone, Zambia,

⁴ <https://futureofghis.org/>

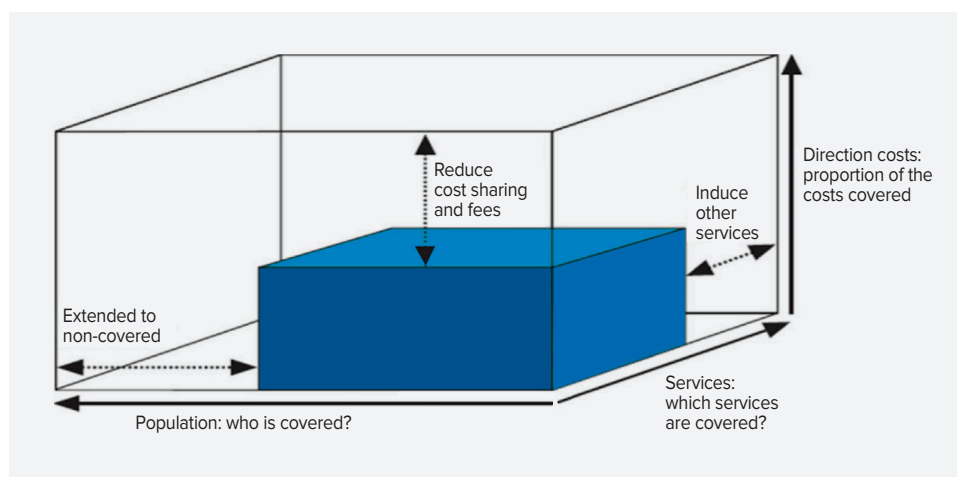
NCD financing in 2024: Macroeconomic, political and health sector developments

Finally, it is important to note the **increasing focus on One Health, including building pandemic resilience**. The relationship between human and animal health has become more prominent, including in the context of the COVID-19 pandemic. There are growing calls within the global health community to focus on One Health concepts, across infectious and non-infectious diseases and animal health (Sinclair, 2019). Working with and through communities to build resilience is considered a key policy imperative.⁵

Within this context, integrated service delivery with a foundational focus on PHC is the best opportunity to finance NCDs. The global health community has discussed this for a long time – but progress is still not happening fast enough. To progressively realizing UHC by addressing its burden of disease, fiscal capacity, and global evidence, countries have an opportunity to advance NCD service implementation across the three dimensions of UHC. Service integration will have to be complemented with population-wide preventive measures based on tobacco control, alcohol control, healthy nutrition, physical activity, and tackling air pollution.

The following pages of this paper analyze where we are on health financing, and the opportunities for countries and global health and development partners to advance the health and sustainable development agenda.

Figure 1: The three dimensions of UHC



Source: WHO 2010

⁵ World Health Summit, Berlin, 2023. Session on One Health

NCD financing in 2024: Macroeconomic, political and health sector developments

Across the literature reviews, key informant interviews, and stakeholder events, there were several points that were commonly raised as key considerations for discussions around the current health financing landscape and possible ways forward.

- ***The health financing landscape in 2024 looks different from 2018 when the First Global Dialogue on Financing NCDs took place.*** The global economy has been in a synchronized slowdown since 2019 and global shocks (COVID-19 pandemic, geopolitical conflicts, growing energy and food prices) have added to global economic woes. Recovery is expected but volatility can be expected, and domestic health financing decisions will have to be made within an unpredictable and tight macroeconomic framework (IMF, 2023).
- ***Post-COVID-19, and in the context of poly-crises, governments are deprioritizing health within government budgets.*** A recent World Bank study that looked at 78 countries observed a declining prioritization for health. According to the study, real per capita central government health spending increased significantly during the first two years of the pandemic (e.g., in 2020, it grew in per capita terms across all countries by an average of approximately 21 percent; and in 2021, it stood at 25 percent above 2019 levels). In the third year of the pandemic, contractions in public spending on health were noticed. On average, there was a contraction from its peak of 25 percent to only 13 percent above the 2019 level, close to its pre-pandemic trajectory. (Kurowski, 2023).
- ***There are growing concerns about the health impacts of climate change and related One Health impacts*** (interconnection of animal and human health). Countries have to address these interconnected challenges to respond to a broader and expanded discussion on determinants of health, including climate change, leveraging cross-disease and cross-condition synergies (Sinclair, 2019) for the adaptation of health financing strategies.
- ***Universal health coverage (UHC) is off target, both for service coverage and financial protection indicators***, especially in low and middle-income countries (LMICs). Most countries for which data are available on both UHC dimensions (96 out of 138) are off-track in either service coverage, financial protection, or both (WHO and World Bank, 2023). The call for coherent, country-led health financing strategies offers a critical update to discussions on achieving UHC targets.
- ***Countries should have ownership and control over their health agendas.*** The Future of Global Health Initiatives (FGHI) is looking at global health initiatives such as the Global Fund, GAVI, the Global Financing Facility, and others to understand how these initiatives can align with country priorities and budgets.⁶ Emphasizing country ownership and the alignment of global health initiatives with national health agendas reflects a significant development since the initial Global Financing Dialogue. This approach supports the vision of a future where health financing facilitates country-led paths to UHC.
- ***There is reinforced emphasis on the role of development assistance for health (DAH) to serve as catalytic funding*** for countries and to support domestic resource mobilization –including private financing – towards UHC. For example, helping governments establish regulatory and financing frameworks for working with the private sector could crowd in private financing. The role of DAH as a catalyst for health financing transformation has been underscored, particularly in how DAH can support countries in moving towards sustainable, domestically financed health services, including NCD care and prevention.

⁶ <https://futureofghis.org/>

Identifying ways forward: Strengths and challenges in NCD financing

There is a general consensus that the most effective administration of and primary responsibility for health financing lies with governments. The recent shifts towards a “one plan, one budget” approach in health financing, which was seen with the Political Declaration on UHC and its emphasis on primary care, as well as the Lusaka Agenda, signals an opportunity to deliver enhanced NCD services through UHC. We cannot assume, however, that a rising tide will lift all boats – such a disease-agnostic approach risks leaving NCDs underfunded, and striking the balance between NCD-sensitive and NCD-specific measures will be critical in our overall response.

1) Evidence on the cost-effectiveness of integrating NCDs

To effectively integrate NCDs within a PHC-based essential benefits package, it's crucial to gather and analyze evidence on the cost-effectiveness of NCD interventions. This will inform the development of service delivery models that are both affordable and scalable and is needed in order for countries and funding partners to see the feasibility and value of integration.

The NCD Alliance has contributed to this work through a recent review of the integration of HIV/AIDS programs with NCDs. United for Global Mental Health also has models for HIV/AIDS and mental health intervention integration and WHO has recently put forward for country use models of TB and diabetes integration. The results of a recent study (INTE-AFRICA), funded by the EU Horizon 2020 and the Global Alliance for Chronic Diseases, signpost the health and economic benefits of integrated health services. It finds that integrated, chronic care services can achieve a high standard of care for people with diabetes or hypertension without adversely affecting HIV outcomes (Kivoyu S et al, 2023).

WHO has emphasized the need for integrated NCD services, providing populations with the needed healthcare services along the full continuum of care and throughout the life course (WHO, Life Course, 2023). To this aim, WHO provides updated normative guidance to countries on the most cost-effective interventions for the integration of NCDs.

As shown in Table 1, there are a number of cost-effective interventions for the integration of NCDs that have been developed, though they are not frequently implemented to their full extent. However, there is less data on the actual implementation of these interventions.

Identifying ways forward: Strengths and challenges in NCD financing

Table 1: Examples of cost-effective approaches for NCD integration into essential health packages/PHC

| Source of Data on Integration | Scope |
|-----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| Appendix three of the Global Action Plan on the Prevention and Control of NCDs has been recently updated (2022) ⁷ | Objective four of Appendix 3 focuses on strengthening and orienting health systems to address the prevention and control of noncommunicable diseases and the underlying social determinants through people-centered PHC and UHC. Integrate very cost-effective noncommunicable disease interventions into the basic primary health care package with referral systems to all levels of care to advance the universal health coverage agenda |
| Package of Essential Non-Communicable (PEN) Disease Interventions (WHO, 2020) | WHO has also developed the Package of Essential Non-Communicable (PEN) Disease Interventions guides what services to include in the PHC package in low-resource settings. The package includes CVD, diabetes, COPD, and cancer. The PEN disease interventions have been developed by the WHO to be implemented in low-resource settings, including humanitarian settings, and by primary health care professionals as well as non-physician health workers. Therefore, there is great flexibility for countries to implement the interventions, even when the number of physicians is limited – as is the case in many LMICs. |
| The PEN-Plus package of interventions has been developed (Buckman G et al, 2023) | PEN-Plus focuses on strengthening outpatient care for severe chronic NCDs at intermediate-level facilities such as district hospitals (e.g., Type 1 Diabetes, Advanced Rheumatic and Congenital Heart Disease, and Sickle Cell Disease). These facilities and their associated health centers are the main referral points for PHC. |
| NCD Alliance: Silos to Synergies: Integrating noncommunicable disease prevention and care into global health initiatives and UHC ⁸ | Based on a review of the evidence identifies packages of services across HIV/AIDS, TB, and MNCD throughout the life course that integrates NCD. In addition, it guides three cross-cutting themes to support countries in implementation: (i) strengthening relationships across health priorities and communities, (ii) identifying ways to strengthen health systems, and (iii) embedding whole-of-person care at all levels of care. Health systems interventions are identified that can advance this agenda including sharing and integrating health records, developing referral protocols between levels of care, and ensuring that health workers are skilled with appropriate medicines, diagnostics, and supplies to deliver care. |
| Spending Wisely: Exploring the Economic and Societal Benefits of Integrating HIV/AIDS with NCD services. NCD Alliance in partnership with the Research Triangle Institute (RTI) published: (NCD Alliance, 2023) | This study which is based on an evaluation of costing evidence for eight HIV-NCD programs in SSA is valuable because it is based on actual implementation data and country experience. |
| WHO: Tuberculosis and Diabetes: Invest for Impact (WHO, 2023) | Building on the latest evidence including WHO evidence provides integrated care models including (i) One stop shop, (ii) Co-located TB and diabetes services, and (iii) separate service delivery including indicators to track implementation and progress. |

⁷ Final discussion paper. https://cdn.who.int/media/docs/default-source/ncds/mnd/2022_discussion_paper_final.pdf?sfvrsn=78343686_7

⁸ FROM SILOES TO SYNERGIES: I NCD Alliance <https://ncdalliance.org/from-siloes-to-synergies>

Identifying ways forward: Strengths and challenges in NCD financing

2) Country plans and budgets for integrating NCDs into UHC

Evidence shows that the integration of NCDs into UHC benefits packages produces better health outcomes and is more cost-effective. However, for global evidence and data on NCD integration to be translated into impact, costed health plans and budgets are needed.

Some progress is being made in this regard. For instance, countries with support from the United Nations Interagency Task Force⁹ on the Prevention and Control of Non-communicable Diseases (NCDs) are working to develop investment cases. So far almost fifty investment cases have been developed that focus on the 'best buys' including three case studies of mental health integration. Defeat NCD Partnership is supporting countries (e.g., India, and Rwanda) to develop concrete plans of action for implementing integrated service delivery.¹⁰

WHO also reports that 101 countries globally have a national NCD prevention and control plan and 111 countries have developed guidelines for CVD, diabetes and chronic respiratory disease/CRD. (WHO, 2022). According to WHO, the PEN Package is implemented in 30 countries worldwide (WHO, 2020). The WHO Europe Region has been working with its countries to support and advance the implementation of the PEN Package by tracking the progress of implementation including challenges faced by each country in the process, where it applies. Most countries in the WHO Europe Region, which includes LMICs (e.g., Central Asian countries) are implementing elements of the PEN Package, and several countries (Armenia, and Kyrgyzstan) have introduced results-based financing to advance NCD prevention and early intervention (WHO Europe, 2017). A study of PEN Package implementation in the WHO Africa Region found that 13 out of 48 countries (28 percent) had adopted PEN, six percent referenced PEN in their national program and strategies and 66 percent had not included PEN diseases interventions in PHC (Tesema, 2020).

According to modelling estimates from The Lancet, an additional US\$200–328 billion per year is required for the three measures of PHC from 2020 to 2030 (Stenberg K et al, 2017). These are 1) multisectoral policy and action; 2) empowered people and communities; and 3) primary care and essential public health functions as the core of integrated health services. For measure 3, an additional \$32 is needed per capita across the 67 countries surveyed¹¹. Needs are greatest in low-income countries where PHC spending per capita needs to increase from \$25 to \$65. Overall health workforces would need to increase from 5.6 workers per 1000 population to 6.7 per 1000 population, delivering an average of 5.9 outpatient visits per capita per year. By 2030, these incremental PHC costs would be about 3.3% of the projected gross domestic product (GDP; median 1.7%, range 0.1–20.2). Increasing coverage of PHC interventions would avert an estimated 60.1 million deaths and increase average life expectancy by 3.7 years.

In a business-as-usual financing scenario, 25 of 67 countries will have funding gaps in 2030. If funding for PHC was increased by 1–2% of GDP across all countries, as few as 16 countries would see a funding gap by 2030. This modelling shows that major investments need to go into system strengthening, with health workforce and infrastructure development jointly accounting for 53–66% of additional costs within the three PHC measures (Stenberg K et al, 2019).

As the global health community moves forward, the integration of NCDs into PHC and UHC remains a pivotal area for action, calling for sustained investment, innovative financing solutions, and multi-sectoral collaboration to ensure that health systems worldwide are equipped to meet the challenges posed by NCDs.

Different contexts, different models: Tailoring delivery models to fit local contexts

There are many different models of service integration and more information is needed on what works under what country conditions, how much it costs, and what capacity is required. Buckman et al, in their review, identified 219 unique service delivery models from 188 studies in forty-four countries. The authors identify that future work will be needed including developing a classification system to define, understand, and differentiate models of integration. More efforts will have to be directed at developing a foundation for comparative analysis regarding the impact of alternative delivery models on the cost and benefits of interventions (Adler A et al, 2023).

⁹ United Nations Inter-Agency Task Force on NCDs (UNIATF) <https://uniatf.who.int/>

¹⁰ The Defeat-NCD Partnership – Universal NCD care. Everywhere, at any time. <https://defeat-ncd.org/>

¹¹ The list of countries surveyed are included in the article Annex, Section 1. [https://www.thelancet.com/cms/10.1016/S2214-109X\(17\)30263-2/attachment/f157cdd2-f998-42d4-a96b-4b98a084de3d/mmc1.pdf](https://www.thelancet.com/cms/10.1016/S2214-109X(17)30263-2/attachment/f157cdd2-f998-42d4-a96b-4b98a084de3d/mmc1.pdf)

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3) Measuring progress against current health financing targets

Health financing targets, while controversial in their effectiveness, at least send the message to countries that at lower spending levels little or no progress can be made in terms of service coverage and financial protection. Costed, evidence-based country plans provide a strong basis for country and global health and development priorities to support NCD funding through PHC.

The fiscal space to expand service integration in low- and lower-middle-income countries is tight and will require more money and efficiency in allocations. Middle- and upper-middle-income countries have more fiscal space to cover integrated NCD delivery embedded in PHC, but more country information is needed to understand whether or not this happening and how progress can be accelerated. More country-level research is needed to determine adequate funding levels and targets for UHC, based on country disease burdens and the cost of creating responsive basic health benefits packages that address them.

The global targets to advance UHC are as follows: public spending on health at least four to five percent of GDP and US\$86 per capita to deliver an essential package of health services through public funding ((Chatam House, 2014) and (Mcintyre D, 2017)). It is further estimated that countries need to spend almost US\$ 200 per capita to provide adequate financial protection (Jowett M et al, 2016).

As Table 2 shows, most countries (other than lower middle-income countries) spend five percent of GDP or slightly more on health. However, this figure is not limited to public spending – it also includes OOP spending, private health insurance and any other sources of health spending. Table 3 reflects government expenditure only as a percentage of GDP – which is significantly below the four to five percent targets.

The difference between figures in the two tables means that populations are left to cover a large part of their health expenses from their own pockets. This is especially true in low-income countries, which obtain a significant portion of health funding from donors who do not allocate funds specifically to NCDs.

Table 2: Health expenditures as % of GDP, 2016 – 20

| WB Classification | 2016 | 2017 | 2018 | 2019 | 2020 |
|---------------------|------|------|------|------|------|
| Low Income | 5.5 | 5.5 | 5.0 | 4.9 | 5.1 |
| Lower Middle Income | 4.3 | 4.1 | 3.9 | 3.8 | 3.9 |
| Middle Income | 5.2 | 5.3 | 5.2 | 5.3 | 5.6 |
| Upper Middle Income | 5.5 | 5.6 | 5.6 | 5.7 | 6.1 |

Source: World Bank HNP Data 2023

Table 3: Public expenditures on health as % of GDP

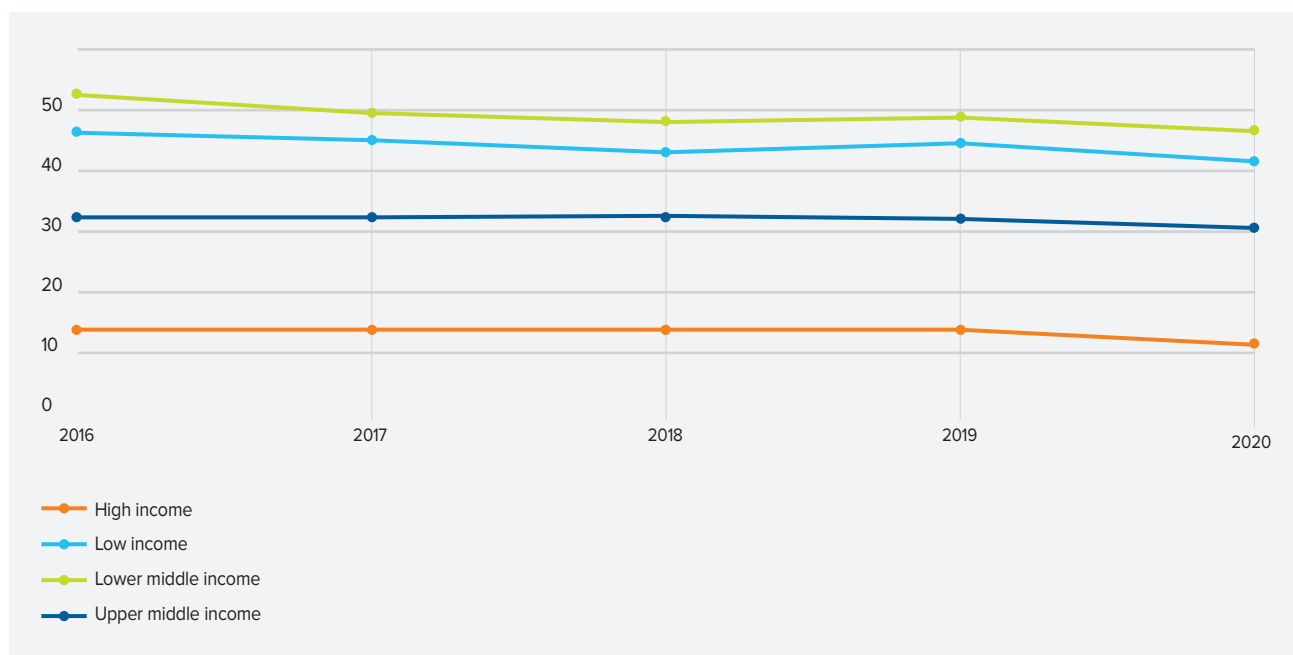
| WB Classification | 2016 | 2017 | 2018 | 2019 | 2020 |
|---------------------|------|------|------|------|------|
| Low Income | 1.2 | 1.1 | 1.0 | 1.0 | 1.3 |
| Lower Middle Income | 1.5 | 1.5 | 1.5 | 1.4 | 1.5 |
| Middle Income | 2.7 | 2.8 | 2.7 | 2.8 | 3.0 |
| Upper Middle Income | 3.1 | 3.1 | 3.1 | 3.2 | 3.5 |

Source: World Bank HNP Data 2023

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As Figure 2 shows, OOP spending varies significantly across high-income countries and LMICs. OOP spending as a percentage of total health expenditures in high-income countries is the lowest (12 – 13 percent) and the highest in low- and lower-middle-income countries (42 and 47 percent respectively). Even in upper-middle-income countries, OOP spending is significantly above high-income country levels. According to World Bank data, in 2019, around 980,000 people in high-income countries were pushed or further pushed below the \$3.65 poverty limit (2017 Purchasing Power Parity/PPP) while the numbers were 245.1 million in low-income countries, 790 million in lower-middle income countries and 162 million in upper-middle-income countries.

Figure 2: Out-of-pocket expenditures (% of total health expenditure)



Source: World Bank HNP Data 2023

Countries can reduce OOP spending by expanding the fiscal space for health and covering more people, services, and medicines, with its basic health benefits package. The WHO's three dimensions of UHC provide a good framework for countries to build off. Each country will have to align to its fiscal space¹² capacity to expand UHC, including integrating NCDs. In low-income countries, combining domestic with external sources of funding can also provide a bigger pool from which to fund a comprehensive package for UHC.

In terms of per capita public spending, the target is US\$ 86 for financing essential health services. In low-income countries, this figure is just over US\$ 8 per capita. To make matters worse, the majority of health spending in these countries is obtained from external sources. Since donor spending on NCDs is very limited, low public spending means there is very little public financing available for essential NCD services. The public financing level per capita in lower-middle-income countries (US\$ 39 per capita) is also below health financing targets.

¹² According to the WHO: 'fiscal space is the budgetary room allowing a government to provide resources for public purposes without impacting fiscal sustainability.'

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Figure 3: Average Domestic General Government Expenditure Per Capita in US\$ (2020)

| | |
|---------------------|----------|
| High Income | 4,066.53 |
| Low & Middle Income | 147.82 |
| Low Income | 8.30 |
| Lower Middle Income | 39.09 |
| Middle Income | 161.40 |
| Upper Middle Income | 299.88 |

Source: WHO data 2020

In LMICs, there is a need to substantially increase fiscal space for health from domestic and external sources and allocate toward essential NCD services integrated into primary health care, which is not only more cost-effective, but promotes better health outcomes. While some countries have made progress on PHC and UHC while spending below the targets, others spend above targets but do not advance PHC or UHC, likely in part due to the small percentage of public health expenditures signaling insufficient investment in UHC by having private spending be a higher proportion of the total. Regardless of current spending levels, adequate public funding must be available to allow the delivery of an integrated package. Therefore, in addition to analysing investment targets, it is important to assess the quality and efficiency of spending to identify areas for improved monitoring and management of resources as well as system bottle necks (e.g. where money is and is not flowing).

The true cost of NCDs on households

The NCD Alliance's policy research paper [Paying the Price](#) highlights the economic and social costs of OOP payments for NCDs. Based on a systematic literature review and review of diaries of people living with NCDs, this report shows how OOPs pose severe hardships for households in LMICs that carry on across generations. The costs of treatment were the highest expense and most often associated with catastrophic expenditure, defined as health spending that exceeds 40% of income. However, spending on drugs and diagnostics, as well as travel, were frequently cited as expenses that accrue as a burden over time.

According to the report: *Those facing the highest household economic burdens were the very old and very young, people from lower socio-economic backgrounds, living in rural areas, men, and those experiencing highly chronic NCDs like cancer that require long-term treatment and medication.* Women are not included in this list as they are more likely to forego treatment altogether if OOP spending is required.

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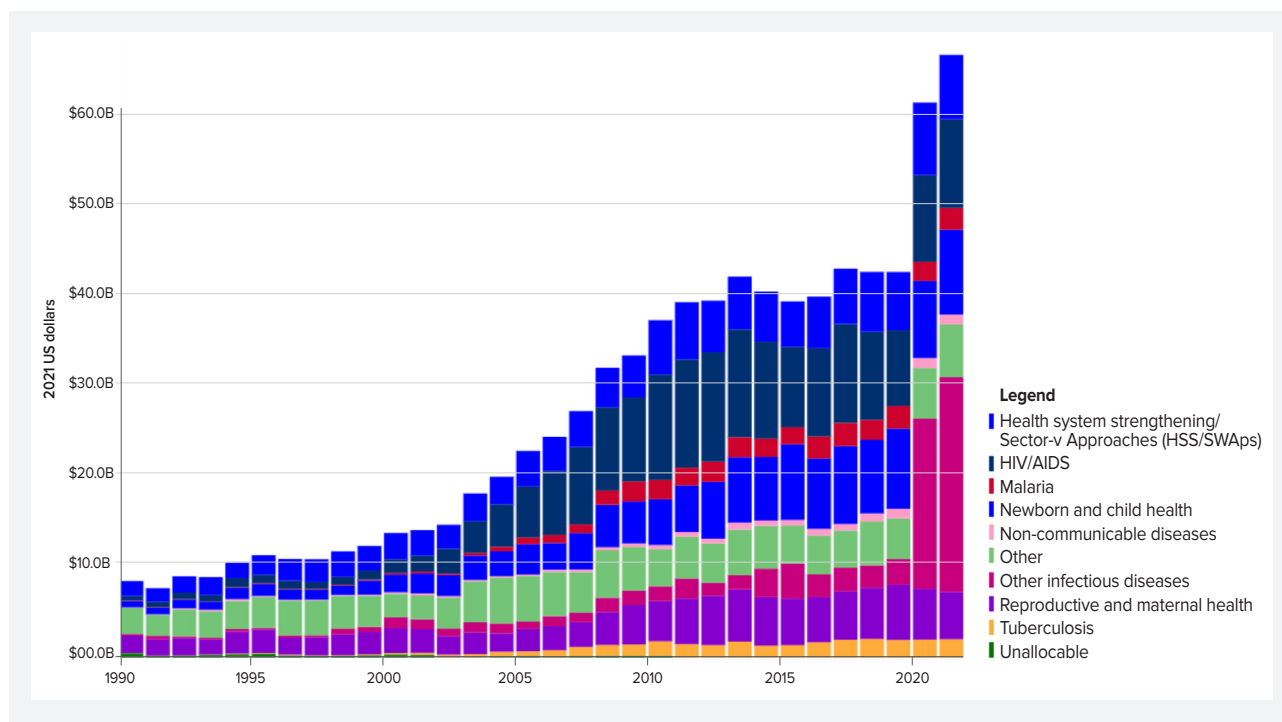
4) Making health a priority again

The has always been a mismatch between the burden of NCDs and the funds allocated to prevent and treat them, but now in a post-Covid-19 context there are even more concerns regarding financing not just for NCDs but for health generally. A recent World Bank study that looked at 78 countries observed a declining prioritization for health.

According to the study, real per capita central government health spending increased significantly during the first two years of the pandemic (e.g., in 2020, it grew in per capita terms on average across all countries by approximately 21 percent, and in 2021, it stood at 25 percent above 2019 levels). In the third year of the pandemic, contractions in public spending on health were noticed (on average, a contraction, from its peak of 25 percent to only 13 percent above the 2019 level, and close to its pre-pandemic trajectory). On average, the central health share in general government spending fell significantly, from its maximum of 17 percent to only five percent above the 2019 baseline, falling back to its pre-pandemic trajectory (Kurowski, 2023).

This deprioritization of health within national budgets presents an even further challenge for NCD financing, particularly in countries relying on development assistance for health (DAH) to supplement and support their domestic budgets. Over the past 30 years NCDs have only received 0.6-2% of annual official development assistance (ODA), despite being a leading cause of mortality, indicating a fundamental mismatch between health needs, donor priorities, and the resources allocated to respond (Figure 4).

Figure 4: Health focus areas of development assistance for health.



Source: VizHub - Financing Global Health (healthdata.org)

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A review of 2019 donor strategies identified that large donors in global health such as the United States (US), United Kingdom (UK), and Canada do not have an explicit statement on NCDs in their strategies. Germany, France, and the Australian government do reference NCDs (Jailobaeva K et al, 2021). The Norwegian government strongly supports NCDs and has launched a strategy: ‘Better Health, Better Lives’ to support NCDs in LMICs.¹³ The Swedish Agency for International Development (SIDA) supports UHC, PHC and NCDs.

The World Bank estimated that in 2019, US\$ 1.5 billion (12 percent of the World Bank’s total health portfolio) was allocated towards NCD-related projects. Projects include (a) strengthening early detection and screening for NCDs; (b) promoting NCD risk reduction; and (c) revamping health systems and facilitating transformational reforms to shift attention from costly secondary care to primary health care. Over half of all NCD health investments are on integrated projects with both disease prevention and chronic disease management activities. Other projects use communicable disease investments to support NCD prevention and treatment (UN Intergency Task Force on NCDs and the World Bank). Other regional development banks such as the Asian Development Bank (ADB), the African Development Bank (ADB), the Islamic Development Bank and the Interamerican Development Bank (IDB) also support NCD projects integrated as part of PHC/UHC although a full inventory of these projects is beyond the scope of this paper.

To advance an essential package of health services in low-income countries, at a minimum, domestic public resources for health will need to be combined with external support to advance integrated PHC that includes NCDs. Fragmentation across donor pools contributes to cross-program inefficiencies, therefore there is much to be gained from pooling funds and using country procurement and financial management systems for health care delivery.

¹³ ‘Better Health, Better Lives’: Norway launches the world’s first development strategy on NCDs | NCD Alliance <https://ncdalliance.org/news-events/blog/%E2%80%98better-health-better-lives%E2%80%99-norway-launches-the-world%E2%80%99s-first-development-strategy-on-ncds>

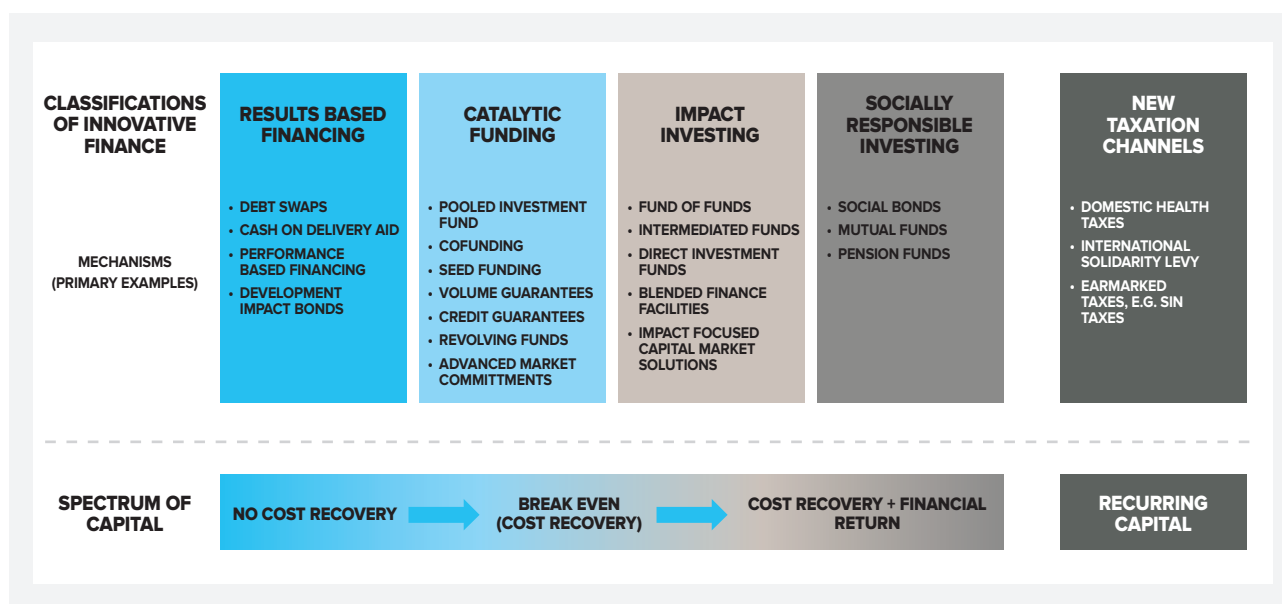
Identifying ways forward: Strengths and challenges in NCD financing

5) Innovative financing for health and NCDs

Innovative financing has been used to create additional funds for health and is an opportunity that NCD financing could take further advantage of.

Country fiscal space, especially in low- and lower-middle-income countries, is tight and the needs in the health sector are growing. One topic that has often been raised is the role of innovative financing. The WHO defines innovative financing as additional taxation mechanisms that can be used to raise resources for the health sector (WHO, 2010). The World Bank Group uses a wider definition of innovative financing as any financial approach that enables additional funds generation by utilizing new funding sources engaging new partners or increasing efficiency by reducing time and service delivery costs. Based on the results of a global literature review, the following innovative financing instruments are identified (Figure 5) (Thinkwell Institute, 2020).

Figure 5: Examples of innovative financing instruments for health



Source: Thinkwell Institute, 2020

Among the various innovative financing mechanisms, some instruments have been used more than others in the health sector.

Identifying ways forward: Strengths and challenges in NCD financing

Table 4: Examples of innovative health financing mechanisms and applications

| Innovative Financing Instrument | Description | Application in the Health Sector including NCDs |
|------------------------------------------------------------------------------------------------------------|-------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|-----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| Results-based financing or P4R or performance-based financing when referring to provider-based incentives) | Results-based financing (RBF) is broadly linked to the concept of Output-based Aid (OBA) and focuses on improving the effectiveness of development assistance. It is linked to the concept of 'more health for the money.' It has been applied in the health sector, especially under the GFF to improve maternal and child health outcomes (GPOBA - World Bank, 2018). | Has been widely applied in maternal and child health programs, including through the GFF. Rigorous evaluations have been completed of impact (Morgan L, Unknown). In Tajikistan (a low-income country), the World Bank is supporting the government's performance-based financing scheme to improve the coverage and quality of basic primary health services in rural health facilities in ten districts. Under this supply-side project, the Ministry of Health contracts rural health centers to enhance both the quantity and quality of NCD services, providing coverage in about 450 health facilities to approximately 15 percent of the country's total population (UN Intergency Task Force on NCDs and the World Bank). |
| Debt Swaps | Debt Swaps or buydown means a portion or transfer the debt to another entity to make it more affordable for countries with the condition that countries designate those funds towards a social purpose to mobilize additional funding | Debt Swaps or buydown have been used by the Global Fund (under Debt2Health financing). It was first applied by the Global Fund in 2007 and then used by other organizations such as GAVI and the World Bank/ Global Fund loan buydown off tuberculosis. In India, debt swaps and results-based financing are combined to address India's expanded efforts to reach TB control targets by 2025 by partnering with private providers to identify and treat the 3.6 million "missing" people with active TB - people who are undiagnosed, unreported and untreated each year, contributing to ongoing transmission (World Bank, 2019) |
| Cash on Delivery | Offers a fixed payment to governments upon the delivery of a unit of progress towards commonly agreed goals | Cash on Delivery (CoD) has been applied by the World Bank and the Global Fund in the Loas HANSA project which focuses on health systems strengthening with disbursement linked to twelve indicators. The World Bank Program for Results has been applied at the PHC level to support health systems strengthening. |
| Development Impact Bonds (DIBs) and Social Impact Bonds (SIBs) | A new type of Results-Based Financing where the investor takes full or part of the performance risk. The overall bond market is small (US\$ 370 million), but it can be used to support providers expand NCD services | DIBs have been applied in Cameroon (Kangaroo Bond) and India (Utkrist Bond) to support improved maternal and child health services. Has also been applied to nutrition outcomes in India. |
| Catalytic Financing | Brings together pooled financing – multiple donors, public and private to support specific goals. | Sector-wide approaches or SWaPs have been tested in many countries (including low-income countries) where donor financing is pooled and pooled with public financing to support a common basket of essential services. A generic form is Multi-Donor Trust Funds (MDTFs) which have been deployed by global health and development organizations such as the World Bank, TGF, and GAVI. In 2017, Access Accelerated supported the World Bank through a small NCD-focused trust fund (US\$ 24 million). The trust fund financed analytical services to support countries through WB lending of US\$ 350 million for NCDs. |
| Revolving Funds | A cost recovery mechanism – especially applied for the procurement of goods (medicines, diagnostics) | PAHO Pooled procurement for medicines which now includes NCD medicines as well. |
| Seed Funding | A mechanism used by donors and other investors to seed social enterprise/early innovation that has commercial viability and the possibility of going to scale | Grand Challenges Canada – which supports mental health projects in many countries. |
| Taxation including health taxes | Implementation of dedicated taxes for the health sector. Mixed consensus on targeted taxes and allocation for health. | There are a few good examples such as ThaiHealth which funds health promotion from health taxes. The Philippines has allocated additional funds from health taxes for expanding UHC, especially for vulnerable populations. Most low-income countries do not adequately tax health harming products, so there is potential. Decisions must be made at the country level based on country's political commitment and capacity. |

Source: Thinkwell Institute. 2020. Innovative Financing Mechanisms for Health: Mapping and Recommendations and other sources.

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In addition to the mechanisms described above, there is the potential for increased impact by unlocking and maximizing the capital of global public-private partnerships such as the Global Fund, GAVI, FIND, and GFF, which have recognized the importance of NCD integration into their funding cycles and priorities. These global health initiatives, while setting their own priorities, work closely with recipient country governments applying for grants and other forms of assistance. Additional work should be undertaken by governments actors to strategically identify and propose projects that have co-benefits across health agendas like NCDs. Some specific examples include:

- › The Global Fund's 2023 – 2028 strategy (*Fighting Pandemics and Building a Healthier and More Equitable World*) includes a goal around **mutually reinforcing contributory objectives** which include: (i) Maximizing People-centered Integrated Systems for Health to Deliver Impact, Resilience, and Sustainability, (ii) Maximizing the Engagement and Leadership of Most Affected Communities to Leave No One Behind, (iii) Maximizing Health Equity, Gender Equality and Human Rights. The HIV Strategy explicitly mentions promoting HIV service integration including with cervical cancer, NCDs, and mental health, and as part of services for ANC and PNC, SRHR, and harm reduction, with care pathways adapted for aging populations (TGF, 2022)
- › With funding from the Leona Helmsley Foundation is increasing access to continuous glucose monitoring in LMICS (FIND, 2023).
- › The Global Vaccine Alliance (GAVI) continues to scale its Human Papilloma Virus (HPV) vaccine program applying similar principles of market shaping and advanced market commitment (AMC) that it has applied to other vaccination programs.¹⁴
- › The GFF is working in the context of World Bank projects that support health systems strengthening for UHC. In its recent replenishment, the focus is explicitly on strengthening PHC.

It should also be noted that there is limited country data on private financing in support of UHC. It is unclear how governments can leverage private sector financing and capacity to advance UHC, including NCDs. Global examples exist, although most are new. Nevertheless, the examples in Table 5 demonstrate that there are interesting innovative financing instruments that are available to support country capacity building on integrated care and incentivize public and private partners and people living with NCDs (NCDs) to use quality PHC and PHC+ services (ie pay-for-performance, conditional cash transfers). However, each must be adapted based on country-owned plans.

¹⁴ Human papillomavirus <https://www.gavi.org/types-support/vaccine-support/human-papillomavirus>

Identifying ways forward: Strengths and challenges in NCD financing

6) The Big Wins: Tobacco, alcohol, nutrition, physical activity, and air pollution

There are cost-effective, evidence-based solutions that help prevent NCDs that are feasible for all countries, but political commitment and support are required

Around 80% of premature deaths from the major NCDs - cancer, CVD, CRD and diabetes - can be prevented or delayed into advanced age through the reduction of exposure risk factors, primarily tobacco, alcohol, unhealthy diet, physical inactivity, and air pollution. These primary prevention interventions are also beneficial for other diseases since they strengthen immunity and enable individuals to fight infections faster (e.g., people with obesity experienced higher levels of COVID-19 mortality). WHO has recently (2023) expanded the cost-effective technical packages included in Appendix 3 (the “Best Buys”) to include air pollution and address all five of the recognized NCD risk factors in the 5x5 matrix. As Table 5 shows, the implementation of MPOWER and REPLACE is quite advanced.

According to the WHO, the price tag for scaled-up implementation of a core set of NCD “best buy” intervention strategies is comparatively low. Population-based measures for reducing tobacco and harmful alcohol use, as well as unhealthy diet and physical inactivity, are estimated to cost US\$ 2 billion per year for all LMICs – less than US\$ 0.40 per person. Therefore, these are low-cost interventions but require high political commitment and support.

Table 5: WHO Best Buys to advance population-wide interventions for NCDs

| WHO Prevention Best Buy | Scope | Data on Implementation |
|-------------------------|----------------------------------------------------------------------------------------------------------------------------|-----------------------------------------|
| MPOWER | Technical package for the reduction in demand for tobacco. Includes increasing excise taxes and prices on tobacco products | 102 countries |
| SAFER | The technical package on the reduction in harmful use of alcohol. Includes increasing excise taxes on alcohol. | Partial implementation across countries |
| REPLACE | Technical package on the elimination of industrially produced trans-fatty acids | Fifty-eight countries |
| SHAKE | The technical package on salt reduction | Partial implementation across countries |
| ACTIVE | The technical package on physical exercise | Partial implementation across countries |

Source: (WHO, 2022)

Opportunities for addressing the fiscal gaps in NCD financing and UHC

There are five well-known policy levers for countries to generate fiscal space for providing comprehensive health services that cover NCDs, but some are more advantageous to progress NCD financing.

For instance, there seem to be limited prospects for leveraging macroeconomic growth, dedicated resources for health (e.g., health taxes), and additional external assistance. External assistance can play a significant role in supporting integration through “one plan, one budget” approaches. Sector Wide Approaches (SWaPs) that pool donor support with domestic resources to drive results around commonly agreed goals have been tried in the health sector and could be applied to supporting integrated service delivery based on PHC. However, the greatest fiscal space can be derived from governments’ prioritization of health and improving efficiency.

The table below explores these five areas, including some examples from LMICs. Given the limited scope of this paper, the analysis is high-level but can be applied to specific country cases in the future to understand fiscal space.

Table 6: Five policy levers available to countries to expand fiscal space for health¹⁵

| Fiscal Space Policy Lever | Potential to Generate Resources | Options |
|------------------------------------------------------------------------------|-----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| Conducive Macroeconomic Conditions | Limited: Growth prospects are limited for LMICs. 58 percent of SSA countries are at risk of debt distress or are already in distress. | For low-income countries, the Global Fund has leveraged Debt2Health swaps as an innovative financing mechanism to support countries in reducing debt while investing in health systems. Germany has been a supporter of Debt2Health swaps. However, these have not been applied to UHC or NCDs. It is estimated this mechanism could raise to US\$100 million per year. For upper middle-income and middle-income countries, MDB borrowings are possible, for example through the World Bank IBRD. |
| Greater prioritization of health within government budgets | High: As the data presented earlier shows, countries are deprioritizing health financing post-COVID-19. | It is universally accepted that countries cannot advance UHC without spending between 4-5 percent of GDP. This can be easily tracked, and Governments can be held accountable for this. However, when GDP is falling, it is important to track the impact on the health package in terms of absolute targets (US\$ 86 per capita). Also, it is to be noted that some countries have advanced comprehensive UHC service packages for less than US\$ 40. |
| Increase in health sector-related resources such as through ear-marked taxes | Limited: Ear-marked taxes as a mechanism to increase funding for the health sector have had mixed results. Some well-known examples are the Philippines and Thailand. There is also resistance among ministries of finance to earmark these additional revenues for health. | Health tax implementation can be politically challenging, but its potential in LMICs has not been fully explored. Most LMICs do not tax harmful products. Other forms of taxation such as mobile phones, mobile money, airline tickets or property could be considered while taking country implementation into account. |
| Health sector-specific grants and foreign aid | Limited: DAH is not expected to increase significantly | The World Bank is trying to increase IDA (grant) replenishments which benefits mostly low-income countries. The Global Fund has raised US\$ 14 billion out of the needed US\$ 18 billion for 2023 – 2026 grant period. The GFF is still raising funds but has so far raised 50 percent of needs (US\$ 8 billion out of 16 billion). |
| An increase in the efficiency of existing government outlays | High: According to the WHO World Health Report 2010, there is considerable waste in the health sector. | It is estimated that in SSA 1 out of 5 dollars is lost due to poor technical efficiency. Countries like Thailand, Rwanda, and Cambodia can provide good health at low cost. These countries invest strongly in PHC and control the big cost drivers in the health system such as medicines and diagnostics. |

Source: Author’s own analysis

¹⁵ The five policy levers for addressing fiscal gaps are from Tandon A and Cashin C. Assessing Public Expenditure on Health from a Fiscal Space Perspective—World Bank Health, Nutrition and Population (HNP) Discussion Note. February 2010, Washington DC, The World Bank.

Conclusion

In conclusion, this Policy Thought Paper has delved into the global trends surrounding NCD integration and financing within the UHC framework, highlighting that this is primarily a country-led agenda in need of robust support. Despite wide agreement on the integration of NCDs into UHC and evidence of cost-effective interventions, the translation of global evidence into actionable country plans and budgets remains a challenge. The paper underscores the critical need for countries to embark on a learning-by-doing approach, leveraging rapid learning cycles to implement and scale NCD integration effectively.

The financial landscape presents both challenges and opportunities for integrating NCDs into UHC, with a stark reminder of the fiscal constraints faced by countries, particularly in low- and lower-middle-income settings. The paper points out the necessity for countries and the global health community to make strategic choices and prioritize integrated service delivery within the constraints of the current fiscal environment.

Overall, NCD data including on integration and health financing is fragmented and it is hard to construct a strong picture of progress and gaps. Global health and development initiatives have long supported strong data systems and tracking on HIV/AIDS, malaria, TB, and reproductive and child health services. While UHC indicators are tracking NCDs, the current list of NCD indicators is limited. There are important regional initiatives emerging; for example, the African Leaders Meeting for Health Financing which is using a health financing tracking tool. But more initiatives are needed for including NCD tracking in the context of PHC/UHC.

Moreover, the pivotal role of global health initiatives in supporting the integration of NCD services and emphasizes the importance of aligning these initiatives with national health priorities. It highlights the potential of innovative financing mechanisms to bridge the fiscal gaps in NCD financing and UHC, suggesting that a collective effort from countries and global health partnerships is essential for advancing NCD integration into UHC.

This analysis concludes that while there are exemplary countries of NCD integration and financing, a more concerted effort is required to curate these experiences using a common framework for the benefit of broader sharing and learning. The paper calls for a focused alignment of global health and development partnerships to country plans and budgets, leveraging context-specific innovative financing strategies to support the progression of NCD integration into UHC.

Afterword

The Second Global Financing Dialogue (2GFD) will serve as a key convening for stakeholders in the lead-up process to the Fourth High-Level Meeting on NCDs in 2025 and represents an opportunity to begin building consensus on a complex and politically challenging question. The discourse around NCDs has evolved from viewing them merely as costs to recognizing them as investments. The economic benefits of addressing NCDs versus the repercussions of inaction are becoming more widely acknowledged.

However, financing for NCDs lacks the structured commitments seen in other disease-specific agendas within the United Nations system, namely HIV/AIDS and tuberculosis (TB). Although the effectiveness of these frameworks and benchmarks can be debated, they offer a point of reference for the international community to measure progress in NCD financing.

The NCD Alliance previously formulated recommendations for actors across sectors, drawing attention to several critical questions and considerations that could help generate a direction of travel for shaping the sequence of information and events necessary to secure the political commitments for NCD investment in 2025. These considerations are enriched by insights from the Lusaka Agenda and the Framework for Global Health Initiatives (FGHI), emphasizing the importance of integrated approaches and the need for robust mechanisms to track and report NCD investment.

Key questions include:

- Should integrated financing discussions be approached by advocating for NCD-specific or NCD-sensitive measures?
- What is the role of the WHO, World Bank (WB), and Organization for Economic Co-operation and Development (OECD) in supporting countries to track and report on NCD financing, mirroring the health systems accounts in place for HIV/AIDS and TB? Is establishing tracking mechanisms a prerequisite for mobilizing resources, or vice versa?
- What qualifications and criteria are needed to encourage concessional Development Assistance for Health (DAH) for UHC and NCDs? How can we advocate for grant-based rather than loan-based financial support for LMICs on health? How can DAH transition towards prioritizing sustainable results and funding that supports domestic resource mobilization (DRM) and reduces dependence on aid?
- Both the HIV/AIDS and TB Political Declarations have financing targets set at the global level. Is the same approach valid for NCDs? Within an NCD target, how can we ensure that support reaches the most vulnerable and the furthest behind are reached first? The Small Island Developing States (SIDS) Bridgetown Declaration calls for a multisectoral vulnerability index for ODA/DAH, would this tool be effective in allocating for DAH more effectively?
- What should be included in a framework for catalytic capital and private sector contributions on how to utilize blended, innovative, and PPP financing? What case studies support these recommendations for progress? If none come to mind, are there any examples that highlight where legal and/or regulatory bottlenecks and limitations hindered such collaborations?

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