ACT on NCDs
GLOBAL WEEK FOR ACTION ON NCDs

NCD Alliance Brief

Mobilising private investments to address the NCD funding gap

NCD Alliance

#ActOnNCDs

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Edited by NCD Alliance, 2022

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BACKGROUND

FINANCING FOR NCDs IN THE COVID-19 CONTEXT

The COVID-19 pandemic has shaken the foundations of health systems and economies worldwide and up-ended the understanding of pandemic preparedness. The response in the countries thought to be best prepared for an epidemic was undermined by an underestimated threat, previously overlooked in health security rankings: noncommunicable diseases (NCDs). It became clear that we were actually facing a syndemic; the vast majority of the millions of people to date who lost their lives to or became seriously ill with COVID-19 had underlying health conditions, most commonly hypertension, cardiovascular disease and diabetes. Studies have estimated that 60-90% of COVID-19 deaths have been of people living with one or more NCDs. In non-pandemic times, 41 million people die every year due to an NCD, accounting for 74% of all deaths worldwide, and annual deaths from NCDs are projected to escalate to 52 million by 2030. The deaths attributed to NCDs are just the tip of the iceberg, as many millions of people live with NCDs but are undiagnosed.

Despite their convincing investment case and destructive long-term impact on people and economies (see the Invest to Protect policy brief), NCDs are the most underfunded global health issue relative to the billions of people impacted. NCDs reduce productivity and human capital, while increasing healthcare costs from serious illness, disability and death. In total, the five leading NCDs – cardiovascular disease, chronic respiratory disease, cancer, diabetes and mental health and neurological disorders – have been estimated to cost US$ 47 trillion between 2011-2030, an average of more than US$ 2 trillion per year.

Yet there is a fundamental mismatch between the healthcare needs and rights of people living with NCDs, particularly in low- and middle- income countries (LMICs), and the resources allocated to respond, with NCDs attracting less than 2% of overseas development aid for health[1]. This number has stagnated since NCDs made it onto the global health agenda two decades ago, but it's become clear - in part through the COVID -19 pandemic - that we need to adopt a different perspective on NCDs and global health financing, which is more integrated with the larger sustainable development agenda. This is reflected in the Sustainable Development Goals. However, it is estimated that an additional US$1.3 trillion is needed if we are to have any hope of meeting these goals[2]. In addition, we need a new perspective, reaching far outside 'the box' of traditional funding sources, to seek innovative sources and partnerships that include private sector and private philanthropies.

Given the scale of the challenge, action will be needed on many fronts to mobilise adequate, predictable and sustainable financing for NCDs. This brief specifically seeks to unpack solutions to accelerate private investments for NCD financing as one of the multiple pathways to increase this source of funding for NCDs ahead of the Second Global Financing Dialogue on NCDs set to take place in 2023 and forthcoming UN General Assembly High-Level Meetings on Universal Health Coverage in 2023 and NCDs in 2025. Drawing upon the broader policy brief '*Invest to Protect: NCD Financing as a foundation for healthy societies and economies*', it is launched on the occasion of the 2022 Global Week for Action on NCDs, which focuses on NCD investment as a core theme.

1 Institute for Health Metrics and Evaluation (IHME). Financing Global Health 2015: development assistance steady on the path to new global goals. Seattle (WA): IHME; 2016.

2 Expert Working Group on Global Public Investment. Building a better system: Making Global Public Investment a reality. 2022.

Public funding alone is not enough to achieve SDG 3

Cardiovascular diseases

Cancer

Chronic Respiratory diseases

Diabetes

Mental health and neurological disorders

NCDs cause 41 MILLION DEATHS EACH YEAR, **equivalent to 74% of all deaths globally.**[3]

39 MILLION DEATHS could be prevented by 2030 with an additional US$18 billion per year investment.[4]

3 GOOD HEALTH AND WELL-BEING

US$47 trillion estimated cost of NCDs between 2011-2030.

US$140 billion required in new spending to achieve SDG target 3.4 worldwide.

US$2.7 trillion average net economic benefit of additional investment in NCDs (US$390 per capita).

19:1 THE BENEFITS of this investment outweighs the costs by a factor of 19.

The imperative to explore new sources of funding for NCDs

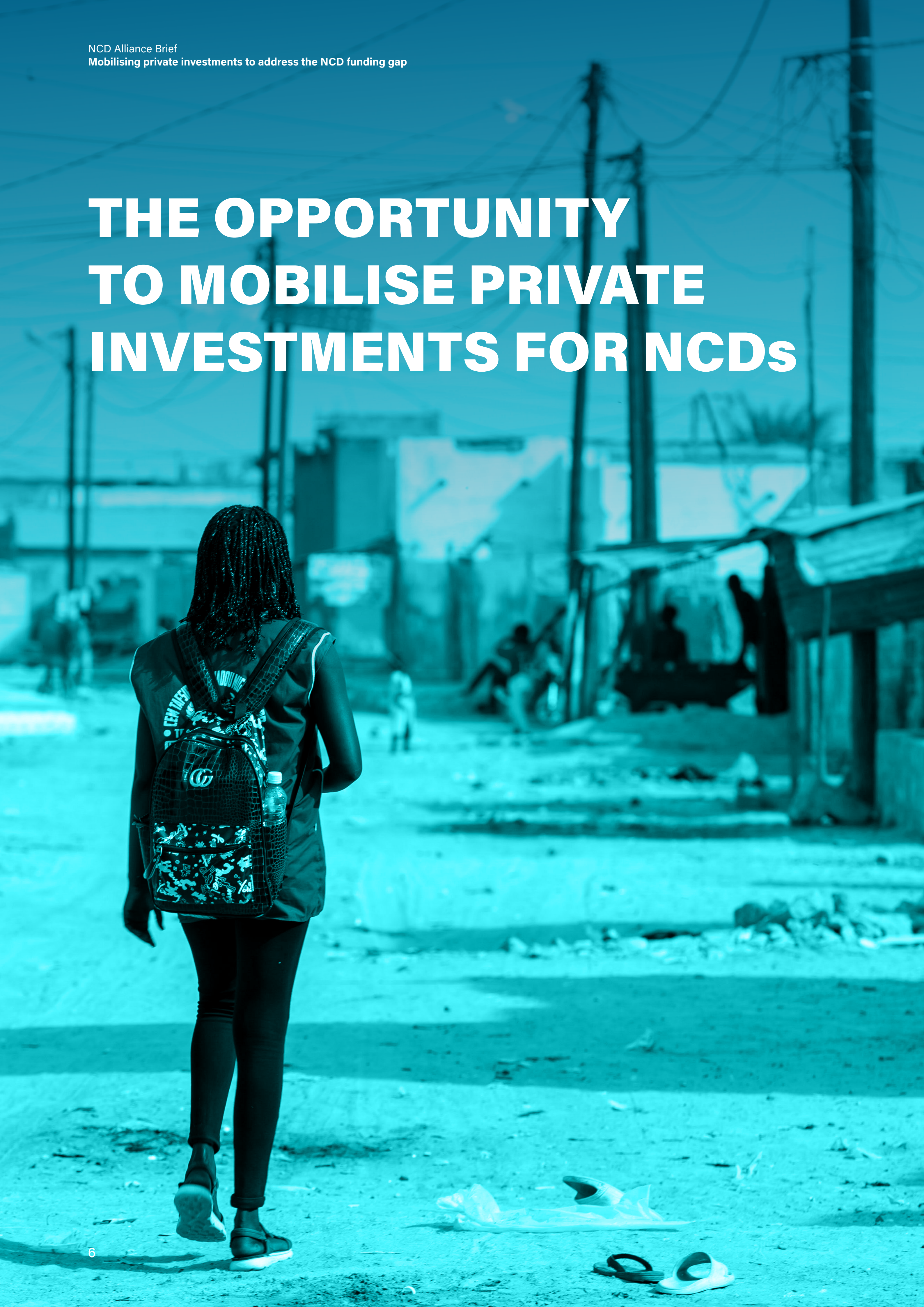
Funding for NCDs has been at the forefront of international policy discussions since the first UN High-Level Meeting on NCDs in 2011, where leaders agreed to explore the provision of adequate and sustained resources for NCDs, a commitment that has been reiterated over time but so far has not been fulfilled. To meet their political commitments on NCDs, it is imperative for governments to make substantial changes to achieve a more targeted and strategic approach to NCD investment.

The Lancet NCD Countdown 2030 estimates that achieving SDG target 3.4 worldwide would require US$140 billion in new spending over 2023–30, an average of $18 billion annually, but 39 million deaths could be averted over this period and $2.7 trillion in net economic benefits could be generated, with benefits outweighing costs 19-to-1. These costs would represent a considerable share of national health budgets (median value of 20% in 2030).

3 World Health Organization

4 Lancet NCD Countdown 2030

THE OPPORTUNITY TO MOBILISE PRIVATE INVESTMENTS FOR NCDs



Harnessing opportunities to scale multisectoral action to bridge the NCD funding gap

In 2011, the UN Political Declaration on NCDs called for multisectoral action by all Member States and other relevant stakeholders to address NCDs, recognizing that "effective NCD prevention and control require leadership and multisectoral approaches for health at the government level, including, as appropriate, health in all policies and whole-of-government approaches across such sectors as health, education, energy, agriculture, sports, transport, communication, urban planning, environment, labour, employment, industry and trade, finance and social and economic development".

In 2015, the Addis Ababa Action Agenda reiterated the important contribution the private sector can make towards achieving the SDGs, including through financing. Multiple UN/WHO political and policy documents have since reinforced this important role of relevant private sector (i.e. excluding unhealthy commodity industries such as alcohol, tobacco, ultra-processed food and beverage, fossil fuels, etc.) in the global NCD response, provided the necessary parameters and safeguards are in place to protect against commercial and other vested interests.

> "Inviting the private sector to strengthen its commitment and contribution to the implementation of national NCD responses by taking steps to address the risk factors for NCDs, promoting and creating safe and healthy working environments, and improving access to and affordability of medicines and technologies." - Recommendation from the third UN High-Level Meeting on NCDs

Then in 2018, the first WHO Global Dialogue on Partnerships for Sustainable Financing on NCD Prevention and Control hosted in Copenhagen, Denmark provided a number of recommendations, including a coordinated response from a multitude of actors, and noted that 'business as usual' is no longer an option. It also highlighted the strategic use of development finance and philanthropic funds to mobilise additional private investments towards social and economic impacts in LMICs.

Private sector and conflicts of interest

By definition, the private sector is the segment of a national economy that is owned, controlled, and managed by private individuals or enterprises, rather than a government entity. It comprises a diverse group of actors that are profit driven, including:

- **Corporates** – This includes, but is not limited to, multinational companies, large domestic companies, small or medium enterprises, business intermediaries and social enterprises.
- **Institutional investors** – These are the legal entities pooling, managing and investing other people's money, such as pension funds, insurance companies, investment funds and sovereign wealth funds[5]. These entities managed an estimated $100 trillion in assets in 2019 in OECD countries alone[6].
- **Private philanthropies and business associations** - Those operating internationally or at the domestic level should also be considered private sector.

By nature, the private sector is a heterogeneous group that includes a range of sectors and industries, and can deliver products and strategies that contribute to the greater good of public health. Some, however, are involved in health-harming activities, such as the manufacturing and sale of products that are detrimental to health and well-being, including tobacco, alcohol, ultra-processed and high in fat, sugar and/or salt (HFSS) food and beverages, and fossil fuel industries.

5 NCD Alliance. Invest to Protect: NCD Financing as a foundation for healthy societies and economies. 2022.

6 OECD. Mobilising Institutional Investors for Financing Sustainable Development. 2021.

These **unhealthy commodity industries** have vested interests that are at odds with public health interests, and have been major drivers of the commercial determinants of health, defined as the 'strategies and approaches used by the private sector to promote products and choices that are detrimental to health'[7]. Interference by unhealthy commodity industries in the negotiation and implementation of global and national policy development to promote health and prevent NCDs, such as with the WHO NCD 'Best Buys' and other recommended interventions, is well-documented.

Article 5.3 of the WHO Framework Convention on Tobacco Control (FCTC), and its implementation Guidelines specifies the "fundamental and irreconcilable conflict of interest" between the tobacco industry and public health, to exclude all tobacco industry partnerships within public health. The NCD Alliance extends this principle across the alcohol, ultra-processed and HFSS food and beverage, fossil fuel extraction and arms industries, excluding any form of partnerships, given their products and activities are harmful to health and may increase the risk of NCDs.

While it is imperative to continue making this clear distinction of incompatible public-private partnerships, there remains significant opportunity and value in developing partnerships that represent low or no risk for conflict of interest and serve to benefit the goals of the NCD agenda across a range of sectors and industries.

FOCUS

NCDA-SPECTRUM report details hundreds of examples of unhealthy commodity industries exploiting the COVID-19 pandemic

Beer companies adapting their logos to lung icons, burger companies geo-tracking customers with the lure of lockdown freebies, and soft drink giants donating thousands of cans to struggling communities in Mexico illustrate the myriad ways in which unhealthy commodity industries have exploited the COVID-19 pandemic for commercial gain.

Signalling Virtue, Promoting Harm: Unhealthy commodity industries and COVID-19, authored by the NCD Alliance and the SPECTRUM Consortium in September 2020, is a preliminary exposé and analysis of tactics and strategies adopted by the unhealthy commodity industries during the COVID-19 pandemic. The report outlines four main strategies - pandemic-tailored marketing campaigns and stunts, corporate social responsibility programmes, shaping policy environments, and fostering partnerships with governments, international agencies and NGOs.

"It is a bitter irony that companies such as tobacco, alcohol and junk food, whose products increase the risk of NCDs, thereby putting people at higher risk of suffering through the pandemic, have positioned themselves as heroes and partners in the response and have interfered in public policies that seek to protect population health," said Lucy Westerman, a public health expert and co-author of the report.

Barriers to the mobilisation of private investments in NCDs

The responsibility of all stakeholders to create sustainable ecosystems for health is multifaceted and complex. In the context of addressing NCD gaps, there is often a limited understanding of the role that the many stakeholders involved must play, as well as mistrust and unclear guidance around what the expectations for each sector are. For instance, the OECD survey[8] showed that one of the biggest barriers for many private players is finding partners who have aligned interests to attract investments in NCDs. This indicates a lack of awareness among both private philanthropic donors and providers of ODA about each other's objectives.

Additionally, many partnerships in NCDs remain dependent on the willingness of private donors to sustain them. They are often developed as a series of uncoordinated and competing pilots led by different organisations, occasionally in the same countries but without clear ownership from in-country stakeholders such as governments and civil society. However, public-private partnerships are more likely to succeed where governments have established statutory and regulatory frameworks that support coordination and protect

7 The Lancet. The commercial determinants of health. Ilona Kickbusch et al. 2016. DOI:https://doi.org/10.1016/S2214-109X(16)30217-0

8 OECD. Private Philanthropy for Development – Second Edition: Data for Action, The Development Dimension. 2021.

the public. In order to demonstrate impact and attract catalytic investments, these partnerships need to be aligned with national priorities, co-owned with governments, and shaped by and able to respond to the needs of communities they serve.

The OECD definition of blended finance is "the strategic use of development finance for the mobilisation of additional finance towards sustainable development in developing countries". In this context, 'additional finance' refers primarily to commercial finance, which is not commonly directed towards development-related investments.

Despite a growing interest in blended finance for health following the economic impact of COVID-19, the conditions for raising blended finance remain underdeveloped. Until recently, there have not been clear financing mechanisms, such as initiatives and institutions, that link a variety of elements and work with partners across different sectors to assign resources to health programs for NCDs specifically. NCDs pose a blindspot to investors given the overall scarcity of NCD data especially in LMICs, and a lack of understanding or awareness of established, cost-effective interventions at population level. As a result, there has been limited interest in NCD opportunities compared to other sectors. The Multi-Partner Trust Fund to Catalyse Country Action for NCDs and Mental Health, established by the UN NCD Task Force in 2021, is one of the first new vehicles that supports countries in addressing NCDs and driving forward cross-sectoral action.

What is the UN Multi-Partner Trust Fund to Catalyze Country Action for NCDs and Mental Health?

In response to the significant NCD funding gap and upon request from the WHO Independent High-level Commission on NCDs and ECOSOC, the UN Multi-Partner Trust Fund for NCDs and Mental Health was established by WHO, UNICEF, and UNDP in 2021. The Trust Fund's purpose is to pool donor funding to provide catalytic grants to LMICs, which can be used to mobilize domestic funding; improve policies, legislation and regulation; and stimulate increased multi-stakeholder and cross-sectoral action to prevent and optimally manage NCDs and mental health conditions.

The Trust Fund aims to leverage additional resources for NCDs and mental health through a "reversed co-financing model". In this approach, the bulk of funding for implementation will derive from countries themselves (from domestic budgets and/or bilateral, multilateral or commercial financing), with the Trust Fund providing targeted investments that address specific bottlenecks in the implementation of the programme. This model will also ensure that any funded activities are embedded within broader government plans with a clear sustainability strategy.

Given the Trust Fund invites commitments from LMICs, there is increased opportunity for NCDs and/or mental health CSOs based in LMICs to advocate to their government to make a commitment to the Trust Fund. This approach provides a real opportunity to engage grass-roots organizations and parliamentarians in LMICs to amplify the need for and importance of the Trust Fund.

Despite significant political support expressed for the Trust Fund across Member States, UN agencies, civil society and other global NCD actors, the enthusiasm is yet to translate into financial commitments. There is an urgent need to increase the visibility of the Trust Fund at both the global and national level, to socialize knowledge on its added value in the global NCD and mental health landscape, and to translate this knowledge into financial commitments from state and relevant non-state actors.

AVENUES TO ACCELERATE PRIVATE INVESTMENTS FOR NCD FINANCING

To secure commitments on NCD investments, an enabling policy environment should provide more confidence regarding financial return pathways for private investors, and more clarity on the potential catalytic role of the private sector.

There are a number of pathways that can be explored to increase private investment and leverage the private sector's contribution to mobilise resources for NCDs.

1. PUBLIC-PRIVATE PARTNERSHIPS

Public-private partnerships for the purpose of delivering a project or in-kind services traditionally provided by the public sector have proven to be an effective means of increasing the reliability and affordability of the supply of NCD-related public goods and NCD services, while complementing government resources. When properly designed and managed, these partnerships have demonstrated their ability to offer a way for governments, development actors and the private sector to pool resources and work together efficiently.

On the other hand, although public-private partnerships have generated private investments in many NCD areas, they have a tendency to focus on short-term returns, when many NCD interventions have long-term returns on investment. These investments have also been limited in monetary terms and there is room for these to be significantly scaled for NCDs.

While public-private partnerships are vital, these must be in the public interest and therefore need to be led with full appreciation and transparency of the different roles and interests of the sectors involved. Planetary and human health and prosperity must take precedence over private profits. Industries whose core business is based on promoting products and choices that are of detriment to health, wellbeing and NCD prevention, namely big tobacco, alcohol and ultra-processed food, as well as the partnerships they form with the global health and development community, are incompatible with public health and sustainable development goals.

2. BLENDED FINANCE MECHANISMS

Blended finance is the use of public finances to attract private investment for creating new markets and reaching underserved beneficiaries through typically underfunded sectors. By shifting some of the risk or cost of a project from the private to the public sector, it can help enhance risk-return profiles for investors and thus help attract private finance to NCD investments, which would otherwise not have materialised. Other more result-based financing instruments, such as social impact bonds (SIBs), also known as pay-for-success financing, are also being explored as a way to pool capital from many different stakeholders for investing in infrastructure with pre-agreed performance targets. These have, however, proven particularly complex and time-consuming, and few have actually been launched in the health sector.

While existing blended finance initiatives aim to bring in much-needed private finance, their strategies, objectives and approaches vary greatly. Private investors are usually reluctant to invest in NCDs in LMICs because of the high perceived or real risk. Therefore, the most common application is to "de-risk" private investment with catalytic capitals, design funding, technical assistance, or multi-stakeholder commitments and agreements. In order to find an agreement amongst all stakeholders on what constitutes good practice and aligns with the SDGs, the OECD Development Assistance Committee (DAC) Blended Finance Principles for Unlocking Commercial Finance for the SDGs were adopted in 2017. These principles provide a five-point checklist to ensure blended finance meets accepted quality standards and achieves impact, based on a development rationale.

OECD

OECD DAC BLENDED FINANCE PRINCIPLES

for Unlocking Commercial Finance for the Sustainable Development Goals

PRINCIPLE 1: ANCHOR BLENDED FINANCE USE TO A DEVELOPMENT RATIONALE

All development finance interventions, including blended finance activities, are based on the mandate of development finance providers to support developing countries in achieving social, economic and environmentally sustainable development.

A) Use development finance in blended finance as a driver to maximise development outcomes and impact.

B) Define development objectives and expected results as the basis for deploying development finance.

C) Demonstrate a commitment to high quality.

PRINCIPLE 2: DESIGN BLENDED FINANCE TO INCREASE THE MOBILISATION OF COMMERCIAL FINANCE

Development finance in blended finance should facilitate the unlocking of commercial finance to optimise total financing directed towards development outcomes.

A) Ensure additionality for crowding in commercial finance.

B) Seek leverage based on context and conditions.

C) Deploy blended finance to address market failures, while minimising the use of concessionality.

D) Focus on commercial sustainability.

PRINCIPLE 3: TAILOR BLENDED FINANCE TO LOCAL CONTEXT

Development finance should be deployed to ensure that blended finance supports local development needs, priorities and capacities, in a way that is consistent with, and where possible contributes to, local financial market development.

A) Support local development priorities.

B) Ensure consistency of blended finance with the aim of local financial market development.

C) Use blended finance alongside efforts to promote a sound enabling environment.

PRINCIPLE 4: FOCUS ON EFFECTIVE PARTNERING FOR BLENDED FINANCE

Blended finance works if both development and financial objectives can be achieved, with appropriate allocation and sharing of risk between parties, whether commercial or developmental. Development finance should leverage the complementary motivation of commercial actors, while not compromising on the prevailing standards for development finance deployment.

A) Enable each party to engage on the basis of their mandate and obligation, while respecting the other's mandate.

B) Allocate risks in a targeted, balanced and sustainable manner.

C) Aim for scalability.

PRINCIPLE 5: MONITOR BLENDED FINANCE FOR TRANSPARENCY AND RESULTS

To ensure accountability on the appropriate use and value for money of development finance, blended finance operations should be monitored on the basis of clear results frameworks, measuring, reporting on and communicating on financial flows, commercial returns and development results.

A) Agree on performance and result metrics from the start.

B) Track financial flows, commercial performance, and development results.

C) Dedicate appropriate resources for monitoring and evaluation.

D) Ensure public transparency and accountability of blended finance operations.

CASE STUDY

NCD response co-investment frameworks in practice: World Diabetes Foundation's partnership cases

In recent years, the World Diabetes Foundation (WDF) has embarked to establish co-investment frameworks linking public and private sector investment, focusing on health system reform that strengthens the primary health care level with integrated, cost-efficient and impactful services, including for NCDs. For instance:

In **Jordan**, WDF is part of a co-financing mechanism with Novo Nordisk Foundation, Jordan's Royal Health Awareness Society, the European Union Trust Fund in Response to the Syrian Crisis, and the Government of Jordan to implement nationwide NCD prevention and control at primary health care level. The Government of Jordan is the main programme owner at policy and parliamentary level, while WHO and UNRWA provide technical support.

In **Burkina Faso**, **Mali** and the **Comoros**, WDF co-finances with the French Development Agency (AFD), an MoH-led large-scale diabetes response. Implemented through the NGO Santé Diabète in close partnership with Ministries of Health and national diabetes associations in all countries, the project supports health system and strengthening of civil society organisations.

Overall, given their governance and configuration, many foundations and philanthropies would arguably be in position to rapidly explore and promote co-investment frameworks within the NCD and UHC agendas and more fundamentally as part of the evolving global health and development dynamic.

Source: World Diabetes Foundation (2022).

CASE STUDY

The Health Finance Institute mobilises private investments to address the NCD funding gap

The Health Finance Institute (HFI) was founded as an answer to the critical underinvestment in NCDs. HFI supports multi-stakeholder dialogues by building evidence-based investment cases and data-driven approaches when advising funders and investors on high-impact NCD interventions.

In 2022, HFI partnered with WHO to assess the cost-effectiveness of NCD interventions and developed a theory of change model for NCD services in Ghana supported by the Norwegian Agency for Development Cooperation (Norad). The HFI team captured epidemiological, economic, and direct financial impacts associated with health investments. In Armenia, HFI partnered with the Danish Red Cross for a feasibility study on Social Impact Bonds to evaluate the cost-effectiveness of diabetes interventions. It was estimated that every $1 invested in the T2D program would result in a return of $2.99 with an 85% uptake rate. The return on investment (ROI) for the T2D program can be as high as $3.17 if the program uptake rate reaches 90%. By tying funding to results and impacts, it is possible to harness more private sector investments, along with development finance and philanthropic funds.

Source: Health Finance Institute (2022).

3. SOCIALLY-RESPONSIBLE AND ENVIRONMENT, SOCIAL AND GOVERNANCE (ESG) INVESTMENTS

Many organisations have prioritised investment strategies and portfolios that focus on companies engaging in desirable behaviours; for instance, renewable energy companies, entities that create jobs for disadvantaged communities, industries that provide quality jobs for women, etc. This means investing in companies that are in line with their missions and values, and divesting from companies that are unethical or produce products that are harmful to health.

With investors increasingly focusing on the connection between the non-financial performance and financial performance of companies, businesses have been incentivized to adopt sustainable practices and find ways to integrate them as part of their business strategies. Environmental, social, and governance (ESG) criteria have become a standard used by socially conscious investors to screen potential investments to assess a company's behaviour.

Divestment strategies, that is when a business sells off its subsidiaries, investments, or other assets for a financial, ethical, or political objective, have also been leveraged particularly in relation to the tobacco industry, with sovereign wealth funds, pension funds, large retail and investment banks, and insurance companies divesting from stocks and shares in the tobacco industry, given there is a fundamental and irreconcilable conflict between the tobacco industry's interests and public health interests.

Eliminating financial support of tobacco companies is a crucial and yet neglected element in global efforts for control tobacco. The same approach could be applied to other unhealthy commodity industries such as alcohol, ultra-processed foods and beverages, and fossil fuels.

CASE STUDY

Tobacco-Free Portfolios: The Tobacco-Free Finance Pledge

Tobacco-Free Portfolios (TFP) is a not-for-profit organisation with a mission to advance tobacco-free finance and engage the global finance sector in the fight against tobacco. TFP works collaboratively with the finance sector to encourage tobacco exclusions to be embedded into sustainable finance frameworks, across investment, lending and insurance.

In collaboration with the United Nations Environment Programme Finance Initiative, the United Nations supported Principles for Responsible Investment, the United Nations supported Principles for Sustainable Insurance, AXA, BNP Paribas, Natixis and AMP Capital, TFP led the development of the Tobacco-Free Finance Pledge, an initiative backed by French President Macron and Australian Prime Minister Turnbull and launched on the sidelines of the 2018 UN General Assembly.

The Pledge highlights the leadership of financial institutions that have implemented tobacco-free finance policies and encourages others to follow suit. The Pledge serves as an example of the finance sector playing an active role in addressing global priorities, as outlined in the SDGs. The Pledge now has nearly 200 Signatories, including some of the world's largest banks, insurers and pension funds, headquartered in over 20 countries. The Signatories represent assets under management of over US$ 16 trillion.

Source: Tobacco-Free Portfolios (2022).

CASE STUDY

ShareAction's Healthy Markets initiative

From 2019, responsible investment NGO ShareAction has been building investor interest in health as a stewardship theme through their Healthy Markets initiative. Investors are increasingly engaged in this topic because they recognise the potential financial risks from regulation borne by companies who are over-reliant on the sale of unhealthy products, and because they recognise opportunities for positive growth through healthier alternatives. With support, research and insights from ShareAction and their data partners, investors engage target companies through letters, meetings, AGM questions and resolutions.

In February 2021, a group of over 100 institutional and retail investors with over £140 billion AUM, coordinated by ShareAction, filed the first ever health-based resolution in the UK at Tesco. The resolution asked the company to commit to increase the proportion of sales generated from healthier products, set a long-term target for doing so, and disclose a strategy to achieve it.

Following months of negotiations, Tesco responded by committing to:

- Increase its sales of healthier products (classified as non-HFSS in line with UK Government's definitions) in its stores in UK and Ireland from 58% to 65% by 2025. This is the equivalent of £3 billion additional sales of these products each year;
- Set similar targets across its central European operations by the end of 2022;
- Apply measures to increase its sales of healthier products for its wholesale operations through the Booker Group.

These commitments were considered market-leading for the sector in terms of the ambition of the targets being set; the use of independent government-endorsed definitions of healthy; and their scope and application across the entire business operations. In addition, Tesco's actions paved the way for other companies in the sector looking to match their ambition to follow, shifting a significant part of the grocery market towards stronger health disclosure and performance. This resolution demonstrates that even a relatively small group of investors taking coordinated action can have considerable impact.

Source: ShareAction (2022).

4. IMPACT INVESTING

There has been a growing interest in raising the bar for how responsible and sustainable investments can positively impact society through 'social impact investing.' Defined as "investments made with the intention to generate positive, measurable social and environmental impact alongside a financial return"[9], the notion of impact investing describes how capital can be directed to businesses that are serving societal needs. By doing so, these investments seek to generate profits while also furthering a social and/or environmental purpose. It is an investment approach that, rather than avoiding harm, seeks to have a positive, intentional, defined environmental, social, and governance impact. It is this particular intent that distinguishes impact investing from other subsets of ESG assets, such as socially responsible investment.

In the context of NCDs, it is now well-established that companies can positively impact the health of communities, and in particular people living with NCDs. For instance, evidence shows that when there is a focus on the early detection and prevention of NCDs, companies can play an unprecedented role in improving health outcomes for patients and reducing overall costs to communities and society.

CASE STUDY

City of Aarhus launched Denmark's first health social impact bond

After agreeing an ambitious diabetes action plan, the City of Aarhus in Denmark decided in 2020 to develop an impact bond to fund the immediate expansion of support services to citizens with type 2 diabetes. Existing services did not meet the growing demand and new funding through traditional budgets was not readily available. The goal is to provide targeted support to 450 people for three years, significantly higher than the current cohort of 90 citizens.

The main objective of the impact bond was to reduce the number of diabetes-related complications among vulnerable citizens. The choice to focus on diabetes-related complications was based on an analysis showing that short-term cost savings were higher for secondary diabetes prevention than for primary prevention. The choice to focus on vulnerable people was anchored in a political ambition to reduce health inequity.

The design of a new intervention was heavily inspired by previously piloted activities, but adjusted to further enhance its impact and cost-effectiveness. The solution involves a combination of individual conversations with healthcare professionals and group-based courses to build social ties between participants.

The investment model consists of five core elements:

1. A strong economic case for action (reducing costs of complications)
2. A target group (working age, diagnosed with type 2 diabetes)
3. An evidence-based intervention design (deemed likely to succeed for a majority of participants)
4. Clear success criteria (focus on one result indicator: long-term blood glucose levels)
5. A financial model (a price assigned to outcomes, payment for results).

Investors are local and national social investments funds, each with half of the US$ 2 million bond. If specified targets are achieved, the investors will receive their loan back with a small premium.

Source: Novo Nordisk (2022).

9 Global Impact Investing Network. What you need to know about impact investing. Available at: https://thegiin.org/impact-investing/need-to-know/#what-is-impact-investing

CASE STUDY

American Heart Association's Social Impact Fund

The American Heart Association's (AHA) mission is to build healthier lives, free of cardiovascular diseases and stroke. Through the implementation of a Social Impact Fund, AHA invests in local entrepreneurs, small businesses and organizations that are breaking down the social and economic barriers to healthy lives.

The fund is a not-for-profit venture and supports projects that provide a high rate of social return by addressing the social determinants of health such as social cohesion, employment, education, housing, and healthy food access. By using a bottom-up approach to finding solutions, the AHA fund is seeded by philanthropists to support local communities.

The AHA invested millions of dollars to deconstruct barriers to equitable health in communities around the country. The AHA provides funding to drive change and makes investments to address the barriers to health equity through the Social Impact Fund Family, community initiatives and community issue campaigns including Voices for Healthy Kids. The money that has been raised and invested goes to organizations or individuals working to improve health in their own communities. Thus far, the Fund has raised and invested more than $32 million through the Social Impact Funds family. This has helped drive $116 million in new revenue and investments –a 3.6x social impact return.

By harnessing private investments, the AHA Social Impact Fund Family funded organizations and has had an extraordinary impact. Several key impact areas are as follows:

- Social impact funding has improved the quality of life for more than 1.5 million individuals across the nation, addressing the social determinants of health.
- 312,000 more people have access to health care.
- US$ 4 million worth of fresh produce and healthy meals were purchased in food insecure communities.
- Several thousand people gained access to stable housing, got a job, or improved educational outcomes leading to economic resilience and poverty reduction.

Source: American Heart Association (2022).

Current social impact fund markets

Los Angeles, San Francisco, Oakland, San Jose, Seattle, Chicago, Detroit, Flint, Atlanta, NYC, Washington DC, Boston, Reading, Philadelphia, and the Twin Cities

- **Utah** launched April 2022
- **West Virginia** launching October 2022

CALL TO ACTION FOR PRIVATE SECTOR

INVEST TO PROTECT: A roadmap to mobilise NCD financing by 2023

It is still feasible for the world to reach SDG 3.4 by 2030, if the necessary investment can be mobilised to implement tailored packages of NCD interventions in every country. With a global investment of US$18 billion per year, 39 million lives can be saved by 2030. This investment would pay for itself many times over for LMICs, with a projected return of US$19 for every dollar spent – equating to a global benefit of US$2.7 trillion by 2030.

In 2023, governments and international institutions, including WHO and the World Bank, will meet for the Second Global NCD Financing Dialogue. This is an unmissable opportunity to mobilise the necessary investment. This call to action provides a set of recommended actions and a roadmap for all sectors - governments, donors, civil society and the private sector - to maximise the Global NCD Financing Dialogue and close the gap on NCD financing.

FOUNDATIONS AND PRIVATE PHILANTHROPY
Responsive and catalytic funding

- Scale up philanthropic investment and funding mechanisms to drive impact in NCDs. including via grants, mission and programme-related investments, competitions and prizes, and venture philanthropy.
- Focus on using philanthropic funding for catalytic purposes, bridging funding gaps and kick-starting national NCD responses in LMICs, as well as investing in structural, systemic bottlenecks in the response.
- Strengthen coordination and joint activities on NCDs across philanthropy / foundations and other sectors to pool knowledge, reduce overlap of funding, organise co-funding arrangements, and overall boost impact for NCDs.
- Provide and promote non-financial resources to the global NCD response, including via technical assistance, capacity development and knowledge sharing.
- Ensure increased transparency and accountability in philanthropy for NCDs, and that philanthropic donors align funding with local circumstances and national NCD policies and priorities.
- Divest equity and investments from unhealthy commodity industries, such as tobacco and alcohol industries.

CORPORATE AND BUSINESSES
Innovation, partnerships and social impact

- Scale up relevant and appropriate private financing for NCDs, aligning to national government priorities and plans for NCDs and respecting safeguards in place to protect against potential or real conflict of interest.
- Embed ESG frameworks into core business strategies and models of companies to drive alignment of corporate, public health and development goals and shared value for NCDs.
- Engage in goal-oriented and sustainable public-private partnerships for NCDs, that put national government priorities and people living with NCDs at the centre.
- Create opportunities to leverage the knowledge, expertise and experience of relevant private sector in the NCD response.
- Explore innovative financing, blended financing and result-based financing instruments such as development impact bonds (DIBs), or social impact bonds (SIBs) to pool capital for NCDs.
- Ensure increased transparency, accountability and reporting on private financing for NCDs, including reporting on social impact for NCDs.
- Divest equity and investments from unhealthy commodity industries, such as tobacco and alcohol industries.

NCD Alliance

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