

## **Executive Committee Document EC Doc 2/2019**

15 April 2019

**FROM:** Dr Mukesh Kapila, CEO

**TO:** Executive Committee

**SUBJECT:** Annual Report 2018

**ACTION REQUESTED:** The EC is advised to adopt the following decision:

### **Decision EC 2/2019; effective date 22 April 2019**

**The Executive Committee takes note of the Annual Report for 2018 including the accompanying statements of income and expenditure .**

### **BACKGROUND:**

The Defeat-NCD Partnership was formally constituted on 31 January 2018 by the first meeting of the interim Governing Board (GB Doc 8/2018 dated 7 Feb 2018) and its incubation phase was hosted by the United Nations Institute for Training and Research (UNITAR) till 31 July 2018. The incubation phase completion report was published as GB Doc 17 dated 1 August 2018.

Following the CEO's recommendation endorsed by the interim Governing Board, the establishment phase of the Defeat-NCD Partnership commenced on 1 August 2018 under agreed hosting terms with the United Nations Office for Project Services (UNOPS); (GB Doc 11 dated 24 March 2018).

This Annual Report covers the period from January to December 2018 (and published as per requirements at the end of the first quarter of the successor year 2019). It is accompanied by financial statements (EC Docs 2A and 2B) from UNITAR and UNOPS respectively, covering their respective periods of jurisdiction.

The year under review was concerned with setting up a new global initiative from scratch. It included consultations with key international stakeholders, creating interim statutes and governance, developing a foundational strategy through wide-ranging consultations, mobilising initial resources, conducting due diligence and negotiating terms with hosting entities, recruiting some minimal essential personnel including the appointment of a CEO through an open, competitive process aligned to the rules and regulations of the United Nations system, establishing a physical as well as a digital presence, setting up initial administrative arrangements, conducting outreach to attract partnership members, initiating engagements with selected programming countries through several missions, developing the subsidiary initial strategies for the four tracks (now called pillars) of work based on these experiences and expressed needs, formally launching the Defeat-NCD Partnership at the margins of the UN General Assembly in New York in September 2018, and initiating some of the critical activities for both the global and country-centered pillars.

Observers have commented that this has been a very fast journey. It was made possible through crucial support from influential well-wishers and generous donors. Several lessons learnt along the way have fed into revisions of strategy (EC Doc 4/2019) and the longer-term workplan for the 2019/20 biennium (EC Doc 5/2019).

The 2018 Annual Report and accounts are provided to the EC largely as background information for historical continuity reasons.

# Annual Report 2018

## **WHY WE EXIST**

The rising tide of non-communicable diseases (NCDs) represents one of the greatest public and global health challenges our times. Arguably, we have arrived at a tipping point with NCDs and it is time to tip the scales in our favour.

Enormous effort has been directed by many concerned actors into advocacy, sensitising policy makers, and creating public awareness. But impact is too slow. We must scale up concrete action and provide the NCD prevention and management services that people suffering from NCDs need right now.

## **WHO WE ARE**

The Defeat-NCD Partnership was set up in 2018 as the practical response to the widespread call for action on NCDs. We are a 'public-private-people' partnership anchored in the United Nations but extending well beyond to include governments, multilateral agencies, civil society, academia, philanthropies, and the private sector.

Our founding ambition is clear - we envision universal health coverage (UHC) for NCDs. To achieve that, our core mission focuses on assisting the 90 or so low resource countries i.e. all countries which have low or lower middle income status and some others that may be richer in nominal income terms but still need much help because their development status is heavily constrained by weak technical, human resource, and institutional capacities.

Our overall timeframe is up to 2030 as that is the universally agreed period for advancing the Sustainable Development Goals (SDGs). Our efforts are aimed specifically at SDG 3.4 i.e. the reduction by one-third of premature mortality from non-communicable diseases through prevention and treatment.

The SDGs also drive our principal values, especially that of equity through: aiming to "leave no one behind" and proactively reaching out to the most needy and vulnerable. Striving for gender equality in how we operate is a principal driver for us.

## **WHAT WE DO**

In devising our strategy, we have drawn on lessons from past and current global health programming. Incorporating those insights, we have concluded that NCDs need their own specific approach because they are lifelong conditions with profound personal, family, community, local, and national impacts. These are driven by the complex interplay of underlying environmental, lifestyle, and genetic risk factors, as well as wider externalities such as political, economic, and social trends and choices.

We have started by addressing diabetes and cardiovascular diseases and are moving towards incorporating chronic respiratory conditions and cancers where they can be feasibly integrated on our operating platform. A health systems approach under a UHC framework is our strong preference rather than verticalised disease programming.

Our practical work is organised around **four interconnected pillars** that, taken together, constitute a comprehensive service package to tackle the most common gaps and constraints that challenge low-resource countries.

### **Pillar 1. National NCD Capacity Building**

The overall objective of Pillar 1 is to ensure that partner countries have essential institutional capacities, structures, systems and financing in place to tackle NCDs in a sustained and sustainable manner.

A well-recognised problem is that of ad hoc and uncoordinated NCD activities which, though well meaning, are not able to achieve sufficient impact or optimise best use of scarce resources.

Accordingly, we help governments and especially national ministries of health and other strategically vital national institutions, to assess gaps in their capabilities to tackle NCDs and to lead and coordinate their partners. Actions to meet these gaps are then incorporated into new or updated national costed operational plans of action that also include expansion of services in line with a country's national health plan and targets.

Defeat-NCD assistance can include epidemiological, economic and service delivery studies, training and technical advice, procurement and distribution capacity planning, catalysing the formation of domestic public-private-people partnerships, and support with organizing financing. We prioritise the use of national expertise, institutions and civil society to ensure inclusive and participatory policy and planning processes.

## **Pillar 2: Community Scale Up of NCD Services**

The overall objective of Pillar 2 is to bring more of the necessary prevention and management NCD services directly to more people who need them.

The challenge faced is that current approaches will take too long to close the huge existing gap in affordable universal service provision for NCDs. The result is a high level of preventable NCD complications that demand costly secondary and tertiary treatment and which generate large socio-economic costs and dysfunctions.

Defeat-NCD seeks to narrow this gap through demystifying, democratising, decentralising and where safely possible, demedicalising NCD service provision. This is done through enabling the earlier screening and management of the risk factors for NCDs as well as the mitigation of established disease.

To expand affordable access needs greater encouragement of self-care interventions and closer interlinkage between community-based and primary healthcare systems. They need to be backed by well-functioning and appropriate referral chains as well as strong partnerships with private caregivers and civil society. Entrepreneurial approaches to community mobilisation, education, and financing are needed combined with the use of smart digital tools and data. Upgrading service quality is vital as that has a direct bearing on patient compliance and achieving better health outcomes from treatment.

We will also have a Humanitarian Emergency Response Facility to support people with NCDs who find themselves in disaster or conflict situations.

## **Pillar 3. Affordability and Accessibility of Essential NCD Supplies**

The overall objective of Pillar 3 is to enable the consistent provision of affordable essential NCD medicines, diagnostics, and equipment in low resource countries.

A pervasive problem for resource-poor countries is the high cost (relative to income) and precarious availability of essential quality NCD medicines, diagnostics, and equipment.

To tackle this, Defeat-NCD is designing a Marketplace to make the provision of essential NCD supplies simpler and more cost-effective. With market-sizing and price-tracking studies

conducted in LMICs, the Marketplace will correct current market failures due to information imbalances, and create a competitive environment that serves the fair interests of both buyers and suppliers, while bringing transparency to the process.

By leveraging market dynamics, such as pooled purchasing power, the Marketplace – including its online procurement facility – will achieve lower prices, improved quality control, standardisation, and more effective supply chains. Financial returns from the Marketplace will then be reinvested into country programmes to help build stronger national procurement and supply chain management capacities. The Marketplace system also aims to help suppliers to tackle regulatory bottlenecks in an appropriate manner.

#### **Pillar 4. Financing for country-level NCD programming**

The overall objective of Pillar 4 is to establish a long-term sustainable financing model for NCD programming in low-resource countries.

The well-recognised challenge is that of generating the billions of dollars required to meet the global NCD targets set out in the SDGs. Furthermore, as NCDs are long-term conditions, the financing of related services is going to be a permanent burden on health and social systems. The LMICs, already the hardest hit by the rising tide of NCDs, also have the least capabilities to resource UHC for NCDs. Meanwhile, investing in NCD prevention and management is not just necessary to counter their massive negative social and economic development impacts but vital for unlocking significant and quantifiable benefits in both short and long terms.

There is no magic solution to the financing challenge, and a package of approaches will need to be tailored to specific country circumstances. That would start with cost savings from efficiencies in service delivery (Pillar 2) and linking NCD programming with other conditions, while underpinning these by investments in stronger health systems. Further efficiencies would come from reducing the costs of NCD drugs, diagnostics, and devices (Pillar 3). Governments would also need to invest more in health with a greater share coming to NCDs in support of rigorously costed NCD action plans (Pillar 1).

Out-of-pocket expenditures could continue to contribute provided they are not excessive and if they are made more efficient through social pooling mechanisms such as insurance, micro-finance, and employment-based social welfare schemes. Foreign aid can also help especially for the poorer countries and populations.

However, significant financing gaps will still remain and hence Defeat-NCD aims to explore innovative financing mechanisms that could bring additional cash into the NCD ecosystem. Options include social impact bonds and multi-country bonds raised through capital markets that are properly structured, pool risks from different countries, bring some reasonable returns for investors, and are de-risked by guarantees from respected institutions such as sovereign funds and multilateral bodies.

### **OUR ORGANISATIONAL JOURNEY IN 2018**

The original concept for Defeat-NCD was raised informally at the margins of the 70<sup>th</sup> World Health Assembly in Geneva in May 2017 and shaped by Mukesh Kapila through informal discussions with potential stakeholders, and initial funding secured.

The organisational journey of Defeat-NCD during 2018 went through two phases: our “incubation phase” from 1<sup>st</sup> January until 31<sup>st</sup> July and the subsequent “set-up phase” from 1<sup>st</sup> August.

An interim Governing Board was established and the United Nations Institute for Training and Research (UNITAR) invited us to be hosted there for our incubation phase. The interim Board

met for the first time on 31 January 2018 and promulgated the Governing Board's interim statutes and rules of procedure, and subsequently, the Partnership's initial strategic directions, staffing structure, and resourcing envelope.

The incubation phase finished as scheduled at the end of July 2018 and a competitive review of longer-term hosting options selected the United Nations Office for Project Services (UNOPS) for that purpose. The Defeat-NCD Partnership transferred there on 1<sup>st</sup> August 2018 along with the appointment of the competitively-selected Chief Executive. This commenced our "set-up phase" that is expected to last till the end of 2019.

The Defeat-NCD Partnership was launched more formally on 24th September 2018 at the margins of the 3<sup>rd</sup> High Level Meeting on NCDs during the 73<sup>rd</sup> United Nations General Assembly in New York.

The interim Governing Board was actively engaged over the year and took some 17 key decisions. A face-to-face consultation of the Board was held on 10-11 December 2018, and kindly hosted by the World Economic Forum in Geneva. Our key governance documents can be found on the public website of the Partnership. The interim governance arrangements were extended till March 2019 when the new statutes and governance mechanism came into effect.

### **Interim Governing Board 2018**

During 2018, the following people served on the interim governing Board for varying periods of time:

James Hospedales (Chair), Executive Director, Caribbean Public Health Agency  
Laure Adrien, Government of Haiti,  
Venessa Candeias, Head Global Health, World Economic Forum  
Katie Dain, Chief Executive Officer, NCD Alliance  
Celina Gorre, Executive Director, Global Alliance for Chronic Diseases  
Abbas Gullet, Secretary General, Kenya Red Cross Society  
Lena Hothes, Government of Denmark  
Kibachio Joseph, Government of Kenya  
Kaung Kyaw Kan, Government of Myanmar  
Jamshed Khamidov, Ambassador of Tajikistan in Geneva  
Sarah Maongezi, Government of Tanzania  
Justice Mudavanhu, Government of Zimbabwe  
Harald Nusser, Head, Novartis Social Business (incubation phase)  
Peter McDermott, Director, Fajara Associates  
Soraya Ramoul, Director, Global Access to Care, Novo Nordisk  
Dinuke Ranasinghe (Treasurer), Chief Executive Officer, Arcadier  
Alafia Samuels, Director, Sir George Alleyne Chronic Disease Research Centre, UWI  
Subhanu Saxena, Regional Director, Bill & Melinda Gates Foundation  
Manasseh Wandera, Government of Rwanda  
Boris Weber, Roche Diagnostics

#### Ex officio:

Cherian Varghese, World Health Organization  
Mukesh Kapila, Secretary to the Board, CEO The Defeat-NCD Partnership  
Nikhil Seth (UNITAR) till 31 July 2018  
Moin Karim (UNOPS) wef 1 August 2018

### **OUR PARTNERSHIP JOURNEY IN 2018**

The Partnership was honoured that the Director General of the UN Office in Geneva, Michael Moller, accepted the role of Honorary President.

Extensive diplomacy and outreach were conducted over the year to both consult with stakeholders as well as to gain their understanding, membership and support. The Partnership's visual identity and digital presence was established as well as communication materials

The Danish Ambassador kindly hosted the Partnership's first ambassadorial briefing with attendance by key missions in Geneva.

The Partnership participated in several high-level stakeholder events starting with the Expert Group set up by WHO to advise the Independent High-Level Commission on NCDs, with some of our concepts incorporated into the Commission's final report and highlighted by the co-chair of the Commission in the British Medical Journal.

The Partnership participated in the NCDs Financing Conference co-convened by WHO and the Danish government in Copenhagen, where they pledged their financial and political support to the Partnership.

During the 2018 World Health Assembly, the Partnership participated in several high-level discussions with member states and private sector collaborators —establishing potential new partners.

The President of the UN General Assembly invited the Partnership to speak at a special Preparatory Committee in New York to prepare for the forthcoming High-Level Meeting on NCDs during the United Nations General Assembly on 27 September 2018.

We have joined the Global Coordination Mechanism for NCDs as convened by WHO and the United Nations Interagency Task Force on NCDs, and engaged extensively with sister agencies that are part of these coordination arrangements.

To engage with partner organisations in Asia, the Partnership co-sponsored a special meeting on NCDs with the Asian Development Bank in Manila. Collaboration was also initiated at the invitation of the World Health Organization (WHO), and with the International Federation of Red Cross and Red Crescent Societies (IFRC).

Finally, discussion with several other partners – governments, civil society, academic and private sector groups - were initiated with the intention to agree on effective collaborative agreements, including specific deliverables both in-country and globally.

## **OUR PROGRAMMING PROGRESS IN 2018**

### **Pillars 1 and 2**

As the impact focus of the Partnership is on scaling up action against NCDs at the country level, a strong start was made to develop our national and community programming approaches.

Thus, initial country assessment, partnership building and project identification missions were completed in Tajikistan (February 2018), Haiti (March 2018), Kenya (April 2018), Myanmar (May 2018), Zimbabwe (July 2018), Tanzania and Zanzibar (August 2018) and planning for Rwanda (with the mission eventually taking place in January 2019).

The insights from these missions have led to the identification of fundable country-specific engagements. These have also contributed to the development of structured methodologies for Pillars 1 and 2 as a prelude to scaling their rollout to other countries over the next three years.

### **Pillar 3**

Detailed specifications and requirements were developed for the Defeat-NCD Marketplace for drugs, diagnostics, and equipment. Based on that, a competitive process was conducted to select a collaborative partner to co-develop the Marketplace, and to mobilise additional financial

resources dedicated for Defeat-NCD country programming. Design work on the Marketplace has started with the intention that countries will start benefitting from late 2019.

The success of the Marketplace relies on several critical components, a principal one being a systematic approach to market sizing, market tracking, and eventually market shaping the NCD supplies market in countries of interest to the Partnership. Accordingly, with a competitively-selected partner, a pioneering Market Monitoring programme was conceptualised, and the baseline phase launched.

#### **Pillar 4**

A review of financing options and potential approaches to developing sustainable financing packages for resource-poor countries was conducted and research into the pros and cons of bonds and other instruments analysed. This is work in progress and depends on progress with the other pillars as well as essential baseline activities that will be progressed in 2019.

#### **CONCLUSIONS: TAKING STOCK OF 2018**

The Defeat-NCD Partnership was established from scratch in less than one year. That required considerable effort to get key stakeholders and funders on board, negotiate institutional arrangements, and establish the programme's fundamental structures and systems – including governance and administrative arrangements.

Meanwhile, we are striving to "sail the ship even as we are trying to build it". Furthermore, to justify the original rationale for the creation of the Defeat-NCD Partnership as a new initiative in a space crowded with many global health, and even NCD-relevant initiatives, requires us to take a bolder innovative approach that is deliberately different by intent, design, and delivery – so that we add value in areas that others do not or cannot.

In other words, business-as-usual approaches are not sufficient to meet the expectations inherent in establishing this initiative. We have been very aware of this as we commenced our long journey. At the same time, it takes "two to tango" or, in other words, some of our more transformative proposals require partners which share our mindset and have at least the minimal capabilities to help deliver what may be paradigm-shifting measures. Our proposals may also threaten established, sometimes vested, interests. Shifting them creates sensitivities.

Thus, in looking forward, we anticipate many key challenges, some technical but mostly of an institutional nature. We shall continue to endeavour to overcome them, guided by sound, evidence-based strategies, and supported by well-wishing partners.

**Dr Mukesh Kapila**  
**Chief Executive**