

# The Bill and Melinda Gates Foundation: Business versus bureaucracy in international development



**IAN ANDERSON**

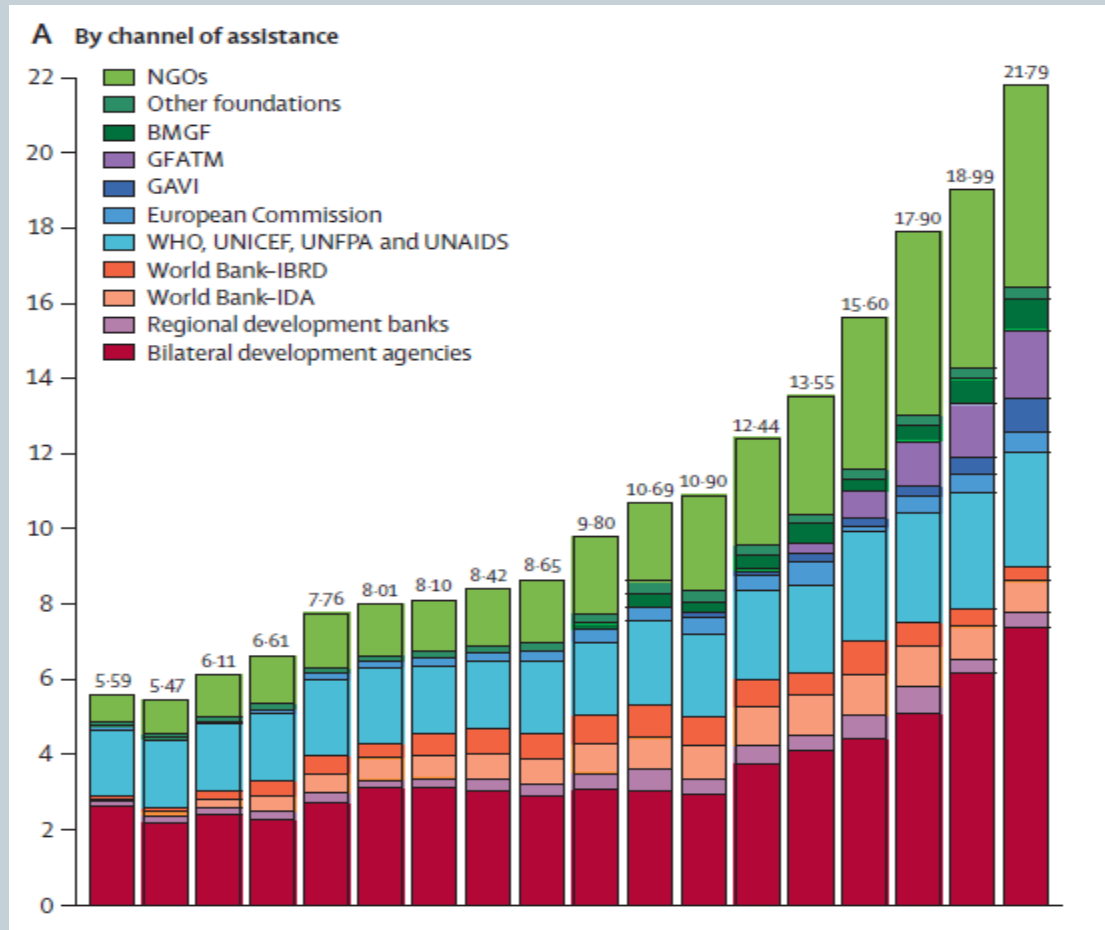
## Rise of non traditional agencies in international health

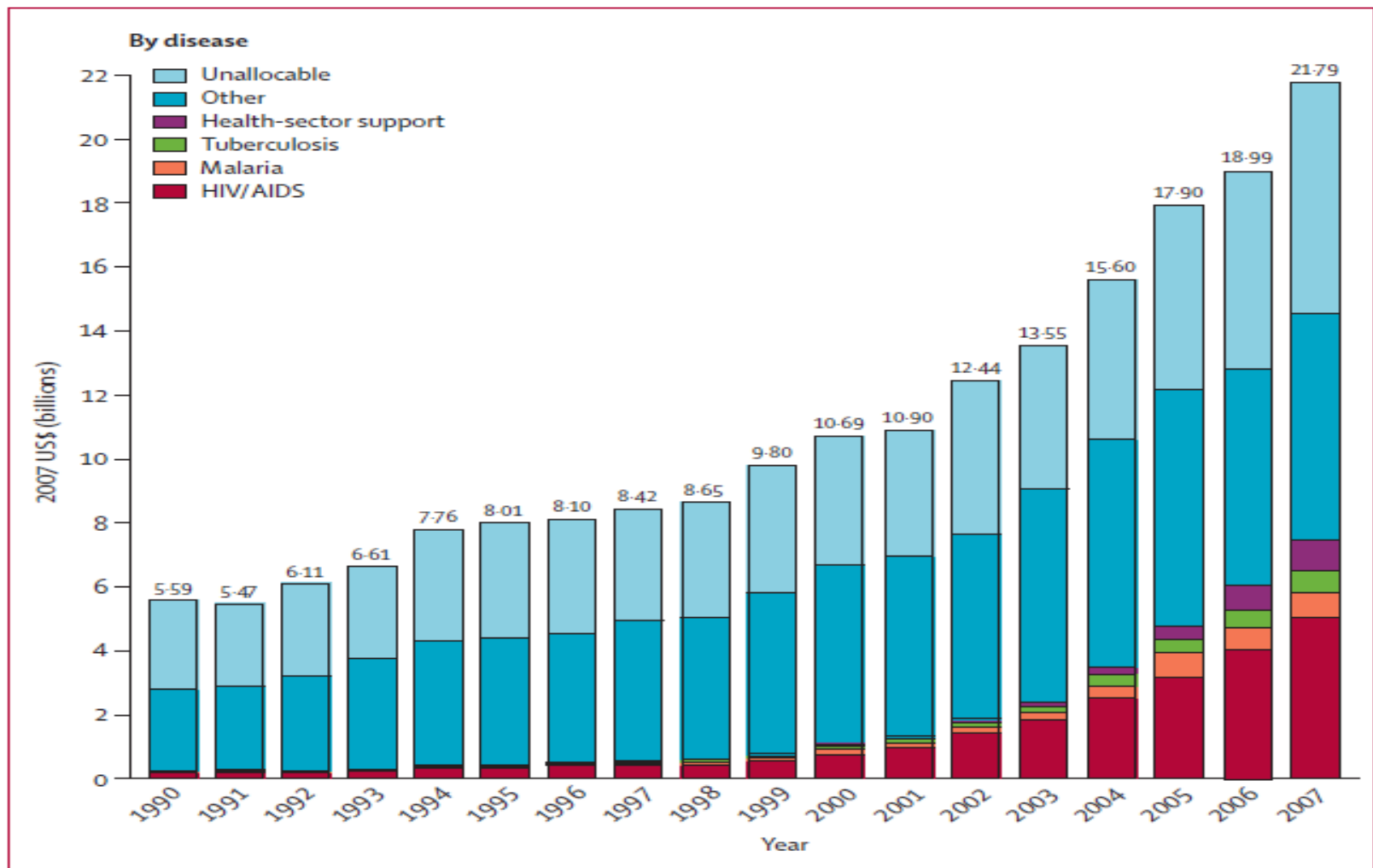


- **DAH grew from \$ 5.6 b in 1990 to \$ 21.8 b in 2007**
- **Shifts in relative composition**
  - UN (UNICEF etc) from 32% to 14%
  - Multilaterals from 21% to 7.2%
  - Bilaterals 46% to 27% to 34%
- **Rise of new non traditional: GFATM, GAVI, BMGF, NGOs**

# Increasing importance of non traditional agencies.

Source: Ravishankar N et al "Financing of Global Health: Tracking Development Assistance for Health from 1990 – 2007"  
*The Lancet* 2009: 373





**Figure 2: Development assistance for health (DAH) from 1990 to 2007 by disease**  
 Unallocable corresponds to DAH for which we did not have project level information about disease-focus.

# Bill and Melinda Gates Foundation

*Source: [www.gatesfoundation.org](http://www.gatesfoundation.org)*



- **\$US 23.9 billion total grant commitments since inception in 1994**
  - Of which \$US 13.8 billion to global health
- **\$US 36.4 billion endowment**
- **\$US 3 billion grant payments 2009**
- **Annual budget comparable to World Health Organisation**

# Bill and Melinda Gates Foundation

Source: [www.gatesfoundation.org](http://www.gatesfoundation.org)



## Funding from 1994 to Present

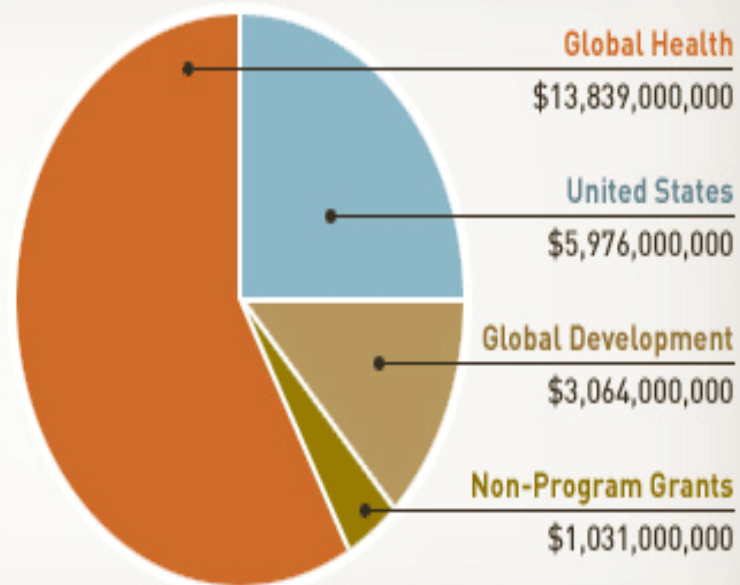
### Program Areas

Global Development	\$3,064,000,000
Global Health	\$13,839,000,000
United States	\$5,976,000,000

### Non-Program Grants

Charitable Sector Support	\$39,000,000
Employee Matching Gifts & Sponsorships	\$18,000,000
Family Interest	\$974,000,000

**Total Grants**                    **\$23,910,000,000**



This grant chart is updated quarterly and is based on funds committed from 1994 through September 2010.  
Dollars rounded to the nearest million.

# Examples of operations



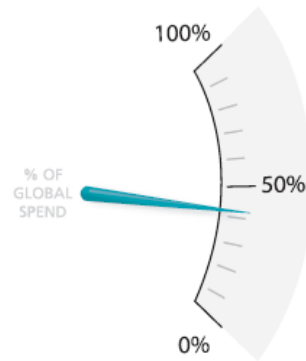
- **GAVI alliance expanding childhood immunisation  
\$US 1.5 billion**
- **Grant to Rotary International: eliminating polio:  
\$US 355 million**
- **Funding research in neglected tropical diseases (gaps  
in the market for large health pay off to the poor)**

# Global spending on R and D

Source: *G Finder Report on R and D for Neglected Tropical Diseases*. George Institute



## HIV/AIDS



**42.3%**

OF GLOBAL FUNDING RECEIVED FOR  
RESEARCH AND DEVELOPMENT

**\$1.1 BILLION**

TOTAL SPEND FOR HIV/AIDS  
RESEARCH AND DEVELOPMENT

The Acquired Immune Deficiency Syndrome (AIDS) is caused by the Human Immunodeficiency Virus (HIV). This virus infects cells of the human immune system, destroying or impairing their function. As the immune system becomes progressively weaker, the person becomes more susceptible to other diseases, often dying from TB or fungal infections.

HIV/AIDS was responsible for 57.8 million DALYs and 2 million deaths in 2004, when it was the third highest cause of morbidity and mortality from neglected diseases in the developing world.

R&D needed for HIV/AIDS in developing countries (DCs) includes:

- ▶ Basic research
- ▶ Drugs specific to DC needs
- ▶ Preventive vaccines
- ▶ Diagnostics
- ▶ Microbicides



# Global spending on R and D

Source: *G Finder op cit*



## DIARRHOEAL DISEASES



**4.4%**

OF GLOBAL FUNDING RECEIVED FOR  
RESEARCH AND DEVELOPMENT

**\$113.9 MILLION**

TOTAL SPEND FOR DIARRHOEAL  
DISEASES RESEARCH AND  
DEVELOPMENT

Diarrhoeal diseases are a group of illnesses caused by viruses, bacteria or protozoa, and presenting with fever and diarrhoea (sometimes bloody). They range from rotavirus and *E.coli*, which occur relatively commonly in the West; to cholera and shigella, which are mostly found in developing world settings. Diarrhoeal diseases mainly affect children under 5 years of age and are often transmitted by contaminated food or water. Although they rarely cause death in Western settings (due primarily to higher levels of available health care) their impact in the developing world is severe.

Diarrhoeal illnesses were collectively responsible for 72.3 million DALYs and just over 2 million deaths in the developing world in 2004, making them the second highest cause of neglected disease mortality and morbidity. In 2004, diarrhoeal illnesses were responsible for one in every six deaths of children under 5 years of age.

A wide range of R&D is needed for the diarrhoeal illnesses including:

- ▶ Basic research for cholera, shigella and cryptosporidium
- ▶ Drugs for cholera, shigella and cryptosporidium
- ▶ Vaccines for rotavirus, *E.coli*, cholera, shigella and cryptosporidium
- ▶ Diagnostics for all the diarrhoeal diseases with the exception of rotavirus

# Bill and Melinda Gates Foundation operations



- Fund BUT ALSO rigorous operational research, including the counterfactual.
- then proactively disseminated in *The Lancet* etc
- Quality operational research provides more influential evidence base for long term policy making and national budget decisions within the country

# Some obvious differences to AusAID



- **“This is a family foundation, driven by the interests and passions of the Gates family”**. Guiding Principle No:1
- **“We are funders and shapers. We rely on others to act and implement.”** Guiding Principle No:4
- **“We take risks, make big bets, and move with urgency. We are in it for the long haul”** Guiding Principle No: 7

# Some more - nuanced differences to AusAID



- **Capacity for multi year financial commitments**
- **Deep and wide in – house technical expertise**
- **Strong presence in Africa and India**
- **Global convening power with private sector**

# Possible implications for AusAID



- **Collaborate**: eg BMGF, AusAID, UQ
- **Complement**:
  - Asia Pacific; “delivery”; government dialogue; scholarships
  - cf Africa; upstream research; private sector
- **Compete**: both use grant, untied, aid. Compete for good staff; compete for influence in international and local fora

# Possible implications for AusAID



## Copy

- Evidence of “what works” in practice, more than \$, that is the binding constraint
- So invest heavily in operational research that shapes big local debates on policy and public expenditure. Eg Esther Duflo
  - [http://www.ted.com/talks/esther\\_duflo\\_social\\_experiments\\_to\\_fight\\_poverty.html](http://www.ted.com/talks/esther_duflo_social_experiments_to_fight_poverty.html)
- Have a critical mass of in – house technical expertise

# Leverage through expanded choice



- **Rise in number of non traditional organisations (GFATM, GAVI, BMGF etc) gives Australia more choices**
- **Choice = leverage with large traditional agencies in UN, IFIs, MDBs**
- **But choice is a two way street.**