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**House of Commons International Development Committee: Inquiry into private foundations****Response by the Wellcome Trust**

September 2011

**Introduction**

1. A significant and growing proportion of the Wellcome Trust's charitable expenditure is used to support research and research capacity strengthening in low and middle-income countries – £71 million in 2009-2010. Although our funding focuses on biomedical research with the aim of improving human and animal health, we work alongside development agencies, including the Department for International Development (DFID).
2. The Trust and other global foundations, such as the Bill and Melinda Gates Foundation, the Ford Foundation and the Rockefeller Foundation, have a significant interest in improving human health in low and middle income countries, as part of our respective missions. We work in partnership with each other, with development agencies and with other public and private sector organisations. Private foundations complement the role of public agencies and fund-raising charities working in the international development arena – foundations are flexible, well-resourced, often able to provide non ear-marked funding, and bring expertise in areas such as research and governance. Involvement of private foundations in the development arena should therefore be supported and fostered.
3. The Committee's decision to focus on private foundations is surprising given that the term "private foundation" is a US tax concept, and is not normally used in the UK. It excludes fund-raising charities, such as Oxfam, Save the Children, and Médecins Sans Frontières, and non-charitable private philanthropy, such as the Google Foundation.

**The Wellcome Trust's international activities**

4. The Trust's total overseas expenditure over the five year period to 2009-10 was £527 million, including £198 million in sub-Saharan Africa and £142 million in south Asia. Our strategy for supporting biomedical health research and training in low and middle-income countries focuses on the following aims:
  - Broadening the base for scientific endeavour by investing in excellent scientists in low and middle-income countries who have the greatest potential to advance knowledge, and ensuring they have the resources they need to carry out their work.
  - Increasing our support to areas of science that have the potential for health benefits for people and their livestock in low and middle-income countries. We will also support public engagement programmes to raise the profile of research in low- and middle-income countries and promote informed discussion about its impact on those societies.
  - Supporting international networks and partnerships that are focused on health research in low- and middle-income countries, and which will facilitate the sharing of ideas and resources and ultimately accelerate scientific progress.
5. The types of support the Trust provides include:
  - Funding for research in public health and tropical medicine, as set out in our International Strategy. Some of our funding goes directly to research institutions

based in low-and-middle countries, and we also support UK-based researchers to undertake research focused in these countries. Our Major Overseas Programmes (MOPs) carry out research on HIV, malaria, tuberculosis and other diseases that cause high levels of morbidity and mortality in low-income countries. Our current MOPs are based in Kenya, Malawi, South Africa, Thailand and Laos and Vietnam.

- Personal fellowship support specifically for researchers in low- and middle-income countries.
- Support to develop institutional capacity to support and conduct health-related research in low-and-middle income countries, particularly in Africa.

6. The Trust works with DFID to identify opportunities to collaborate and add value through our health research funding. The Trust has two major partnerships with DFID:

- Global health trials scheme: This partnership between the Wellcome Trust, the Medical Research Council (MRC) and DFID aims to fund late-stage trials of interventions that will help improve health in low- and middle-income countries. The three partners are investing a total of £36 million in this initiative, which will be awarded through three annual calls for proposals.

The scope of the scheme includes, but is not limited to, behavioural interventions, complex interventions, disease management, drugs, vaccines and hygiene and diagnostic strategies. The scheme is focused on late-stage (phase III/ IV) efficacy and effectiveness trials.

- Capacity building in Kenya and Malawi: Launched in 2009, the Health Research Capacity Strengthening (HRCS) initiative aims to strengthen the capacity for generating new health research knowledge within Kenya and Malawi, and to improve its use in evidence-based decision making, policy formulation and implementation. This will be achieved by strengthening key academic research and health policy-making institutions, and facilitating the collaborative engagement of national representatives. The Wellcome Trust and DFID committed £10 million each towards the initiative. The International Development Research Centre, Canada, also joined the initiative as an implementing partner with experience in health research programmes in East Africa, and as a funder.

An inception phase supported national task forces in the two countries, which over six months developed comprehensive five-year work plans that document activities to support the initiative's aims. In Kenya the programme will be implemented by a new NGO, the Consortium for National Health Research (CNHR). In Malawi, HRCS activities will be undertaken by the existing National Research Council of Malawi. A mechanism for the on-going monitoring and evaluation of the initiative, HRCS Learning, has also been put in place.

7. The Wellcome Trust and DFID also made a joint commitment to provide £10 million each to the Medicines for Malaria Venture (MMV), the world's largest dedicated programme of antimalarial drug research and development. This initiative is supported by a number of private foundations. After five years of operation, MMV is managing more than 20 projects in varying stages of drug research and development, with reports of good progress being made.

8. In relation to working with multilateral organisations such as WHO or the United Nations, the Trust usually works through the relevant UK government agency. However, the Trust has worked directly with WHO on a variety of activities to improve understanding and develop policy responses to pandemic influenza. For example, we supported a WHO study to evaluate national pandemic preparedness plans, and are working with the WHO's expert advisory group on vaccination, Strategic Advisory Group of Experts (SAGE), to develop recommendations for the use of 'inter-pandemic' influenza vaccines.

## The role of private foundations in development

9. Private foundations and government aid agencies should be encouraged to work together in areas where they have complementary skills and experience. In the Wellcome Trust-DFID partnerships referred to above, DFID brought its existing relationships with the relevant national governments, while the Trust brought its expertise in designing and administering research funding programmes. These are examples of where working in partnership can deliver benefits that could not be realised by either party working alone.
10. Private foundations working in low-and-middle-income countries are often pursuing ambitious missions, and are seeking to deploy their resources in an effective and efficient fashion. The Wellcome Trust and other funders have sought to identify principles of the Paris Declaration for Aid Effectiveness that are relevant to health research, and to apply these in our work in low-and-middle income countries. A number of mechanisms exist to promote coordination and avoid unnecessary duplication. For example, the Wellcome Trust is a member of the following groups:
  - the **UK collaborative on development sciences (UKCDS)**, a collaboration of 13 UK funders and stakeholders with an interest in international development research. UKCDS members work together to provide a more coordinated approach to development sciences research and maximise the impact of UK research funding on international development outcomes.
  - the **Heads of International Research Organizations (HIROs)**, which brings together a large number of major government and philanthropic funders of biomedical research to share information about new developments in the field and coordinate policy responses where appropriate
  - the **ESSENCE initiative**, a collaborative framework that brings together funders of health research in Africa to share best practice. ESSENCE members embrace the principles of donor harmonization and country alignment. According to these principles, donors/funders should align with priorities of countries in which they work, and harmonize their actions and procedures in order to facilitate complementarity among funders and to reduce administrative overload for recipients of funding.
11. The inquiry acknowledges that private foundations contribute significant funding and resources to the development agenda. Concerns are sometimes raised about transparency and accountability for this funding, and it is important to ensure appropriate scrutiny. In the case of the Wellcome Trust, our direct accountability is to our Board of Governors. As a charity registered in England and Wales, we are also accountable to the Charity Commission. The Charity Commission takes a risk-based and proportionate approach to regulation, but has strong legal powers to investigate and intervene in the event that charity trustees fail to comply with their legal obligations in managing charities. HM Revenue and Customs also provides additional scrutiny of charities that provide funds outside the UK.
12. The Wellcome Trust has a general commitment to transparency and openness, and we endeavour to make information about our activities readily available through our websites and publications.
13. Like other actors in the development arena, we expect private foundations to adhere to relevant international principles such as the Paris Declaration for Aid Effectiveness and international human rights and humanitarian principles. They should also remain accountable for working to further their mission. Beneficiaries should be clear as to the objectives of private foundations working in the development arena and foundations should equally be open and transparent about their operations in the development landscape. Regular evaluations of donor interventions would help to enhance accountability and also the intervention. The Trust evaluates its international programmes regularly. Such reviews involve external experts and peer review.

*The Wellcome Trust is a global charitable foundation dedicated to achieving extraordinary improvements in human and animal health. We support the brightest minds in biomedical research and the medical humanities. Our breadth of support includes public engagement, education and the application of research to improve health. We are independent of both political and commercial interests.*