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OF PUBLIC POLICY

MASTER OF PUBLIC POLICY CAPSTONE PROJECT

The Role of Private Foundations in International Development: a labour market analysis

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Executive Summary

The World Health Organization (WHO) defines health as *“a state of complete physical, mental and social well-being and not merely the absence of disease or infirmity.”* In developing countries, the WHO definition of health is far from being met. Because of globalization, the issues that are being faced in those countries are of great importance to developing countries. Social justice and a better understanding of global public goods have created a strong incentive for action. The forms of aid provided have evolved over time from military aid to modern day health, education and social innovations. The many international aid organizations attempt to improve the lives of those who are less fortunate. These organizations include official development assistance, Non-Governmental Organizations and finally Private Foundations.

Private Foundations are organizations that are non-governmental, non-profit, have their own funding and are managed by its own directors and trustees, and lastly, promote social, educational, charitable and religious activities. They are playing a role that is progressively more important in the ecosystem of international development. Private Foundation aid brings with it advantages that other organizations may lack. These advantages include: independence from

governments, the ability to act flexibly and quickly, and the ability to bring business thinking into the field.

With all the advantages of Private Foundation aid, there are also some issues that must be addressed.

- **Accountability:** since Foundations are independent and not accountable to a voting public, we must understand who they are accountable to.
- **Lack of coordination and duplication:** many times global development organizations are too small and work in too many fragmented areas to make a significant impact on issues.
- **Sustainability:** with so many pilot programs and interventions, Foundations must address the issues of continued funding and the ethical implications of ending funding.

These issues can all result in the distortion of the local systems in developing countries, specifically, the labour market. A policy evaluation framework created by Gary Fields was used to determine what the potential effects on the labour market may be using supply and demand to illustrate the effects.

The first analysis was completed using a segmented labour market model in which there are two markets: health and agriculture. The analysis reveals that there is an overall increase in the market equilibrium wage rate and more employment available. However, donor aid could have the unintended consequence of decreasing agricultural production in the country because of the reduced demand of labour at the higher wage rate.

The second analysis describes the effects on an influx of Private Foundation capital on one health issue, malaria, in only the health labour market. This analysis also consists of a dualistic segmented model where the aggregate market is health and consists of malaria and the rest of health care. The overall effects in this analysis are the increase in the market clearing wage rate in the health sector of the country. However, if professionals are moving into one specific section of health care, then the rest of the service delivery system could be negatively impacted.

To avoid the potential harms of funding, Private Foundations can follow six key recommendations: (1) complete a thorough review of health and wellness issues in the beneficiary country, (2) complete a review of current programs, potential new programs, government policies, and services offered, (3) have a sustainability plan in place and ensure long-term funding, (4) assess the labour market implications and mitigate internal migration, (5) ensure that funding mechanisms and programs are transparent and well evaluated, and lastly, (6) monitor labour market trends.

Background

Poverty and health issues faced by the “developing world”: why is this important

The World Health Organization (WHO) defines health as *“a state of complete physical, mental and social well-being and not merely the absence of disease or infirmity.”*¹ With this understanding we are able to make the world a healthier place by investing our money in health care but also in training, disease prevention, education, and creating safer and healthier environments. In countries such as, Canada, Australia, the United States and Great Britain, resources are set aside to ensure that the entire person is cared for, not just their physical self. The systems in these countries are not perfect, however, through public health programs, urban planning, primary and tertiary care and education services citizens have the ability to thrive as individuals. What happens if you live in a country where these programs and services are not in place? In many parts of the world this is the case and some countries rely heavily on external funding to provide services that they cannot afford, are ill prepared to run or are simply too corrupt to deliver. Over the last two decades increased attention has been paid to global health issues faced by low income countries as marked by the increased funding that has been provided for services.²

¹ World Health Organization. "Constitution of the World Health Organization." *WHO Definition of Health*. June 22, 1946. http://www.who.int/governance/eb/who_constitution_en.pdf (accessed May 01, 2015).

² Kates, Jennifer, Stephen Morrison, and Eric Lief. "Global Health funding: a glass half full?" *The Lancet* 368 (July 2006): 187-188.

No country in the world is perfect, but some countries face more challenges than others. To provide a clear picture of the differences between countries, several indicators have been created and are used. For example, Figure 1 from the World Bank highlights the gross domestic product (GDP) per capita of different countries in current 2015 US dollars. Although GDP does not provide a full picture of the well being of citizens in these countries, it does provide an overall understanding of the inequity that can be seen from one part of the world to another. In order to fully understand a country, we must also include factors such as life expectancy, average years of schooling, access to health care, number of health care providers, level of corruption, amount of civil unrest, and food security.

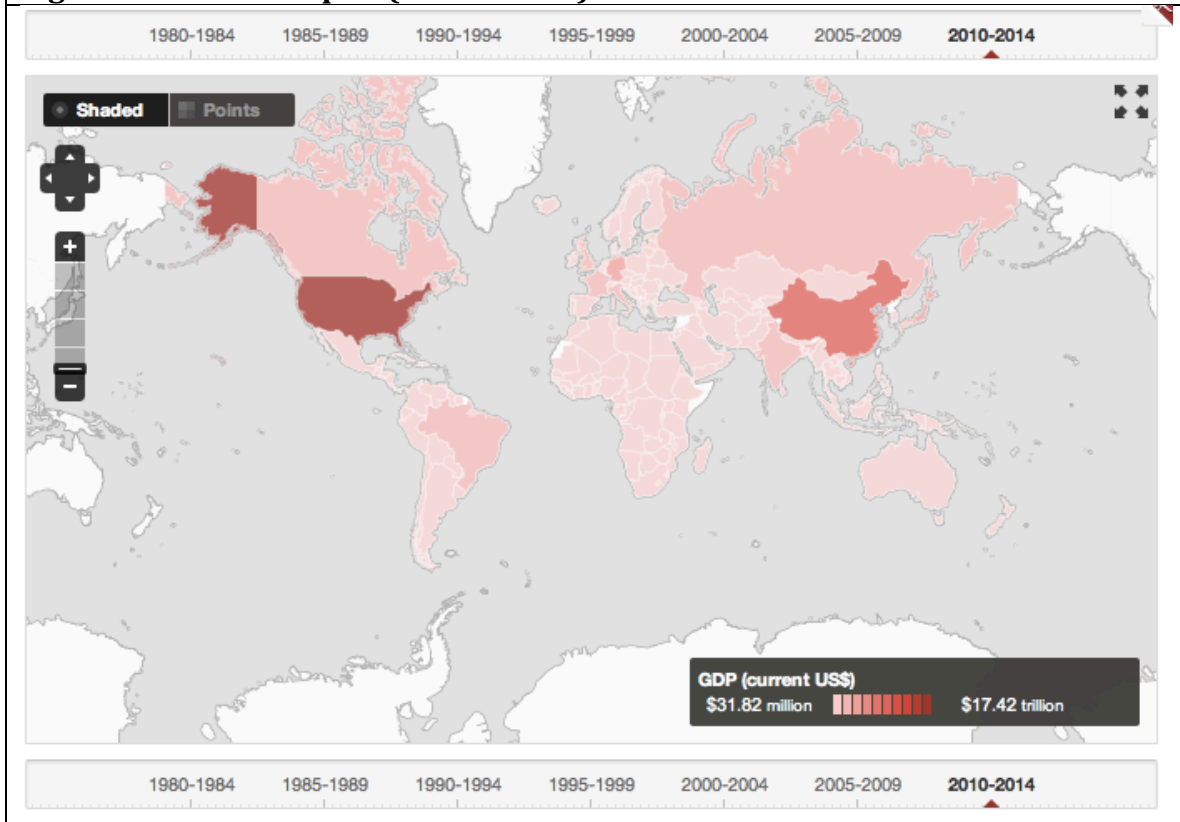
Countries are at different levels of development in their systems and services. An instrument that is used to indicate the differences in development is the Human Development Index (HDI). The HDI is calculated by the United Nations Development Program (UNDP) using life expectancy at birth, mean years of schooling, expected years of schooling and gross national income per capita.³ The values are used to rank countries by very high, high, medium and low human development. The terms “developed” and “developing” are a highly criticized taxonomy used to describe the differences between countries. One of the key criticisms is the terms inability to draw the line between developed and developing.⁴ For the purposes of this paper, the term developing country is used to define those countries that are ranked medium and low on the HDI and a developed

³ Malik, Khalid. *Human Development Report 2014*. , New York: United Nations Development Programme, 2014.

⁴ Nielsen, Lyng. *Classification of Countries Based on Their Level of Development: How it is Done and How it Could be Done*. Strategy, Policy, and Review Department, International Monetary Fund, International Monetary Fund, 2011.

country is one that is considered high or very high.⁵ Appendix 1 is a list of countries ranked using the HDI for 2013.^{6,7}

Figure 1: GDP Per Capita (Current US\$)⁸



The population of the world continues to grow but the borders that once held citizens inwards can now be considered guidelines. With the boom in globalization, we now have access to more information about people in countries where we did not imagine it was ever possible. This has shed a light on the depths of poverty and poor health faced by some of the world's most vulnerable populations. With this

⁵ Malik, Khalid. *Human Development Report 2014*. , New York: United Nations Development Programme, 2014.

⁶ Ibid.

⁷ United Nations Development Programme. *Human Development Report*. 2014. <http://hdr.undp.org/en/content/table-1-human-development-index-and-its-components> (accessed 07 18, 2015).

⁸ World Bank. " Non-Governmental Organizations and Civil Society Engagement in World Bank Supported Projects: Lessons from OED Evaluations ." *World Bank*. Operations Evaluation Department. 08 28, 2002. <http://ieg.worldbank.org/Data/reports/lp18.pdf> (accessed 04 01, 2015).

—. *GDP Current USD*. 2015.

new knowledge developed countries can no longer be ignorant to the problems of the rest of the world.

If a child is born in a low-income country it is approximately 16 times more likely to die by the age of five than if it was born in a high income country. It is also half as likely to be delivered by a skilled health professional. Data shows that in 2015, there will be more than 1000 infant deaths per 100 000 live births in sub-Saharan Africa versus less than 20 in Canada. In 2012, life expectancy for females in a high-income country was nearly 20 years longer than in low-income countries, and 15 years for men. Low-income countries account for nearly 60% of mortality due to communicable diseases worldwide. For example, communicable diseases in Africa caused more year lives lost than all other causes in all other region of the world. In high-income countries diseases such as, cholera, diphtheria, and polio have mostly been eradicated but are still widely occurring in low-income countries.⁹ Broadly, these problems include the lack of food safety and poor access to education and health services. In many parts of the world corrupt and non-existent governments create an environment in which civil society cannot be built or be successful. Individuals in many parts of the world are subject to terrorism, hate crimes and are living in horrifying circumstances. Given the dire situation in many countries around the world, some would suggest that developing countries have a global responsibility to help those whom they can. Not only for social justice and human right reasons but also for the global public good.

⁹ Malik, Khalid. *Human Development Report 2014*. , New York: United Nations Development Programme, 2014.

A public good is one that is non-rivalrous and non-excludable, these goods are under produced in a free market and will often be satisfied by national governments.¹⁰ An example of this would be a country's army. The costs and coordination of the army are borne by the government and the entire country's residents feel the resulting benefits. With globalization, the positive and negative externalities, are reaching across borders and the costs and benefits are residing with individual in different countries. As a result the discussion about public goods has now shifted to Global Public Goods (GPG).¹¹ A GPG has been defined by Kaul et al. as *"outcomes (or intermediate products) that tend towards universality in the sense that they benefit all countries, populations groups and generations."* For example, tackling the eradication of the polio disease in Nigeria is beneficial for the country of Nigeria, but also through reduced transmission, it is beneficial to Sub-Saharan Africa. Additionally, because of increased trade and travel, it has positive externalities on the global community through the possible eradication of the disease. A more recent example is the Ebola virus. Due to the ease of international travel, we all have an interest in West African countries being able to quickly and effectively halt its spread. A pure public good is marked by universality in that it benefits all countries, people and generations.¹² Polio eradication meets those requirements because it will benefit all countries, people and future generations.

¹⁰ Kaul, Inge, Isabelle Grunberg, and Marc A Stern. "Defining Global Public Goods." In *Global Public Goods*, by United Nations Development Programme, 2-17. New York: Oxford University Press, 1999.

¹¹ Bratspies, Rebecca M. "Global Public Goods: An Introduction." *Proceedings of the Annual Meeting*. Washington, DC: American Society of International Law, 2010. 147-148.

¹² Kaul, Inge, Isabelle Grunberg, and Marc A Stern. "Defining Global Public Goods." In *Global Public Goods*, by United Nations Development Programme, 2-17. New York: Oxford University Press, 1999.

This GPG requires the participation of every country for success.^{13,14} The Free Rider Problem described by David Hume explains that the cooperation of citizens working for a common good will fail in the face of an individual's incentive to free him of the trouble and expense and lay the whole burden on others.¹⁵ Using the problem of polio once again, a dysfunctional government may find it in their monetary interest not to invest in a vaccination program the same way an individual may find it beneficial for other parents to immunize their children while not doing so themselves. Since polio eradication is considered a global public good, it is in the best interest of the public to provide additional mechanisms to prevent it through private and public activities.¹⁶

Efforts to improve the situation: what is being done

Many developed nations recognized the challenges facing developing countries and their negative global effects. The interdependence of economies and societies, as well as, instant communication led to leaders becoming more aware of the global nature of health concerns.¹⁷ As a result, countries began providing aid in the forms of funding, technical advice, training and programming. Military aid was one of the earliest forms of aid provided to countries and was strategically given by governments who saw the many benefits to having positive ties with certain areas.¹⁸

Military aid allowed developed nations to maintain influence in the political and

¹³ Gartner, David. "Global Public Goods and Global Health." *Duke Journal of Comparative & International Law* 22, no. 3 (April 2012): 303-318.

¹⁴ Severino, Jean-Michel, and Oliver Ray. The End of ODA: Death and Rebirth of a Global Public Policy - Working Paper Number 167. Center for Global Development, 2009.

¹⁵ *ibid.*

¹⁶ *ibid.*

¹⁷ Spero, Joan. The Global Role of U.S. Foundations. Foundation Center, 2010.

¹⁸ Encyclopædia Britannica Inc. Foreign Aid. 05 12, 2015. <http://www.britannica.com/topic/foreign-aid> (accessed 04 01, 2015).

economic life of their former colonies.¹⁹ Modern day international aid can be linked back to the funding of international organizations such as the United Nations (UN), the International Monetary Fund (IMF) and the World Bank (WB).²⁰ This aid has a broader focus and includes policy changes, education, health care and agriculture.²¹ As governments and international organizations became more aware of the health issues in developing countries,²² aid focused mainly on, disease prevention, maternal and reproductive health, mental health and the spread of medicines developed in the west.²³ The shift in the form of aid can be correlated with the shrinking need for geopolitical influence to aid provided and driven by compassionate ethics.²⁴ The following table indicates the top 10 countries that receive foreign aid in 2013.²⁵

Table 1: Official development assistance received in 2013

Country	Amount of money received
Egypt, Arab Rep.	\$5,505,650,000
Afghanistan	\$5,265,950,000
Vietnam	\$4,084,770,000
Myanmar	\$3,934,810,000
Ethiopia	\$3,826,250,000
Syrian Arab Republic	\$3,626,750,000
Tanzania	\$3,430,280,000
Kenya	\$3,236,280,000
Turkey	\$2,740,590,000
Bangladesh	\$2,669,110,000
West Bank and Gaza	\$2,610,410,000

¹⁹ Severino, Jean-Michel, and Oliver Ray. The End of ODA: Death and Rebirth of a Global Public Policy - Working Paper Number 167. Center for Global Development, 2009.

²⁰ Encyclopædia Britannica Inc. *Foreign Aid*. 05 12, 2015. <http://www.britannica.com/topic/foreign-aid> (accessed 04 01, 2015).

²¹ Ibid.

²² Spero, Joan. The Global Role of U.S. Foundations. Foundation Center, 2010.

²³ Desai, Raj M, and Homi Kharas. "The California Consensus: Can Private Aid End Global Poverty." *Survival* 50, no. 4 (2008): 155-168.

²⁴ Severino, Jean-Michel, and Oliver Ray. The End of ODA: Death and Rebirth of a Global Public Policy - Working Paper Number 167. Center for Global Development, 2009.

²⁵ The World Bank Group. *Net official development assistance and official aid received (current US\$)*. 2015. <http://data.worldbank.org/indicator/DT.ODA.ALLD.CD> (accessed October 25, 2015).

Although the majority of international aid followed this trend, there are some select examples of wealthy philanthropists who were working internationally much earlier. For example, the Rockefeller Foundation established its International Health Board (IHB) in 1913 to promote public sanitation and the spread of knowledge of scientific medicine. Initially, IHB was the tool used to help with the eradication of hookworm and was done with the help of the British government in British Guiana. After the success of this program they expanded the hookworm eradication program to other counties as well as initiatives against other diseases including tuberculosis, yellow fever and malaria.²⁶

Efforts to eradicate and contain diseases have been successful and attempts to reduce poverty through education initiatives have been undertaken. To further improve the lives of those in developing countries and to counter the effects of poverty, in 2000 the United Nations established the Millennium Development Goals (MDG). These eight goals, listed in Table 2 provide a broad overview of the problems facing millions of people in developing countries as well as a framework for international aid efforts. The target date to achieve these goals was 2015. Given that we have now reached this date, it is important to note that several of the MDG have been met. For example, in 2010, the number of people living in extreme poverty decreased by 700 million, an estimated 3.3 million deaths from malaria were avoided and the disparity between boys and girls primary school enrollment is being eliminated in many countries. Although there have been great improvements, there are still many issues plaguing developing countries. Going beyond 2015, the

²⁶ Rockefeller Archive Center. 100 Years. 2013. Rockefeller100.org (accessed 04 01, 2015).

UN must build on the success of the MDG and set an agenda that will further reduce the burden of disease and poverty on developing countries.

Table 2: United Nations Millennium Development Goals²⁷	
	<ol style="list-style-type: none"> 1. Eradicate extreme poverty and hunger 2. Achieve universal primary education 3. Promote gender equality and empower women 4. Reduce child mortality 5. Improve maternal health 6. Combat HIV/AIDS, malaria and other diseases 7. Ensure environmental sustainability 8. Develop a global partnership for development

Types of Organizations involved

The efforts in developing countries to improve the overall health and wellness of the global community have been undertaken by many organizations. Understanding the actors who are involved in development provides a full picture of the complexity of the challenges faced as well as, the robust solutions that must be undertaken in order to accomplish developmental goals. Generally, governmental and non-governmental organizations have focused their efforts on welfare activities and aid in the relief of suffering domestically.^{28,29,30} That being said, there are organizations and agencies that focus their efforts internationally and are doing so more and more each year.

The Organization for Economic Co-operation and Development's (OECD) Development Assistance Committee (DAC) was created in 1961 to provide a forum

²⁷ United Nations. *Millennium Development Goals*. 2015. <http://www.un.org/millenniumgoals/> (accessed 04 01, 2015).

²⁸ Scott, Simon, Carol Adelman, Ronen Sebag, and Carlos Asenjo Ruiz. *Philanthropic Foundations and Developmental Co-operation*. Organization for Economic Co-operation and Development, 2003.

²⁹ Desai, Raj M, and Homi Kharas. "The California Consensus: Can Private Aid End Global Poverty." *Survival* 50, no. 4 (2008): 155-168.

³⁰ DECPG, International Finance Team. *Philanthropic Foundations: Actual Versus Potential Role in International Development Assistance*. United Nations.

for donors to discuss aid provided to developing countries. Their mandate was and continues to be to promote development co-operation and policies that will contribute in a way that in the future no countries will need to depend on aid.³¹ They were the also first to describe the term “official development assistance” (ODA) which is aid provided by official agencies, including national and provincial governments or by their executive organizations such as the Canadian International Development Agency (CIDA) and the International Development and Research Center (IDRC) or Australian Aid (AusAid). In order to be considered ODA, the funding provided must be used to promote the economic development and the welfare of developing countries and must meet specific grant elements.³² It is through the countries on DAC that ODA is provided. A list of counties who are currently on DAC is available in Appendix 2.

ODA can be done either bilaterally or multilaterally. Bilateral aid is ODA that goes directly from a donor country government to a recipient country.³³ Multilateral aid on the other hand is aid from governments to international aid agencies and multilateral institutions. There are more than 200 multilateral agencies including the UN and the WB and they receive approximately 28% of ODA.³⁴

ODA is not the only type of aid provided to developing countries. Non-Governmental Organizations (NGO) such as CARE and Oxfam also offer funding and programming. The World Bank defines these organizations as:

³¹ Organization for Economic Co-operation and Development. *Development Assistance Committee (DAC)*. 2015. <http://www.oecd.org/dac/developmentassistancecommittee.htm> (accessed 04 01, 2015).

³² Organization for Economic Co-operation and Development. *Official development assistance – definition and coverage*. 2015. <http://www.oecd.org/dac/stats/officialdevelopmentassistance/definitionandcoverage.htm> (accessed 04 01, 2015).

³³ Kilby, Christopher. *Aid, Bilateral*. Princeton: Princeton University Press, 2009.

Lawrence, Steven, and Reina Mukai. *Foundation Growth and Giving Estimates: Current Outlook*. Foundation Center, 2011.

³⁴ (Organization for Economic Co-operation and Development, 2015) – multilateral aid

*"Private organizations that pursue activities to relieve the suffering, promote the interest of the poor, protect the environment, provide basic social services, or undertake development."*³⁵

These organizations are independent of large agencies, however, they are often associated and must meet specific criteria to do so. Currently, most of the money going into international development is done through larger Non-Governmental Organizations such as the Red Cross, the World Health Organization etc. rather than going directly to their target countries.³⁶ A final type of international aid organization is a Private Foundation. Aid provided by Foundations goes back to earlier times with the Rockefeller and Ford Foundations, however, more recently there has been a proliferation in the number of Private Foundations who have become larger actors in the development field. Examples of these Foundations include, Bill and Melinda Gates Foundation, Stitching INGKA Foundation, MasterCard Foundation, the Aga Khan Foundation and Open Societies Foundation. A list of some of the top Private Foundations, their endowment amounts, and area of giving is provided below in Table 3. As we can see from this short list, these larger Foundations have a focus in different areas that suggests that there may be an attempt to avoid competition with one another. Given that these organizations are relatively new, there are many lessons that can be learned from larger governmental and non-governmental agencies that have historically been the drivers of international development.

³⁵ World Bank. "Non-Governmental Organizations and Civil Society Engagement in World Bank Supported Projects: Lessons from OED Evaluations." *World Bank*. Operations Evaluation Department. 08 28, 2002.

³⁶ Desai, Raj M, and Homi Kharas. "The California Consensus: Can Private Aid End Global Poverty." *Survival* 50, no. 4 (2008): 155-168.

Table 3: List of Large Private Foundations					
Name	Endowment	Geographical areas funded	Focuses	Year founded	Founder
Bill and Melinda Gates Foundation	\$41.3 Billion USD	Global	Education, Healthcare, Ending poverty	1997	Bill Gates and Melinda Gates
Ikea Foundation	\$36 Billion USD	Global	Home, health, education and a sustainable family income	1982	Ingvar Kamprad
Wellcome Trust	£18 billion	UK, Kenya, Malawi, South Africa and Southeast Asia	Science, the humanities, the social sciences, education, public engagement and the application of research to medicine	1936	Sir Henry Wellcome
Ford Foundation	\$10.9 billion	North America, Latin America, Africa, Asia	Democratic and accountable government, Economic fairness, educational opportunity, freedom of expression, human rights	1936	Edsel Ford
J Paul Getty Trust	\$6.2 billion	USA, Africa, Latin America, Middle East, Asia	Artistic heritage	1982	J Paul Getty

Private Foundations

What are private foundations: Definition

A natural place to commence the discussion regarding Private Foundations in the world of international development is to provide a definition of what a Private Foundation is. The definition will distinguish the different types of Foundations, as well as, describe the many ways in which a Foundation can be subdivided. Finally, a list of criteria that can be used to determine if an organization can be considered a Private Foundation or not will be shared.

Foundations can be both public and private. The key distinguishing points are that a Public Foundation also known as a public charity, can solicit funding whereas, a Private Foundations posses capital of their own and are self sustaining.^{37,38} Foundations can be sub-divided in many ways including type of ownership: independent, corporate, community and government-linked foundations or be categorized by their sector, geographic origin, age, generation, size, approach or level of engagement.³⁹ Regardless of how they are categorized, F. Emerson Andrews provided five key criteria with which a Foundation can be identified. These criteria are (1) that the organization is non-governmental, (2) non-profit, (3) has its own funding, (4) is managed by its own directors and trustees and lastly, (5) that the organizations promotes social, educational, charitable, religious or other

³⁷ Pratt, Brian, John Hailey, Michela Gallo, Rebecca Shadwick, and Rachel Hayman. *Policy Briefing Paper 31 - Understanding private donors in international development*. International NGO Training and Research Center, 2012.

³⁸ DECPG, International Finance Team. *Philanthropic Foundations: Actual Versus Potential Role in International Development Assistance*. United Nations.

³⁹ Pratt, Brian, John Hailey, Michela Gallo, Rebecca Shadwick, and Rachel Hayman. *Policy Briefing Paper 31 - Understanding private donors in international development*. International NGO Training and Research Center, 2012.

activities serving the common welfare.^{40,41} Although definitions of a Foundation vary from organization to organization around the world, the definition encompasses some or all of the criteria stated above.

Role in international development: health improvement

Private Foundations don't operate alone or separately in the field of international development, rather, they work within a system that includes public actors and other NGOs. With that in mind, Private Foundations play a role in the system and are becoming increasingly important. Some have said that the answer to the question of continued response in the face of a growing number of aid challenges lies in private money coming from Private Foundations.⁴²

The growing understanding of the interdependence of economies and societies by foundation leaders have made them more aware of the global nature of the illnesses and concerns felt by the most vulnerable.⁴³ There are approximately 100,000 foundations world wide of which less than 1% do work in developing countries.^{44,45} Reasons given by Private Foundations to not be involved in international development include difficulty identifying local partners, problems of assessing impact and difficulties changing programmatic mandates.⁴⁶ The US

⁴⁰ Scott, Simon, Carol Adelman, Ronen Sebag, and Carlos Asenjo Ruiz. *Philanthropic Foundations and Developmental Co-operation*. Organization for Economic Co-operation and Development, 2003.

⁴¹ DECPG, International Finance Team. *Philanthropic Foundations: Actual Versus Potential Role in International Development Assistance*. United Nations.

⁴² Stoianova, Velina. "Private Funding: An emerging trend in humanitarian donorship." *Global Humanitarian Assistance*. 04 2012. <http://www.globalhumanitarianassistance.org/wp-content/uploads/2012/04/Private-funding-an-emerging-trend.pdf> (accessed 04 01, 2015).

⁴³ Spero, Joan. *The Global Role of U.S. Foundations*. Foundation Center, 2010.

⁴⁴ DECPG, International Finance Team. *Philanthropic Foundations: Actual Versus Potential Role in International Development Assistance*. United Nations.

⁴⁵ Pratt, Brian, John Hailey, Michela Gallo, Rebecca Shadwick, and Rachel Hayman. *Policy Briefing Paper 31 - Understanding private donors in international development*. International NGO Training and Research Center, 2012.

⁴⁶ Ibid.

Foundations are the largest Foundations in international development, however, it is estimated that they only spend approximately 10% in developing countries. There is research that suggests that this may be an underrepresentation because some of the capital from Private Foundations may be channeled through NGOs.⁴⁷ The underrepresentation may also be because many research centers and laboratories are located in developed countries; however, the topic of research may be to address the challenges experienced by developing countries.

Despite the low number of Foundations working in developing countries currently, many suspect that private developmental aid, specifically capital flowing from Foundation, will soon meet or surpass the official bilateral and multilateral ODA and change current aid frameworks.^{48,49,50} Others estimate that private financial flows have already begun to surpass ODA⁵¹ and there are still others who believe that we must not over-estimate the role of Private Foundations in international development.⁵² The uncertainty of how much is invested by Private Foundations is an example of the lack of transparency of Private Foundation funding and a very important area of research. Overall, the increase in the inclusion of Private Foundations may be due to multilateral development agencies not having

⁴⁷ DECPG, International Finance Team. *Philanthropic Foundations: Actual Versus Potential Role in International Development Assistance*. United Nations.

⁴⁸ Desai, Raj M, and Homi Kharas. "The California Consensus: Can Private Aid End Global Poverty." *Survival* 50, no. 4 (2008): 155-168.

⁴⁹ Pratt, Brian, John Hailey, Michela Gallo, Rebecca Shadwick, and Rachel Hayman. *Policy Briefing Paper 31 - Understanding private donors in international development*. International NGO Training and Research Center, 2012.

⁵⁰ DECPG, International Finance Team. *Philanthropic Foundations: Actual Versus Potential Role in International Development Assistance*. United Nations.

⁵¹ Little, Heidi Metcalf. "The Role of Private Assistance in International Development." *The Privatization of Development Assistance Symposium*. New York: NYU Journal of International Law and Politics, 2010. 1091-1109.

⁵² Pratt, Brian, John Hailey, Michela Gallo, Rebecca Shadwick, and Rachel Hayman. *Policy Briefing Paper 31 - Understanding private donors in international development*. International NGO Training and Research Center, 2012.

the capacity or willingness to combat global problems alone and therefore are looking to create sustainable private-public-partnerships.⁵³

As global markets fluctuate, the amount of capital that countries can provide through ODA is affected. Donor country constituents require social services at a level that they are accustomed to and may apply political pressure to governments to fund domestic programs rather than sending funding internationally. To illustrate this, over the last ten years bilateral agencies have been the key drivers of development assistance in health, however, after the recession their growth slowed.⁵⁴ Foundations can use their private flows of capital to continue a similar level of funding and continue their engagements despite the potential negative growth rates that are caused by recessions.⁵⁵ For example, US Foundation giving was nearly unchanged in 2010 despite uneven economic recovery from the 2008 recession. This was done in part by the efforts of the Foundations to maintain their grants budgets by drawing from their endowments and reducing their administrative expenses.⁵⁶ The following charts in Figure 2 from the OECD's Hudson Institute show the capital flowing from ODA as well as from Private aid. Though aid in all forms has gradually increased, these charts indicate that private aid has grown at a higher rate than ODA.

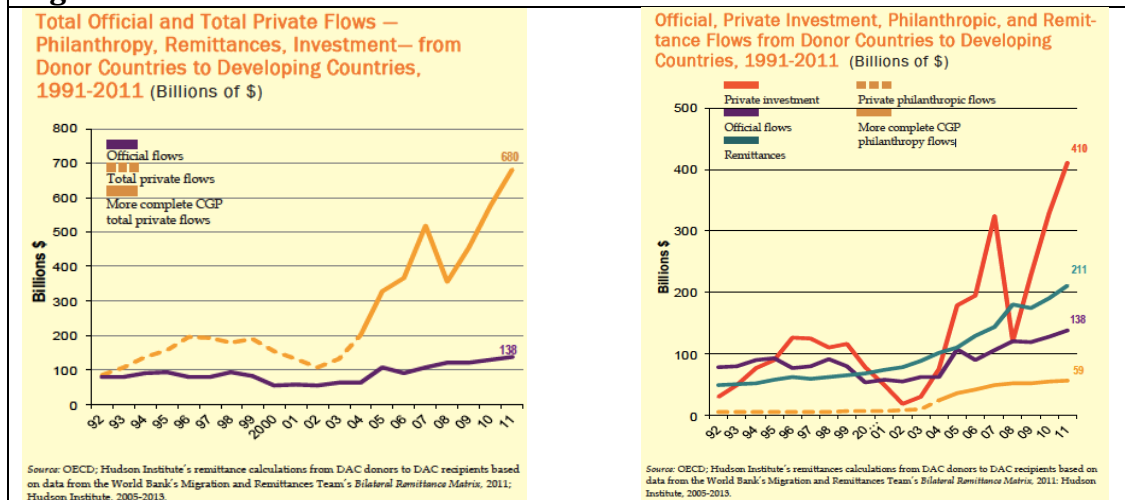
⁵³ International Trade Forum. "New Developments in Philanthropy: How Private Foundations are Changing International Development." *International Trade Forum Magazine* (International Trade Center), no. 4 (2009).

⁵⁴ Murray, Christopher, Michael Hanion, and Katherine Leach-Kemon. "Tracking Development Assistance for Health." In *Financing Global Health 2011: Continued Growth as MDG Deadline Approaches*, 12-25. Seattle: Institute of Health Metrics and Evaluation, 2011.

⁵⁵ Stoianova, Velina. "Private Funding: An emerging trend in humanitarian donorship." *Global Humanitarian Assistance*. 04 2012. <http://www.globalhumanitarianassistance.org/wp-content/uploads/2012/04/Private-funding-an-emerging-trend.pdf> (accessed 04 01, 2015).

⁵⁶ Lawrence, Steven, and Reina Mukai. *Foundation Growth and Giving Estimates: Current Outlook*. Foundation Center, 2011.

Figure 2: ODA versus Private Flows⁵⁷



In the past NGOs have been the main mobilizers and implementers of private funds, however more recently, large Private Foundations taking a greater role in programming in developing countries.⁵⁸ Thus, the role that Private Foundations are playing is increasingly varied and range from less involved, grant-givers to direct operations on development issues.⁵⁹ Organizations such as the Bill and Melinda Gates Foundations do work across the spectrum from individual vaccination provision to worldwide policy changes.

Advantages of private foundation involvement

There is a greater proliferation of Private Foundations in international development now than any other time in history and this has led to changes in the way aid is provided. Little explains that after limited development in 50 years of ODA, private

⁵⁷ Hudson Institute Center for Global Prosperity. *Index of Global Philanthropy and Remittances 2013*. Washington: Hudson Institute, 2013.

⁵⁸ Stoianova, Velina. "Private Funding: An emerging trend in humanitarian donorship." *Global Humanitarian Assistance*. 04 2012. <http://www.globalhumanitarianassistance.org/wp-content/uploads/2012/04/Private-funding-an-emerging-trend.pdf> (accessed 04 01, 2015).

⁵⁹ Pratt, Brian, John Hailey, Michela Gallo, Rebecca Shadwick, and Rachel Hayman. *Policy Briefing Paper 31 - Understanding private donors in international development*. International NGO Training and Research Center, 2012.

financial flows now brings optimism about new ways to improve the welfare of the disadvantaged around the world.⁶⁰ Private capital through Private Foundation's recent immensity brings with it many advantages and benefits to the field international aid. These benefits include independence from governments, ability to address gaps, ability to bring attention to issues, and ability to bring business thinking into the field through "philanthrocapitalism".

Given that Foundations are outside of governments, they do not have the same accountability issues that other international aid agencies have. They are able to navigate the complicated world's politics with greater ease because, to a certain degree, they are free from maintaining the relationships between governments, and from being influenced by public budgetary cycles and political cycles.^{61,62,63} Agencies may also not have the capacity and willingness to tackle certain issues that are politically sensitive for governments. Therefore, working with Private Foundations may provide governments with the ability to attack issues while still remaining politically neutral.⁶⁴ Many times, the public sectors in developing countries are poorly functioning which is why developmental aid is required. Foundations have the ability to work directly with front line organizations, thus avoiding government recipients who may be corrupt and require bribes to allow work to be done.⁶⁵ A task

⁶⁰ Little, Heidi Metcalf. "The Role of Private Assistance in International Development." *The Privatization of Development Assistance Symposium*. New York: NYU Journal of International Law and Politics, 2010. 1091-1109.

⁶¹ Pratt, Brian, John Hailey, Michela Gallo, Rebecca Shadwick, and Rachel Hayman. *Policy Briefing Paper 31 - Understanding private donors in international development*. International NGO Training and Research Center, 2012.

⁶² Desai, Raj M, and Homi Kharas. "The California Consensus: Can Private Aid End Global Poverty." *Survival* 50, no. 4 (2008): 155-168.

⁶³ Scott, Simon, Carol Adelman, Ronen Sebag, and Carlos Asenjo Ruiz. *Philanthropic Foundations and Developmental Co-operation*. Organization for Economic Co-operation and Development, 2003.

⁶⁴ DECPG, International Finance Team. *Philanthropic Foundations: Actual Versus Potential Role in International Development Assistance*. United Nations.

⁶⁵ Desai, Raj M, and Homi Kharas. "The California Consensus: Can Private Aid End Global Poverty." *Survival* 50, no. 4 (2008): 155-168.

that would be difficult for a government agency to accomplish without negative repercussions to international relationships.

Foundations can identify gaps, needs and niches where their funds can be given and help create a full solution to the problems they are addressing.⁶⁶ Currently, additional funds through ODA are added onto existing programs that are rigid and unresponsive to management systems, as such, there are criticisms that this additional funding serves as a short-term solution.⁶⁷ Due to the nimble nature of Foundation work and funding⁶⁸, once gaps have been identified, Foundations are able to act more quickly⁶⁹ than multilateral organizations or other large ODA organizations may. The ability for Foundations to bring fresh thinking, innovation, risks taking, flexibility, and experimentation through funding unconventional programs are the most commonly believed reason for the involvement in the international development field.^{70,71,72} For example, through the development of mobile banking, poor people who once held their assets in the forms of jewelry and livestock will now have the ability to save their money in monetary form that they have instant access to.⁷³ Additionally, due to the permanence in their funding,^{74,75}

⁶⁶ Spero, Joan. *The Global Role of U.S. Foundations*. Foundation Center, 2010.

⁶⁷ Pearson, Mark. *Economic and Financial Aspects of Global Health Partnerships*. Health Resource Center, Department for International Development, DFID, 2004.

⁶⁸ Spero, Joan. *The Global Role of U.S. Foundations*. Foundation Center, 2010.

⁶⁹ Pratt, Brian, John Hailey, Michela Gallo, Rebecca Shadwick, and Rachel Hayman. *Policy Briefing Paper 31 - Understanding private donors in international development*. International NGO Training and Research Center, 2012.

⁷⁰ Scott, Simon, Carol Adelman, Ronen Sebag, and Carlos Asenjo Ruiz. *Philanthropic Foundations and Developmental Co-operation*. Organization for Economic Co-operation and Development, 2003.

⁷¹ International Trade Forum. "New Developments in Philanthropy: How Private Foundations are Changing International Development." *International Trade Forum Magazine* (International Trade Center), no. 4 (2009).

⁷² Little, Heidi Metcalf. "The Role of Private Assistance in International Development." *The Privatization of Development Assistance Symposium*. New York: NYU Journal of International Law and Politics, 2010. 1091-1109.

⁷³ The Bill and Melinda Gates Foundation. *Our Big Bet For the Future: 2015 Gates Annual Letter*. Seattle: Bill and Melinda Gates Foundation, 2015.

⁷⁴ Scott, Simon, Carol Adelman, Ronen Sebag, and Carlos Asenjo Ruiz. *Philanthropic Foundations and Developmental Co-operation*. Organization for Economic Co-operation and Development, 2003.

⁷⁵ International Trade Forum. "New Developments in Philanthropy: How Private Foundations are Changing International Development." *International Trade Forum Magazine* (International Trade Center), no. 4 (2009).

Foundations are able to look at long-term development outcomes or work in the prevention of the causes of deprivation and illness.⁷⁶

Foundations can use their funds as well as their public persona as leverage to bring more attention and funding to certain areas of needs.^{77,78} The Bill and Melinda Gates Foundation for example, has done this with issues including polio, Ebola, malaria and HIV/AIDS. This has allowed innovative financing approaches for these issues and provided new capital to them which otherwise would not have been possible through traditional means.⁷⁹

Many Foundations use the business savvy of their patrons, knowledge about capitalism and entrepreneurship to have large impacts.^{80,81,82} This form of international development, what some refer to as “philanthrocapitalism,” is seen as the future role of Foundations. They will use business approaches including the introduction of management techniques and principles from the for-profit sectors to address complex and challenging issues. An example of this is that Private Foundation have administrative set ups that are often low in over-head costs because they rely on local staff and partnerships, and very little private aid is spent

⁷⁶ Scott, Simon, Carol Adelman, Ronen Sebag, and Carlos Asenjo Ruiz. *Philanthropic Foundations and Developmental Co-operation*. Organization for Economic Co-operation and Development, 2003.

⁷⁷ Spero, Joan. *The Global Role of U.S. Foundations*. Foundation Center, 2010.

⁷⁸ International Trade Forum. "New Developments in Philanthropy: How Private Foundations are Changing International Development." *International Trade Forum Magazine* (International Trade Center), no. 4 (2009).

⁷⁹ Pearson, Mark. *Economic and Financial Aspects of Global Health Partnerships*. Health Resource Center, Department for International Development, DFID, 2004.

⁸⁰ International Trade Forum. "New Developments in Philanthropy: How Private Foundations are Changing International Development." *International Trade Forum Magazine* (International Trade Center), no. 4 (2009).

⁸¹ Pratt, Brian, John Hailey, Michela Gallo, Rebecca Shadwick, and Rachel Hayman. *Policy Briefing Paper 31 - Understanding private donors in international development*. International NGO Training and Research Center, 2012.

⁸² Severino, Jean-Michel, and Oliver Ray. *The End of ODA: Death and Rebirth of a Global Public Policy - Working Paper Number 167*. Severino, Jean-Michel, and Oliver Ray. *The End of ODA: Death and Rebirth of a Global Public Policy - Working Paper Number 167*. Ibid.

on consultants.⁸³ This allows more money to be spent on the ground with the beneficiaries rather than on high salaries or office space. In the case where private capital doesn't provide the high return on investment that a business model would suggest is imperative, the resulting social returns such as job growth, skill development and increased wages can be considered to be as important as such, Foundation may continue their funding.⁸⁴

Issues in international philanthropy/Private Foundation work

Accountability

When a developed country's government invests its money into global development, it is accountable to its constituents to ensure that the money that is being used in the most efficient manner. Foundations are for the most part independent organizations and are not accountable to a "voting-public"⁸⁵, so the question must be asked: Who are Foundations accountable to? Given the steady increase in their power as funders, it is important that the accountability issues are identified. As explained below, Foundations are accountable to their home country, the foreign countries where they work, their partners, the beneficiaries who receive funding and who are ultimately served, and finally their own board of directors, patrons and staff.

⁸³ Desai, Raj M, and Homi Kharas. "The California Consensus: Can Private Aid End Global Poverty." *Survival* 50, no. 4 (2008): 155-168.

⁸⁴ Little, Heidi Metcalf. "The Role of Private Assistance in International Development." *The Privatization of Development Assistance Symposium*. New York: NYU Journal of International Law and Politics, 2010. 1091-1109.

⁸⁵ Pratt, Brian, John Hailey, Michela Gallo, Rebecca Shadwick, and Rachel Hayman. *Policy Briefing Paper 31 - Understanding private donors in international development*. International NGO Training and Research Center, 2012.

Foundations are given charity status and the benefits that go along with that from their home country. In order to continue to receive these benefits, including substantial tax exemptions, certain spending and filing requirements must be met. This forces a level of transparency that helps to ensure that money put into charities are being used for public goods rather than private benefits.

In Canada, Charities are governed under Federal laws and monitored by the Canadian Revenue Agency (CRA). The CRA has some basic guidelines for charities to follow⁸⁶ including:

- Engage in allowable activities
- Keep adequate books and records
- Issue complete and accurate donation receipts
- Meet annual spending requirements (disbursement quota)
- File annual T31010 information return
- Maintaining the charity's status as a legal entity
- Inform the Charities Directorate of any changes to the charity's mode of operation or legal structure.

Because of the increase in work done outside of the domestic borders by Private Foundations and an understanding that they are not directly accountable to any constituents, it is important that the social and political contexts in which Foundations operate are considered. Private Foundations act as advocates and political players in the foreign countries in which they operate through their

⁸⁶ Canada Revenue Agency. Checklists for Charities. 04 09, 2009. <http://www.cra-arc.gc.ca/chrts-gvng/chrts/chcklst/menu-eng.html> (accessed 04 01, 2015).

resource contributions. Though they are technically free from government pressures, private donors have to be accountable to the people who are benefiting from programs and services. It is important that all donors in the international aid are well informed and responsive to local cultures and needs because if they aren't, then there is the possibility that their impact is more harmful than good.⁸⁷

Information asymmetry occurs when one individual or group has more information than another. In international development language barriers, illiteracy and a poor understanding of actual need are key issues that may cause this asymmetry. In fact, many skeptics find that aid money from all sources sometimes goes to issues that are not necessarily considered the highest need in the recipient countries.^{88,89} That is, the issues that are considered important in developed countries may be of less importance in a poor, developing country. For example, there may be aid money provided for the development of a state of the art hospital for low-income rural populations. While a hospital is a great service for those around it, there may no infrastructure (roads and transportation) for the people who it has been created for to access it. If issues of information asymmetry are not considered, there may be a distortion in the country's social service systems and private money may result in the monopolization or skewing of the overall development goals.⁹⁰ This may result private aid money funding areas that are in

⁸⁷ Spero, Joan. *The Global Role of U.S. Foundations*. Foundation Center, 2010.

⁸⁸ Desai, Raj M, and Homi Kharas. "The California Consensus: Can Private Aid End Global Poverty." *Survival* 50, no. 4 (2008): 155-168.

⁸⁹ Davis, Kevin E, and Sarah Dadush. "The Privatization of Development Assistance: Symposium Overview." *The Privatization of Development Assistance Symposium*. New York: Institute For International Law and Justice, 2009. 1079-1089.

⁹⁰ Pratt, Brian, John Hailey, Michela Gallo, Rebecca Shadwick, and Rachel Hayman. *Policy Briefing Paper 31 - Understanding private donors in international development*. International NGO Training and Research Center, 2012.

the interest of the patron of the Foundation, to the latest craze, or from crisis to crisis rather than furthering development goals.^{91,92}

Furthermore, as Foundations help developing countries, they need to ensure that the needs of the beneficiaries are considered, not the perceived needs as seen by developed countries. The Bill and Melinda Gates Foundation finances a third of the world's research and development in the area of HIV-Aids vaccines. This has given them a considerable amount of influence on other development organizations throughout the world and could ultimately mean that the world of development is susceptible to being influenced to work in an area that isn't necessarily the highest need.⁹³ If a Foundation is truly accountable to the foreign country, it will ensure that the work it is doing is in the best interest of that country's citizens as there is a serious possibility that the aid will be viewed as more of an imposition than helpful, a result that isn't favorable for anyone involved. In fact, there have been claims that rather than being helpful, aid from all sources can serve to foster corruption, dependency and poor government. One of the reasons that private aid money falls prey to this problem is because it may not take into account local voices in how philanthropy is planned and managed. This in turn limits opportunities for entrepreneurship and ultimately disenfranchises citizens.⁹⁴ This does not imply that Private Foundation's should be accused of bad behavior because they are focusing

⁹¹ Desai, Raj M, and Homi Kharas. "The California Consensus: Can Private Aid End Global Poverty." *Survival* 50, no. 4 (2008): 155-168.

⁹² Pratt, Brian, John Hailey, Michela Gallo, Rebecca Shadwick, and Rachel Hayman. *Policy Briefing Paper 31 - Understanding private donors in international development*. International NGO Training and Research Center, 2012.

⁹³ Severino, Jean-Michel, and Oliver Ray. *The End of ODA: Death and Rebirth of a Global Public Policy - Working Paper Number 167*. Center for Global Development, 2009.

⁹⁴ Little, Heidi Metcalf. "The Role of Private Assistance in International Development." *The Privatization of Development Assistance Symposium*. New York: NYU Journal of International Law and Politics, 2010. 1091-1109.

on disease prevention and eradication. Rather, they may be focusing on issues of eradication because they aren't able to fully understand the nature of the local need.

There is also the concern of evaluation being discouraged and fear of critiquing Foundation work. Program managers and staff rely on Foundations for funding, so there may be an incentive to say a program is doing well even if the results are less than beneficial. Foundations on the other hand are interested in sustaining a positive public image⁹⁵ and so may not dig deep to understand a programs true effect. To illustrate this, a study conducted in 2004 found that less than half of US Foundations formally evaluated projects they funded.⁹⁶ It is important that Foundations are accountable to their board and patrons and are not continuing inefficient and ineffective practices. Greater evaluation processes will ensure greater accountability and transparency.⁹⁷ With the breakthrough in social media, there has been an additional level of accountability from the beneficiaries to the managers because of a new ability to create movements to share their beliefs.⁹⁸ A change that could serve to improve best practices and avoids corruption.

In order to improve accountability issues, a Foundation would benefit from a high level of transparency from all levels of their organization including their board of directors, service providers, and finally to those receiving the services. Ensuring transparency will increase cooperation⁹⁹ because it will allow other donor agencies

⁹⁵ Davis, Kevin E, and Sarah Dadush. "The Privatization of Development Assistance: Symposium Overview." *The Privatization of Development Assistance Symposium*. New York: Institute For International Law and Justice, 2009. 1079-1089.

⁹⁶ Pratt, Brian, John Hailey, Michela Gallo, Rebecca Shadwick, and Rachel Hayman. *Policy Briefing Paper 31 - Understanding private donors in international development*. International NGO Training and Research Center, 2012.

⁹⁷ Ibid.

⁹⁸ Davis, Kevin E, and Sarah Dadush. "The Privatization of Development Assistance: Symposium Overview." *The Privatization of Development Assistance Symposium*. New York: Institute For International Law and Justice, 2009. 1079-1089.

⁹⁹ Little, Heidi Metcalf. "The Role of Private Assistance in International Development." *The Privatization of Development Assistance Symposium*. New York: NYU Journal of International Law and Politics, 2010. 1091-1109.

to understand where money is going and therefore will create increased coordination, an issue discussed below. It will also allow for greater oversight in program delivery to ensure it is needs driven not individual preference driven thus improving effectiveness. Lastly, a full understanding of what is occurring might increase the innovation through competition.¹⁰⁰ Many Foundations are highly transparent and feel that this increases their accountability. Some have indicated that this level of transparency is a method to seek extra funds from governments or the public.¹⁰¹

Lack of coordination/duplication

There are at least 1,000 organizations working in the area of global development.¹⁰² Due to the generosity of public and private aid donors many of the challenges facing developing countries are being worked on and resolved. On the other hand, many times global development organizations are too small and work in too many fragmented areas to make a significant impact on issues.^{103,104} The changing environment of international development comes with problems efficiency and coherency of public policy related to developmental aid.¹⁰⁵

A criticism in the field of global aid is that there is a lack of coordination among donors, including Foundations. When resources are scarce, it is important

¹⁰⁰ Ibid.

¹⁰¹ Scott, Simon, Carol Adelman, Ronen Sebag, and Carlos Asenjo Ruiz. *Philanthropic Foundations and Developmental Co-operation*. Organization for Economic Co-operation and Development, 2003.

¹⁰² Desai, Raj M, and Homi Kharas. "The California Consensus: Can Private Aid End Global Poverty." *Survival* 50, no. 4 (2008): 155-168.

¹⁰³ Ibid.

¹⁰⁴ Little, Heidi Metcalf. "The Role of Private Assistance in International Development." *The Privatization of Development Assistance Symposium*. New York: NYU Journal of International Law and Politics, 2010. 1091-1109.

¹⁰⁵ Severino, Jean-Michel, and Oliver Ray. *The End of ODA: Death and Rebirth of a Global Public Policy - Working Paper Number 167*. Center for Global Development, 2009.

that they are used as efficiently as possible to serve as many people as possible. However, the lack of coordination has caused duplication of services, an overlap in areas funded and an overburdened public sector which reflects an extremely inefficient use of donor funds.^{106,107} One example of this is in reporting requirements placed on recipients. A program may require the funding of several donors to run. Each donor will require that reporting and evaluations are done to their individual specification. The result of multiple reporting and evaluation requirements are a burden on recipients, a waste of resources and a duplication of efforts.^{108,109} Grantees are at the mercy of the funding and so often will comply with reporting requirements, but surely the use of their time would be better served operating the programs, not reporting on them. Careful record-keeping and reporting are required to ensure transparency and to ensure program requirements are made. A potential solution is to have aid organizations work together to create cohesive reporting requirements so program managers are completing one evaluation, and one report that can be shared widely.

To add to the pressure of duplications, different project will be established by individual organizations in the same country for the same issue. Metaphorically speaking, the organizations are all playing on the same field, but playing different games. The interaction among the different projects will make it difficult to establish

¹⁰⁶ Spero, Joan. *The Global Role of U.S. Foundations*. Foundation Center, 2010.

¹⁰⁷ International Trade Forum. "New Developments in Philanthropy: How Private Foundations are Changing International Development." *International Trade Forum Magazine* (International Trade Center), no. 4 (2009).

¹⁰⁸ Spero, Joan. *The Global Role of U.S. Foundations*. Foundation Center, 2010.

¹⁰⁹ International Trade Forum. "New Developments in Philanthropy: How Private Foundations are Changing International Development." *International Trade Forum Magazine* (International Trade Center), no. 4 (2009).

best practices because it will be difficult to determine what the effects of each project truly was.¹¹⁰

There is also the issue of crowding out. The Bill and Melinda Gates Foundation is working in the area of polio eradication, but does that mean that organizations such as CIDA should cease to aid either financially or through human resources in polio? Foundations should determine if their aid serves as substitute to ODA or complements existing ODA. If they are substitutes, then they will replace ODA in certain areas and work on the issues independently. On the other hand, if they are complements, then Foundations and ODA must work hand in hand in a cooperative manner.¹¹¹ Looking beyond international aid, a systematic analysis of health care spending found that in many Sub-Saharan countries as international aid was provided to the countries, domestic spending on health decreased. Here the government was allowing aid money to act as a substitute for health care.¹¹²

With a lack of coordination, recipient countries governments may find it difficult to establish budgets and coordinate the work of the international actors.^{113,114} This is because the constant state of flux that many projects are in will create recurring swings in expenditures and available programs within their countries, as well as the funding to meet these expenditures. There is a serious risk

¹¹⁰ Desai, Raj M, and Homi Kharas. "The California Consensus: Can Private Aid End Global Poverty." *Survival* 50, no. 4 (2008): 155-168.

¹¹¹ Davis, Kevin E, and Sarah Dadush. "The Privatization of Development Assistance: Symposium Overview." *The Privatization of Development Assistance Symposium*. New York: Institute For International Law and Justice, 2009. 1079-1089.

¹¹² Lu, Chunling, Matthew Schneider, Paul Gubbins, Katherine Leach-Kemon, Dean Jamison, and Christopher J L Murray. "Public financing of health in developing countries: a cross-national systematic analysis." *The Lancet* 375 (April 2010): 1375-1387.

¹¹³ Desai, Raj M, and Homi Kharas. "The California Consensus: Can Private Aid End Global Poverty." *Survival* 50, no. 4 (2008): 155-168.

¹¹⁴ Pearson, Mark. *Economic and Financial Aspects of Global Health Partnerships*. Health Resource Center, Department for International Development, DFID, 2004.

that the external funder will determine a developed country's spending and the need to sustain what is already occurring rather than what is needed.¹¹⁵ There are some cases that the gains of the aid from many sources are outweighed by the losses due to incoherence and coordination costs.¹¹⁶ The issues of lack of coordination and duplication should be considered cautionary, though they may play a negative effect in international development, there is also the possibility that the proliferation in actors in the field could spur creative problem solving and change old ways of thinking.¹¹⁷

Sustainability

Many times, solutions to problems are funded through pilot programs that are used to determine the effectiveness of the intervention. These are often expensive in both human and monetary resources and are not always successful. However, even in a successful program, the question of how the program will continue to be sustained after the pilot program ends needs to be considered.¹¹⁸ Currently, there are so many interventions running that the World Health Organization's Commission on Macroeconomics found that donors would need to provide over \$31 billion to help the continued financing of essential programs and health-system development.¹¹⁹

Questions of whether a program can be scaled up and used in other contexts, adopted by a host country's government as their own or will continue to seek out

¹¹⁵ Ibid.

¹¹⁶ Severino, Jean-Michel, and Oliver Ray. *The End of ODA: Death and Rebirth of a Global Public Policy* - Working Paper Number 167. Center for Global Development, 2009.

¹¹⁷ Ibid.

¹¹⁸ Pearson, Mark. *Economic and Financial Aspects of Global Health Partnerships*. Health Resource Center, Department for International Development, DFID, 2004.

¹¹⁹ Kates, Jennifer, Stephen Morrison, and Eric Lief. "Global Health funding: a glass half full?" *The Lancet* 368 (July 2006): 187-188.

financial aid from developmental organizations run must be addressed prior to implementation not after.¹²⁰ For example, the agricultural revolution helped millions of farmers increase crop growth and feed the world's ever-growing population. However, the programs were based on energy intensive and irrigation based farming methods that could strain water supplies.¹²¹ Though no one would deny the benefits of the new farming methods, the question of sustainability and long-term implications should have been addressed prior to new technology being introduced. How will these energy rich programs continue after the Foundation has left the area?

Foundations must also consider what will occur if they choose to stop funding a program or area of work. Who will assume the responsibility of oversight and funding? Will the Foundations provide support for the programs to obtain alternate funding? The ethical implications of stopping a program and no longer providing constituents with a service that they may need to survive should be considered before undertakings in developing countries are started. Aid provided should ideally not create a situation where grantees have become dependent on aid. It should rather provide the beneficiaries the ability to thrive on their own. For example, the Duke and Mellon Foundation's fund research capacity in the developing countries to ensure that policy is reflective of local research.¹²² This allows the building of domestic capacity that may see long-term benefits as opposed to a short term interventions and investments.

¹²⁰ Spero, Joan. *The Global Role of U.S. Foundations*. Foundation Center, 2010.

¹²¹ Spero, Joan. *The Global Role of U.S. Foundations*. Foundation Center, 2010.

¹²² Little, Heidi Metcalf. "The Role of Private Assistance in International Development." *The Privatization of Development Assistance Symposium*. New York: NYU Journal of International Law and Politics, 2010. 1091-1109.

Implication of Issues

Without argument, Foundations are committed to improving the lives of the beneficiaries of their programs and services in developing countries. The altruistic and well-meaning nature of philanthropies and their board members are undeniable. While this is the case, efforts must be made to ensure that their work does not have significant drawbacks due to the issues of accountability, duplication and sustainability discussed above. Unintended consequences are a concern when new work is done with a system or at a population level. One such consequence is the distortion of local systems when external funding is provided.

Distortion of local Systems

Despite the clear advantages of the business model found in philanthrocapitalism, some have argued that the focused nature of the solutions, a vertical approach, are not in line with the holistic view currently taken by most developmental agencies. They argue that by looking at an issue from a systems perspective, agencies are less likely to take scarce resources away from already burdened health systems, both public health and service delivery.¹²³ The holistic approach has come from failures in attempts to eradicate malaria where the learnings were that a participatory approach using empowerment, ownership, and capacity building provided more effective changes.¹²⁴ USAID completed an impact evaluation in which they identified nine successful characteristics and principles of international aid. These include:

¹²³ Pratt, Brian, John Hailey, Michela Gallo, Rebecca Shadwick, and Rachel Hayman. *Policy Briefing Paper 31 - Understanding private donors in international development*. International NGO Training and Research Center, 2012.

¹²⁴ Pratt, Brian, John Hailey, Michela Gallo, Rebecca Shadwick, and Rachel Hayman. *Policy Briefing Paper 31 - Understanding private donors in international development*. International NGO Training and Research Center, 2012.

local ownership and initiative, partnerships, leverages, flexibility, peer-to-peer approaches, technology adaption and adoption, self-reliance, continuous information feedback and lastly, risk.¹²⁵ The return to projects that provide equipment or technology such as vaccinations are necessary, however, in order to prevent the issues from reoccurring we must also address why the issues are occurring in the first place.¹²⁶ In public health, the Iceberg model of health promotion is used to consider what the underlying causes of health issues are. An example of this model for the issue of polio can be found in Appendix 3.

As a result of the vertical approach to issues, there is a risk that a set of parallel processes and duplication is created, or that local level development becomes weaker or fails.¹²⁷ There is evidence that better compensation and working conditions, as well as, increased opportunities to travel and have continuing education when working for Private Foundations and other NGOs has led to a movement towards working for donor organizations rather than local community organizations.^{128,129} Davey, Fekade and Parry commented that health care professionals must be retained in government services to make any progress towards the MDG.¹³⁰ Retaining an educated work force will help to build a successful government and its agencies and ultimately serve it's populace rather

¹²⁵ Little, Heidi Metcalf. "The Role of Private Assistance in International Development." *The Privatization of Development Assistance Symposium*. New York: NYU Journal of International Law and Politics, 2010. 1091-1109.

¹²⁶ Pratt, Brian, John Hailey, Michela Gallo, Rebecca Shadwick, and Rachel Hayman. *Policy Briefing Paper 31 - Understanding private donors in international development*. International NGO Training and Research Center, 2012.

¹²⁷ Ibid.

¹²⁸ Spero, Joan. *The Global Role of U.S. Foundations*. Foundation Center, 2010.

¹²⁹ Davey, Gail, Daniel Fekade, and Eldryd Parry. "Must aid hinder attempts to reach the Millenium Development Goals?" *The Lancet* 367 (February 2006): 629-631.

¹³⁰ Ibid.

than draining key individuals from developing countries. From this we can see that international development should be more than a simple influx of funds.

Because of the distortion, there is the possibility Private Foundations may end up with a rocky relationship with their host countries.¹³¹ As discussed above, without sustainability plans in place, the government could make it very difficult for Foundations to work in their countries. This could result in sudden withdrawal of funding and potentially a quick failure in the program.

Labour in Developing Countries

The distortion of health systems can be described using labour market effects as a key model. The lack of human resources and labour has been suggested as a key restraint in international development and aid funding could introduce these distortions.¹³² A labour market refers to the place where labour services are bought and sold.¹³³ Labour can be separated into two groups: paid employees and self-employed. A paid employee is selling their labour to an employer for a wage or salary, whereas, an individual who is self-employed, sells their labour services to themselves.¹³⁴ This distinction is important because not all labour is the same for the purpose of the following analysis. In developing countries labour may be an individual's only way of making money.¹³⁵ For that reason, in order to truly

¹³¹ Desai, Raj M, and Homi Kharas. "The California Consensus: Can Private Aid End Global Poverty." *Survival* 50, no. 4 (2008): 155-168.

¹³² Pearson, Mark. *Economic and Financial Aspects of Global Health Partnerships*. Health Resource Center, Department for International Development, DFID, 2004.

¹³³ Fields, Gary S. *Labour Market Analysis for Developing Countries*. New York: Cornell University ILR School, 2010.

¹³⁴ Ibid.

¹³⁵ Ibid.

understand the effects that programs may have in low to middle income countries, we must consider the effects that funding could have on the labour market.

Labour Market Analysis

Gary Fields has provided a five-part policy evaluation framework that will be used to review Private Foundation funding in the developing world. Table 4 provides an overview of the five steps suggested¹³⁶ and two separate analyses will be completed using this framework.

Table 4: Policy Evaluation Framework	
Step	Explanation
Policy instrument	Action that has been undertaken or that is under consideration
Model	Theoretical and empirical attempts to capture essential aspects of reality, used to determine outcomes
Outcomes	Results of policy instruments in models
Policy evaluation criteria	Criteria to show effects of policy instruments
Policy evaluation judgment	Overall judgments of policy instruments

Analysis 1

Policy Instrument

For this analysis, the action that will be evaluated is Private Foundation funding in the health sector of a low to middle income developing country. This country follows general trends seen in some Asian and Sub-Saharan African developing countries including major communicable disease outbreaks, illiteracy, poor health

¹³⁶ Ibid.

services from birth throughout the lifespan, and poor governmental systems in place to alleviate the problems.

Model

A segmented labour market model where the aggregate labour market consists of a small number of labour markets will be used to evaluate the influx of capital from Private Foundations into the health sector.¹³⁷ Here, a dualistic model will be used thereby limiting the number of segments in the aggregate labour market to two.¹³⁸ The markets that will be evaluated are the health sector and the agricultural sector. Segmented labour market theory postulates that the conditions of one market affect and are affected by conditions in other segments.¹³⁹ A supply and demand analysis will be used to show the potential effects of an influx of capital into the health sector on the individual and aggregate markets.

There are several assumptions that are being made in this model. First, we are assuming that labour can move freely between the two sectors. This may not be the case since many people in the health field are specialized to be there. However, low-level informal work may be fully transferable and so we will continue with this assumption. Second, we will make the assumption that the input of capital into developing countries will not effect the self-employment status of individuals therefore, for the purpose of this analysis we will consider the labour market as solely paid income.

Outcomes

¹³⁷ Ibid.

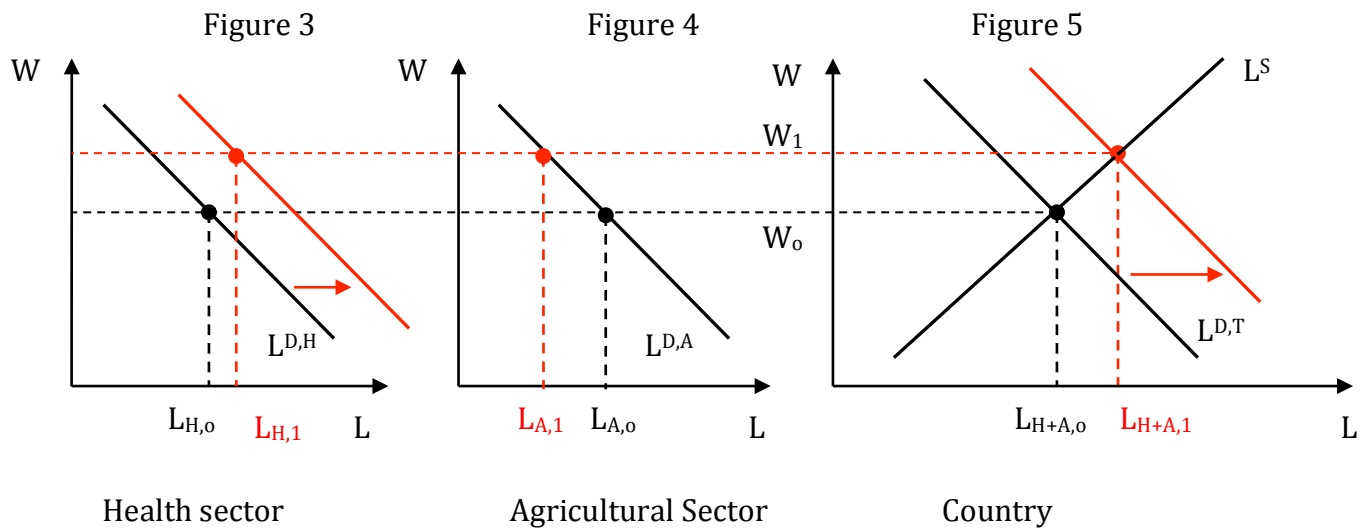
¹³⁸ Ibid.

¹³⁹ Ibid.

The following are the supply and demand diagrams representing the aggregate market of the developing country. Here, W represents the wage rate and L represents employment. The labour demand curve in the health sector ($L^{D,H}$) is in Figure 3 and the labour demand curve for the agricultural sector ($L^{D,A}$) is in Figure 4. Since an aggregate labour market is the sum of all labour markets, $L^{D,T}$ is the sum of the demand of two smaller markets giving the total labour demanded in the country. L^S represents the labour supply curve for the whole country. The market wage (W_0) rate for the country is determined in Figure 5 by the intersection of $L^{D,T}$ and L^S . At W_0 , the level of employment in the health sector is $L_{H,0}$ and the level of employment in the agricultural sector is $L_{A,0}$.

Implementing Private Foundation funding into the health sector can result in an increase in the demand for labour in the health care sector ($L^{D,H}$). This increase in demand will result in a shift to the right of the $L^{D,H}$. Once again, since the total demand curve for this economy is the sum of the labour demanded for both the markets, $L^{D,T}$ will also shift to the right. The result of this increase in labour demanded is a change in the intersection of $L^{D,T}$ and L^S corresponding to an increase in the market wage rate of the country to W_1 . The new wage rate, W_1 , will result in a new higher level of employment in the health sector $L_{H,1}$ and a lower level of employment in the agricultural sector $L_{A,1}$.

Diagrams



Policy Evaluation Criteria

The following criteria will be used to determine the effectiveness of an influx of funds into the health system of a developing country:

- Unemployment rates
- Increased wage rates
- Reduced hours worked
- Improved job security

Policy Evaluation Judgment

Figures 3,4 and 5 provide an overview of the impacts of an influx of capital on one sector of a dualistic market economy. Overall the above diagram indicates that there is an increase in the market equilibrium wage rate and more employment available. It shows that in the health sector there are more jobs at higher wages. In the agricultural sector the results are a decrease in employment because there are fewer jobs available at the higher wage rate. With that in mind, unemployment rates are considered a poor measure of labour market distress because most individuals

in the developing world aren't unemployed but rather they have very low pay rates, work long hours and their incomes are uncertain.¹⁴⁰ In fact, in many cases the unemployment rate in developing countries is lower than it is in developed countries.¹⁴¹

The effects of the influx of funding would be beneficial for those who are working in the health system because of the increase in wage rates, access to more stable employment, better working conditions and shorter working hours. In this situation donor aid could have the unintended consequence of decreasing agricultural production in the country. If the supply of agricultural goods decreases because of the reduced demand of labour at the higher wage rate, then one can assume that with a constant demand for agricultural goods, the price individuals will have to pay for their goods will increase. In countries where rampant poverty is already an issue, the increase in the costs of agricultural goods will further amplify the problems. Poor individuals will spend a higher proportion of their available capital on food thus will have less to spend in other areas including health and education. Additionally, if the developing country is an exporter of agricultural goods but can no longer afford the labour to do so, then there may be a potential loss of income for the entire country.

W. Arthur Lewis and Simon Kuznets, two revolutionary Nobel Prize-winning economists suggest that economic growth can be achieved when there is a gradual shift of individuals out of lower-paying segments into the higher-paying ones.¹⁴² The

¹⁴⁰ Ibid.

¹⁴¹ Ibid.

¹⁴² Ibid.

movement of employees from the agricultural sector to the health sector would meet this requirement in economic growth. However, the sudden influx of capital may not be associated with gradual movement, but rather stark and sudden movement. Thus, there is the potential that the opposite of economic growth can occur resulting in increased poverty or poorer health outcomes.

Analysis 2

Policy Instrument

The second analysis will describe the effects on an influx of Private Foundation capital on one health issue, malaria, in only the health labour market. Once again, the influx will be in a developing country that is a low to middle income.

Model

Similar to the model used above, this analysis will consist of a dualistic segmented model. In this analysis, the aggregate market is health and consists of malaria and the rest of health care.¹⁴³ A supply and demand analysis will be used to show the potential effects of an influx of capital into malaria on the individual and aggregate markets.

The assumptions here are again that labour can move freely between the two markets, a more logical assumption given that health care services are more transferable between services. Again, we will make the assumption that the input of capital into malaria will not effect the self-employment status of individuals and so for the purpose of this analysis, we will consider the labour market as solely paid income. Another assumption here uses the crowding out model of intersectoral

¹⁴³ Ibid.

linkages. This assumes that any worker who is not employed in the high wage part of the economy will find employment in the low wage part of the economy and that the two sectors are linked by a job searcher's behavior in that they will expect wages across both sectors to be equal.¹⁴⁴

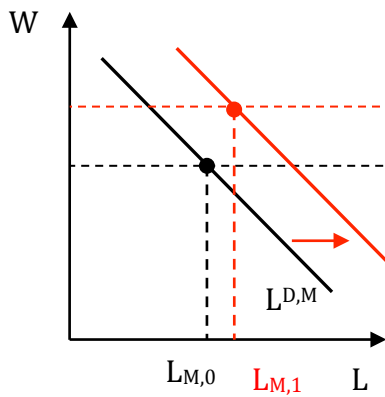
Outcomes

The health sector will be separated into two parts: malaria and the rest of health care services. Once again, W represents the wage rate and L represents employment. $L^{D,M}$ represents the demand for labour in the field of malaria while $L^{D,H}$ represents the labour demand curve in the rest of the health sector. Adding these two curves horizontally gives us $L^{D,TH}$ which is the total demand for labour in the health sector. $L^{S,H}$ is the labour supply curve for the health sector as a whole. The market wage rate (W_0) of the health sector is set by the intersection of $L^{D,TH}$ and $L^{S,H}$. At W_0 , employment in malaria is $L_{M,0}$ and the level of employment in the rest of the health sector is $L_{H,0}$. With an influx of funding into malaria, the demand for labour in malaria increases. This increase corresponds to a shift to the right in the labour demand curve ($L^{D,M}$). Since the total demand curve for the health care sector is the horizontal sum of labour demand for malaria and the labour demand of the rest of health care services, the total health care sector labour demand curve ($L^{D,TH}$) also shifts to the right. As a result, the new market wage rate in the health care sector as a whole increases to W_1 .

¹⁴⁴ Ibid.

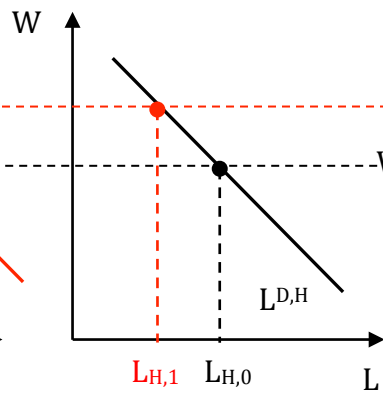
Diagrams

Figure 6



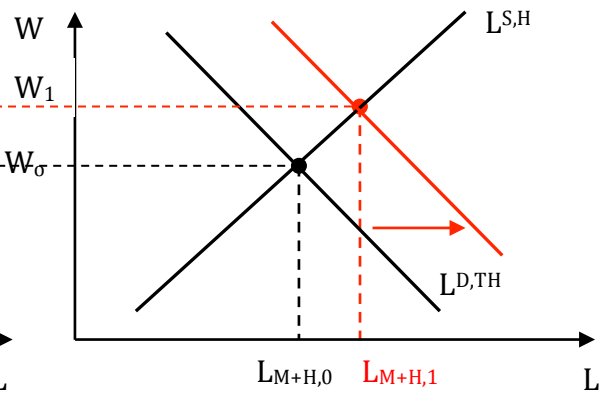
Malaria

Figure 7



Rest of Health Sector

Figure 8



Entire Health Sector

Policy Evaluation Criteria

Using the same criteria as the above analysis, the criteria that will be used to determine the effectiveness of an influx of funds into malaria are:

- Unemployment rates
- Increased wage rates
- Reduced hours worked
- Improved job security

Policy Evaluation Judgment

The overall effects in this analysis are the increase in the market clearing wage rate in the health sector of the country. An influx of funding into malaria will drive the cost of labour up in the entire health sector and as a result the individuals who occupy the positions associated with malaria will most likely enjoy the additional benefits of reduced hours worked and improved job security.

Once again, looking at all the other areas of health, we see a different story.

The high market clearing wage rate in the rest of the health care indicates that fewer

jobs will be available at the higher wage rate. If professionals are moving into one specific section of health care, then the rest of the service delivery system could be negatively impacted. For example, a general practitioner in a rural area may choose to work in malaria in an urban setting. If that general practitioner is the only health care professional available in the area, then there is the potential that an entire rural area may suffer.

Rat-race models of development indicate that if organization 'a' is able to get ahead by doing more of something, but as a result organization 'b' falls behind, the social benefits of organization 'a' may be much smaller than originally anticipated.¹⁴⁵ Using this model, if investments in malaria alone are done and as a result the remainder of the health sector is falling behind, the social benefits of malaria reduction are much smaller and potentially non-existent.

Recommendations

Despite all the possible issues that may arise when Private Foundations enter into a developing country, the work that is done can also greatly improve the country's overall health and wellness if done correctly. There are some areas where Foundations can focus their efforts to minimize any unintended harm or negative consequences.

1. Private Foundations should complete a thorough review of health and wellness issues in the beneficiary country.

¹⁴⁵ Ibid.

- This will ensure that any programs or services are targeted to the needs of that population and not an assumed need, or one imposed by a patron's assumption of need. It will also ensure that Foundations are using their money wisely and are contributing to the public good.¹⁴⁶
2. Complete a review of current programs, potential new programs, government policies and practices and services offered in the beneficiary country.
 - Understanding what is already under way in the beneficiary country will reduce program and service duplication and will help Foundations find gaps within which they can operate and provide funding.
 3. Have a sustainability plan in place and ensure that long term funding is budgeted.
 - Given that sustainability is a big issue, Foundations should plan long-term programs with exit plans and methods to ensure sustainability.
 - Human capital theory indicates that education and training improve a worker's skills, enabling them to work in different economic sectors and earn more.¹⁴⁷ If this is the case, then perhaps rather than simply sending an influx of capital into a health system or sector, individuals in developing countries should be trained so that they are able to work in different economic sectors. This solution would require

¹⁴⁶ Spero, Joan. *The Global Role of U.S. Foundations*. Foundation Center, 2010.

¹⁴⁷ Fields, Gary S. *Labour Market Analysis for Developing Countries*. New York: Cornell University ILR School, 2010.

longer term investments, however, may achieve the gradual growth and shift of employees from one sector to another that Lewis and Kuznets had alluded to in their economic development theories.

4. Assess the labour market implications and mitigate internal migration, which could cause more harm than good.
 - Foundations should look at effects within and between the sectors they are working in. They should also focus on the effects of the program on governments and community organizations. There may be value in working with those organizations rather than around them.
5. Once a Private Foundation has gone forward with a program or service, they should ensure that their funding mechanisms and programs are transparent and well evaluated.
 - This will allow the minimization of duplication of programs from other organizations working with the same target audiences and will also help to build a stronger understanding of what a successful program is.
6. Foundations should monitor the labour market trends that are occurring after their programs and services are implemented.
 - Donor aid may have created an inflated salary scale and benefits thus drawing qualified professionals away from vital roles in service

delivery and training.¹⁴⁸ As a result of this, health systems can become distorted and weakened because infrastructure and a critical mass of skills are not built up.¹⁴⁹ In rural areas, this distortion may be amplified as qualified personnel leave those areas in search for better opportunities in urban settings thus increasing poverty and ill health in those areas.¹⁵⁰ In order to minimize these effects, efforts to reduce internal migration should be undertaken. An example of this would be to have flexible positions in which an individual works part time in their rural native area and part time in an urban community.¹⁵¹

Conclusion

Given the globalization and narrowing of borders, health and wellness challenges of individuals who live in developing countries are now becoming more and more relevant to the developed world. Global public goods are now more important to ensure than at any other time in history because of increased trade and travel. Many organizations are working to ensure that mechanism are in place for developing countries to have access to these global public goods. One type of organization is a Private Foundation, who is by definition funded through their own capital. Private Foundations, like all other organizations, have their advantages and disadvantages. Their distance from governments, ability to bring innovation and risk taking, and

¹⁴⁸ Davey, Gail, Daniel Fekade, and Eldryd Parry. "Must aid hinder attempts to reach the Millenium Development Goals?" *The Lancet* 367 (February 2006): 629-631.

¹⁴⁹ Ibid.

¹⁵⁰ Ibid.

¹⁵¹ Ibid.

philanthrocapitalism are all key to their role in international development. However, they also suffer from issues of accountability, duplication and sustainability problems. A result of these issues can be explained through a labour market analysis using supply and demand diagrams. The results of the analysis indicate that funding in one vertical field can have unintended consequences of further burdening an economy or systems within a country. This is because of higher wages associated with individual employment. These higher wages make it difficult for other sectors to continue to high labour and ultimately may result in more harm being done than good. To avoid the potential harms of funding, Private Foundations can follow six key recommendations: (1) complete a thorough review of health and wellness issues in the beneficiary country, (2) complete a review of current programs, potential new programs, government policies, and services offered, (3) have a sustainability plan in place and ensure long-term funding, (4) assess the labour market implications and mitigate internal migration, (5) ensure that funding mechanisms and programs are transparent and well evaluated, and lastly, (6) monitor labour market trends.

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Appendices

Appendix 1 – Human Development Index Rank by Country

* <http://hdr.undp.org/en/content/table-1-human-development-index-and-its-components>

HDI rank	Country	Human Development Index (HDI) Value, 2013	Life expectancy at birth (years), 2013	Mean years of schooling (years), 2012 ^a	Expected years of schooling (years), 2012 ^a	Gross national income (GNI) per capita (2011 PPP \$), 2013	Human Development Index (HDI) Value, 2012
Very high human development							
	Very high human development	0.890	80.2	11.7	16.3	40,046	0.889
1	Norway	0.944	81.5	12.6	17.6	63,909	0.943
2	Australia	0.933	82.5	12.8	19.9	41,524	0.931
3	Switzerland	0.917	82.6	12.2	15.7	53,762	0.916
4	Netherlands	0.915	81.0	11.9	17.9	42,397	0.915
5	United States	0.914	78.9	12.9	16.5	52,308	0.912
6	Germany	0.911	80.7	12.9	16.3	43,049	0.911
7	New Zealand	0.910	81.1	12.5	19.4	32,569	0.908
8	Canada	0.902	81.5	12.3	15.9	41,887	0.901
High human development							
	High human development	0.735	74.5	8.1	13.4	13,231	0.733
50	Uruguay	0.790	77.2	8.5	15.5	18,108	0.787
51	Bahamas	0.789	75.2	10.9	12.6 ⁿ	21,414	0.788
51	Montenegro	0.789	74.8	10.5 ^o	15.2	14,710	0.787
53	Belarus	0.786	69.9	11.5 ^o	15.7	16,403	0.785
54	Romania	0.785	73.8	10.7	14.1	17,433	0.782
55	Libya	0.784	75.3	7.5	16.1	21,666 ^h	0.789
56	Oman	0.783	76.6	6.8	13.6	42,191 ^h	0.781
57	Russian Federation	0.778	68.0	11.7	14.0	22,617	0.777
Medium human development							
	Medium human development	0.614	67.9	5.5	11.7	5,960	0.612
103	Maldives	0.698	77.9	5.8 ^b	12.7	10,074	0.695
103	Mongolia	0.698	67.5	8.3	15.0	8,466	0.692
103	Turkmenistan	0.698	65.5	9.9 ^s	12.6 ^p	11,533	0.693
106	Samoa	0.694	73.2	10.3	12.9 ^t	4,708	0.693
107	Palestine, State of	0.686	73.2	8.9 ^o	13.2	5,168 ^{h, u}	0.683
108	Indonesia	0.684	70.8	7.5	12.7	8,970	0.681
109	Botswana	0.683	64.4 ^v	8.8	11.7	14,792	0.681
110	Egypt	0.682	71.2	6.4	13.0	10,400	0.681
111	Paraguay	0.676	72.3	7.7	11.9	7,580	0.670
Low human development							
	Low human development	0.493	59.4	4.2	9.0	2,904	0.490
145	Nepal	0.540	68.4	3.2	12.4	2,194	0.537
146	Pakistan	0.537	66.6	4.7	7.7	4,652	0.535
147	Kenya	0.535	61.7	6.3	11.0	2,158	0.531
148	Swaziland	0.530	49.0	7.1	11.3	5,536	0.529
149	Angola	0.526	51.9	4.7 ^w	11.4	6,323	0.524
150	Myanmar	0.524	65.2	4.0	8.6	3,998 ^h	0.520
151	Rwanda	0.506	64.1	3.3	13.2	1,403	0.502
152	Cameroon	0.504	55.1	5.9	10.4	2,557	0.501
152	Nigeria	0.504	52.5	5.2 ^w	9.0	5,353	0.500
154	Yemen	0.500	63.1	2.5	9.2	3,945	0.499
155	Madagascar	0.498	64.7	5.2 ^p	10.3	1,333	0.496

	Regions						
	Arab States	0.682	70.2	6.3	11.8	15,817	0.681
	East Asia and the Pacific	0.703	74.0	7.4	12.5	10,499	0.699
	Europe and Central Asia	0.738	71.3	9.6	13.6	12,415	0.735
	Latin America and the Caribbean	0.740	74.9	7.9	13.7	13,767	0.739
	South Asia	0.588	67.2	4.7	11.2	5,195	0.586
	Sub-Saharan Africa	0.502	56.8	4.8	9.7	3,152	0.499
	Least developed countries	0.487	61.5	3.9	9.4	2,126	0.484
	Small island developing states	0.665	70.0	7.5	11.0	9,471	0.663
	World	0.702	70.8	7.7	12.2	13,723	0.700

Appendix 2 – DAC Member Countries

DAC Member Countries ¹⁵²		
Australia	Greece	Poland
Austria	Iceland	Portugal
Belgium	Ireland	Slovak Republic
Canada	Italy	Slovenia
Czech Republic	Japan	Spain
Denmark	Korea	Sweden
European Union	Luxembourg	Switzerland
Finland	The Netherlands	United Kingdom
France	New Zealand	United States
Germany	Norway	

¹⁵² (Organization for Economic Co-operation and Development, 2015) - DAC

Appendix 3 – Ice berg model for Polio

