

Salzburg initiative to shake up philanthropy

Urgent need, global wealth and rapid innovation have created a unique opportunity for institutional philanthropy to become a powerful force for change and progress across the globe, but that promise is not currently being realized. This is the context in which the Salzburg Global Seminar has launched a new initiative on Optimizing Institutional Philanthropy for the 21st Century.

Philanthropic institutions are not functioning optimally, constrained by policies, accepted practice, and legal and structural limitations. While there are new actors challenging old practice, traditional institutions, and so many of the structures and policies that guide them, remain relatively stagnant. These were among the problems identified by the 25 experts and thought leaders from different regions who came

together in Salzburg in December to identify the constraints to innovation and bold practice in philanthropy and the major challenges philanthropy will be called on to address in the next 20 years.

A proposed framework for action emerged for the Initiative along the following lines:

- ▶ to advance a positive and enabling regulatory environment for global institutional philanthropic work;
- ▶ to design information systems to track philanthropic capital flows and aggregate information on the impact of those investments;
- ▶ to link this data to larger systems tracking global capital flows and social indicators to create a holistic picture of need, gaps and impact;

- ▶ to challenge current assumptions and encourage a ground-breaking assessment of philanthropy's focus and future place in society, including a course of research related to institutional structures, rules and practice for the 21st century.

For more information

Contact Nancy Smith at Salzburg Global Seminar at nsmith@SalzburgGlobal.org

For a meeting summary, prepared by Paula Johnson, go to www.SalzburgGlobal.org



Schloss Leopoldskron, where the Salzburg Seminars are held.

IFC supports growing role for private sector in African health care

According to a report from the International Finance Corporation (IFC), spending on health in Sub-Saharan Africa is likely to double over the next ten years. Investments of \$25 billion to \$30 billion will be needed, says *The Business of Health in Africa*, with about 60 per cent of this provided by the private sector, which already plays a significant role in delivering and financing health care in Africa. However, there are impediments to developing a productive private health sector, which the IFC aims to address.

These impediments include limited access to capital, burdensome regulations, shortages of skilled workers,

and a lack of risk-pooling mechanisms that can mobilize revenue for providers. To counter these, IFC will work with local businesspeople, financial intermediaries, policymakers, donors, and other stakeholders in the international community on a strategy that will involve mobilizing up to \$1 billion in investment and advisory services over the next five years. The elements of this strategy include:

- ▶ creating an equity investment vehicle (\$100 million to start and up to \$350 million over five years) to provide socially responsible private health care organizations with better access to equity and expertise;
- ▶ partnership with local financial institutions to improve access to

long-term debt for health care organizations (\$400 million to \$500 million over five years);

- ▶ providing advisory services to build capacity in local financial intermediaries and the health care organizations they lend to;
- ▶ expanding the education of health care workers;
- ▶ encouraging the development of risk-pooling.

Since the launch of the report in December 2007, IFC and the World Bank have embarked on a major campaign to build support for the strategy, mainly in Europe, Africa and the US.

For more information

Contact Ludwina Joseph at Ljoseph@ifc.org or visit www.ifc.org