



Statement of Mr. Bill Gates

The 39th Annual Meeting of the IDB Board of Governors
Jeddah – Kingdom of Saudi Arabia
26-28 Sha'baan 1435H (24-26 June 2014)

Original Text

English

I am honored to be here with the Crown Prince Salman bin Abdulaziz Al Saud.

To all who are gathered here – Minister Al-Assaf and all of the other national finance ministers; Dr. Ali; bank directors; distinguished guests – good morning, As-Salaam-Alaikum. **[uh-suh-LAAM uh-aLAY-kum]**

It was an honor to join you yesterday for the celebration of the Islamic Development Bank's 40th anniversary, and to help commemorate all you have achieved.

I am glad to be here today as we get more specific about how this bank and its global partners will cooperate in the years ahead. Our foundation is proud to be one of those partners.

Our work together focuses on two areas: health and agriculture. These two areas are extremely powerful catalysts for broader economic development, across the Islamic world and beyond. I'll talk briefly about each of them in turn.

First, health. I know this is a growing area of commitment for the bank. Our foundation is always ready to partner with you in this area, because we know that investments in health bring outsized returns.

Recently, Larry Summers, the former U.S. Secretary of the Treasury, chaired a group looking deeply into the data about the impact of health investments – and came to a striking conclusion.

They determined that humanity now has – for the first time in history – the ability to remove major health inequalities between rich and poor countries, so that every person on Earth has an equal chance at a healthy and productive life. This can be achieved within a generation from now.

They concluded that the best way to achieve this was by aggressively tackling HIV/AIDS, tuberculosis; malaria; neglected tropical diseases; and maternal and child health conditions – and focusing on communities with the greatest needs, especially poor, rural areas.

The commission also found a strong connection between health and national prosperity. Its report stated that about 11 percent of the economic growth in low-income and middle-income countries from 1970 to 2000 resulted from reductions in adult mortality.

As we all know, ill health and high mortality are not just manifestations of poverty – they are major contributors to poverty. For example, malaria strikes more than 200 million people each year. Roughly 625,000 of them die. The rest suffer a debilitating illness that saps their ability to work – and, in children, can lead to lifelong mental impairment.

The economic toll of this one disease is untold billions of dollars in lost productivity each year – much of it across your member nations.

What all of this suggests is that this bank has a colossal opportunity to make a historic difference in the health and development of its 56 member states.

We can start to realize the economic benefits of better health by focusing on the most fundamental of health interventions: childhood vaccines.

Among your 56 countries, childhood health is very good in some, and can improve significantly in others. By getting new vaccines out, and getting vaccine coverage up, we can help more children grow up to live healthy, productive lives – contributing to the prosperity of their economies and the strength of their societies for decades to come.

That is an immense opportunity, and we can seize it – right now.

To understand the power of this bank to make a huge difference in children's lives, consider the campaign against polio.

If I had to identify a single highest priority for the work of my foundation – out of all the things we do around the world – it would be the eradication of this horrific disease.

It remains endemic in three of your member nations – Pakistan, Afghanistan, and Nigeria. In addition, the disease has broken out in other parts of the Muslim world, including Syria and Iraq.

In the endemic nations, progress has been uneven. We are reaching more children in northern Nigeria, though violence in the northern states of Borno and Yobe is a concern. In addition, access is still fragile in the Federally Administered Tribal Areas of Pakistan, and in eastern and southern Afghanistan.

To end the scourge of polio once and for all, we need partners who can operate with real understanding and credibility in the societies where vaccination efforts are taking place.

The Islamic Development Bank is such a partner, and I am honored that our foundation has teamed with you on an innovative \$227 million financing mechanism to support the Polio Eradication Initiative in Pakistan.

Most recently, the bank approved a \$1 million grant to pay for polio campaigns in northern Syria, where United Nations affiliates are unable to fund activities because the government is not in control in those areas.

The bank has waged a noble campaign to defeat the misperceptions and fears that stymie vaccination efforts. You have convened Islamic scholars – first in Jeddah, and then last week in Islamabad – calling for Muslims to ensure their children are vaccinated. This work is crucial to the success of the program, and we couldn't possibly do it ourselves.

We've seen the bank's leadership not only on polio, but on a range of other global-health issues, many of which are also high priorities for our foundation – including maternal and child health; malaria control; HIV/AIDS treatment and prevention; and water and sanitation programs.

I know that Dr. Ali has mentioned malaria as his personal priority after polio eradication – and that he and the bank have worked with the Global Fund to jointly support activities in your member countries.

Most recently, the bank signed a memorandum of understanding with the GAVI Alliance to partner on the introduction of children’s vaccines, with an initial focus on diarrhea and pneumonia.

I applaud the bank’s growing focus on health interventions. As you form your new strategy, I hope you take an ambitious view of your role in bringing health equity to your member nations. Because health equity is a powerful catalyst of economic equity.

Which brings me to the other priority I mentioned – agriculture.

Agricultural productivity is one of the most effective anti-poverty measures there is. Helping smallholder farmers grow more crops will raise their incomes. It will also help them feed their children more – and more nutritious – food.

One of our first collaborations with the bank was in agriculture, through our joint assistance for the Alliance for a Green Revolution in Africa. The bank released \$68.5 million of financing that was aligned with our grants to that outstanding organization.

This program aims to increase the productivity of smallholder farmers by helping farmers keep their soil healthy; get the seeds they need; and reach the markets where they can sell their crops.

Improved agricultural productivity also bolsters food security at the national level. This is an important issue for many of your member countries – especially those that are experiencing rapid growth or sudden shifts in population.

Then there are the effects of climate change, which disrupts normal water cycles and weather patterns – and reduces the productivity and nutritional value of crops. In concert with other factors, these are potentially destabilizing forces, as we have already seen in Syria.

One way to address the food-security challenge is to invest in technologies and techniques that allow farmers – particularly the small farmers who constitute such a large share of the population in so many of your countries – to get more value from their land.

With the latest seeds, and with improved methods that allow farmers to generate a crop more efficiently, we have an incredible opportunity to improve productivity.

I encourage you to take advantage of that opportunity in your upcoming strategic plan, because improvements in the agricultural sector bring returns across so many measures of human well-being.

I’d like to wrap up with a few words about finance – about how this bank exercises leadership in the funding of all this important work.

The good news is that with many countries rapidly becoming wealthier, they will have the resources to bring about major improvements – including the economic gains that result from better health and higher levels of agricultural productivity.

However, those returns are often dispersed and unpredictable, meaning that resource-constrained governments cannot bank on a quick improvement of their fiscal position to pay back loans at market rates.

That is why I am so supportive of the bank's desire to increase the amount of financing it provides with little or no markup. Expanding access to concessional finance will be crucial to allowing more of the bank's resources to go where they are most needed, and I know many of you have a strong desire to achieve that aim.

However, the balance sheet of ordinary resources can only stretch so far. That's why we've been working with the bank to come up with a new paradigm for its financing, through partnerships with government aid agencies, philanthropists, and the private sector.

Building on the success of the loan to Pakistan, we are working to build a much bigger pool of capital – reaching up to \$2.5 billion – which the bank would direct toward programs in global health and agriculture, as well as for infrastructure serving the poor.

The markup for these projects would be paid for by a \$500 million pool of grant funding, to which our foundation would guarantee a 20 percent contribution.

This facility will bring a huge amount of new, sharia-compliant financing with no markup to the people who need it most. It is a historic innovation in development finance.

I am deeply honored to participate in it, and invite others to do the same.

I am also honored to recognize you – the leaders of the Islamic Development Bank – for your vision and your commitment to the well-being and progress of so many.

The new 10-year strategy gives you an opportunity to think creatively about how to build upon all you have achieved over the past four decades.

And you're doing this at a moment when new innovations – in health, agriculture, and other areas – are making it possible to realize extraordinary gains in human development around the world.

I know you see this opportunity – and I hope you will always see our foundation as a partner in advancing the well-being of people throughout your member nations.

Thank you.