

EVERY PERSON
DESERVES
THE CHANCE
TO LIVE
A HEALTHY,
PRODUCTIVE
LIFE.



BILL & MELINDA
GATES foundation



Students between classes at YES College Preparatory School (Houston, Texas, 2007).

TOGETHER WE WILL APPLY NEW THINKING TO BIG PROBLEMS AND FIND SOLUTIONS FOR PEOPLE WITH THE MOST URGENT NEEDS.

Our friend and co-trustee Warren Buffett once gave us some great advice about philanthropy: “Don’t just go for safe projects,” he said. “Take on the really tough problems.”

We couldn’t agree more. As you’ll see in the following pages, our foundation is teaming up with partners around the world to take on some tough problems: extreme poverty and poor health in developing countries, the failures of America’s education system. We focus on only a few issues because we think that’s the best way to have great impact, and we focus on these issues in particular because we think they are the biggest barriers that prevent people from making the most of their lives.

For each issue we work on, we fund innovative ideas that could help remove these barriers: new techniques to help farmers in developing countries grow more food and earn more money; new tools to prevent and treat deadly diseases; new methods to help students and teachers in the classroom. Some of the projects we fund will fail. We not only accept that, we expect it—because we think an essential role of philanthropy is to make bets on promising solutions that governments and businesses can’t afford to make. As we learn which bets pay off, we have to adjust our strategies and share the results so everyone can benefit.

We’re both optimists. We believe by doing these things—focusing on a few big goals and working with our partners on innovative solutions—we can help every person get the chance to live a healthy, productive life.

Bill Gates Melinda F. Gates

Bill Gates and Melinda F. Gates
Co-chairs



Bill and Melinda Gates at Lee High School during the Texas learning tour (Houston, Texas, 2008).

TAKING ON BIG PROBLEMS



Tembo Kelvin, lab assistant at the National TB Reference Laboratory (Lusaka, Zambia, 2009)

Certain problems affect millions of people—low crop yields in Africa, diseases in developing countries, low high school graduation rates in the United States. By taking on big problems, we make the most of our efforts and resources.

More than a decade ago, Bill and Melinda Gates read a newspaper article about the millions of children dying each year in poor countries from diseases that people in the United States don't have to worry about. One disease in particular—rotavirus—caught their attention, and it was killing half a million children each year. They'd never even heard of rotavirus. They thought it might be a typo. As Bill told journalist Bill Moyers, "Plane crashes are always front page news, but this is killing half a million kids a year and I had never even heard of it." Rotavirus is one of the main causes of diarrhea. When kids in the United States get diarrhea, their doctors give them electrolytes. When kids in the developing world get it, they often die.

Bill and Melinda started out making grants in global health, Pacific Northwest projects, and U.S. libraries. They eventually expanded the scope of their giving to include U.S. education and global development. In 2006, Warren Buffett surprised them with a pledge of most of his shares in Berkshire Hathaway, effectively doubling the foundation's annual grantmaking and potential impact. They were honored and humbled by this gift. As Melinda said when Warren announced his decision, "We feel an incredible responsibility. When you give away your own wealth, it's one thing, but to give away the body of somebody else's life's work is really quite something."

We partner with people and organizations worldwide to tackle critical problems in three program areas.

The Global Development Program explores the best opportunities to help the world's poorest people lift themselves out of hunger and poverty.

The Global Health Program aims to harness advances in science and technology to save lives in developing countries.

The United States Program focuses on providing greater opportunity by improving U.S. high school and postsecondary education, access to information, and stable housing.

Each program has three key functions: **grantmaking, grant management, and advocacy.**

We set clear grantmaking priorities based on each program's areas of focus. In our priority giving areas, we partner with grantees working on long-term solutions for people with the most urgent needs. We award the majority of our grants to U.S. 501(c)(3) and other tax-exempt organizations. Grantees and partners then work with beneficiaries in the field.

We know that our resources alone are not enough. That's why we advocate and form partnerships. In our advocacy efforts, we

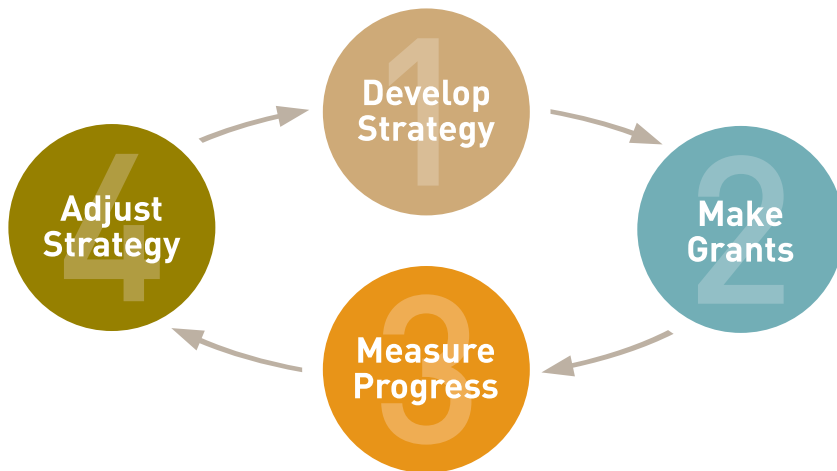
work to raise public awareness of the issues we focus on and encourage inspiring action at all levels, whether it's sharing a personal story, launching a creative business initiative, or committing to increased government funding.

As you'll see in the stories from the field that follow, we are making exciting progress toward our goals. In partnership with individuals, governments, businesses, and nonprofits, we have already begun to help people improve their lives.

OUR APPROACH TO GIVING

Our approach to giving emphasizes partnership, innovation, risk, and, most importantly, results. Achieving the results we want requires the flexibility to learn from mistakes and adjust strategy accordingly.

Our grantmaking process involves four key steps: developing strategy, making grants, measuring progress, and adjusting strategy.



STEP ONE: Develop Strategy

Before making a single grant, we attempt to identify which problems in our three program areas cause the most harm and receive the least attention. Program areas carefully consider the costs, risks, long-term viability, and possible impacts of each potential solution. For each opportunity, we consult with external experts to develop a strategy and budget, articulate desired outcomes, and create a plan to measure short- and long-term results. Co-chairs Bill and Melinda Gates and CEO Jeff Raikes then review and approve the strategy.

STEP TWO: Make Grants

After receiving approval, we focus on finding partners and grantees that are best qualified to implement the strategy. In most cases, we make grants and establish formal agreements that specify target outcomes. Most grants go to large intermediary partners, organizations that fund and support those working in the field. These intermediaries have years of experience and help make sure our investments have the intended impact.

STEP THREE: Measure Progress

After making a grant, we require each grantee to measure and report on its work at least once a year. We also assess progress toward our own goals each year.

Every one to two years, we take stock of our overall strategy and the extent to which we have accomplished our key goals.

- Third-party evaluations provide in-depth findings on the effectiveness of the work. In some cases, we evaluate specific grants. In others, we review entire programs.
- Outside advisors and experts help us examine our efforts and provide honest counsel.
- By talking with those we intend to help—our ultimate beneficiaries—we are able to assess whether we are meeting their needs.

STEP FOUR: Adjust Strategy

After we gather feedback, our program presidents and CEO decide whether to continue on the same course or adjust strategy. Bill and Melinda review and approve all major strategic changes.



A doctor reviewing a chest X-ray for TB at the HIV Outpatient Department (OPD) at the Sir J. J. Group of Hospitals (Mumbai, India, 2008).



Recipients of scholarships from The Posse Foundation at the Bronx Lab School's Evander Childs Educational Campus (Bronx, New York, 2008).



Children reading at the Ti-Tree Library and Knowledge Centre (Northern Territories, Australia, 2007).



TOGETHER WE WILL COMBAT POVERTY WITH BETTER AGRICULTURE.

By **2025**, working with partners, we aim to help **150 million** of the world's poorest families **lift themselves** out of extreme poverty.

*New varieties of cassava released by the Kizimbani Agricultural Research Station
flourishing in Ameir Salun's fields in Machui Village (Zanzibar, Tanzania, 2009).*



Josephine Mueni Samuel inspecting a cassava root from a demonstration field supported by the Alliance for a Green Revolution in Africa (AGRA) and the Kenya Agricultural Research Institute (KARI) in Kiboko (Machakos District, Kenya, 2009).

GLOBAL DEVELOPMENT PROGRAM



A mother and child near a mobile banking vehicle in Michinji, about 120 kilometers west of Lilongwe (Malawi, 2008).

Through a major grant to the Alliance for a Green Revolution in Africa (AGRA), we plan to help 4.1 million farm households increase their yields by 50 to 100 percent by 2013. Working with farmers to improve crop yields is just one way the Global Development Program will accomplish the goal of helping people lift themselves out of hunger and poverty. Together with our partners we are making progress in many areas, including agricultural development; financial services; water, sanitation, and hygiene; emergency relief; and access to computers and the Internet.

AREAS OF FOCUS

Agricultural Development

Three-quarters of the 1.1 billion people in extreme poverty live in rural areas, and most of them rely on agriculture for their food and income. We work to help small farmers in Sub-Saharan Africa and South Asia boost their productivity, increase their incomes, and build better lives for their families.

Financial Services for the Poor

Financial services, such as savings accounts, insurance, and loans, help people improve their lives, but billions of people in the developing world don't have access to them.

We work to make safe, affordable financial services—particularly savings accounts—more widely available to people in developing countries. Such services enable people to live healthier, more productive lives, better manage risks, and build household financial security.

Water, Sanitation, and Hygiene

Unsafe water and poor sanitation and hygiene are leading causes of illness and death in the developing world, especially among children. We're working with our partners to help millions of people gain access to safe and sustainable sanitation and improve the quality of their water and hygiene.

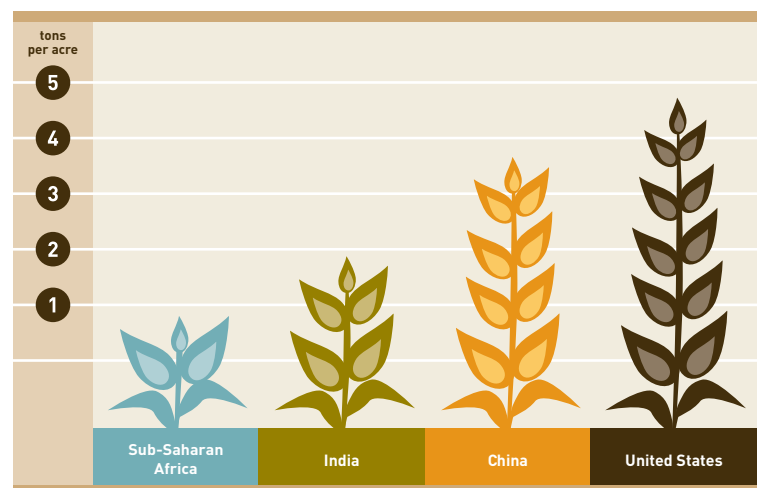
Global Libraries

Most of the world's population lacks access to computers and the Internet, leaving them without powerful tools needed for education, business, and other opportunities. We're working with partners to provide free access to computers and the Internet in thousands of public libraries in emerging economies.

Special Initiatives

There are other ways to help people in the developing world lift themselves out of poverty and hunger. That's why we also make focused, innovative, and results-driven investments in partnerships we believe can have an impact on people's lives. We help international relief agencies respond to disasters with basic emergency needs, such as food, water, and shelter. We fund efforts to combat urban poverty. We continue to explore other initiatives that we believe can make a difference.

Average Cereal Yield by Country



Cereal farmers in the United States produce about five times more per acre than those in Sub-Saharan Africa.

Source: Food and Agriculture Organization. *The State of Food Insecurity*. 2009.



Sebulega John Bosco inspecting coffee plants on his farm (Busimbi, Uganda, 2009).

Story from the Field:

SEBULEGA JOHN BOSCO AND THE GREEN REVOLUTION

Meet Sebulega John Bosco, a soft-spoken farmer from a small village in rural Uganda. There are many things Sebulega can't control. He knows he can't just snap his fingers and make it rain. He knows he can't just wish away diseases and pests. He knows he can't completely change the policies that guide agriculture in his country.

But there are some things Sebulega can control. The quality of the seeds he plants. The fertilizer he uses to help them grow. His understanding of how to make the most of his labor and land. For these things, he turns to agrodealer Annet Mubiru, a local businesswoman who sells supplies to the agricultural community.

Annet has received extensive agricultural training thanks to support from the Alliance for a Green Revolution in Africa (AGRA). She has also received specific professional training in such areas as bookkeeping and business development to make sure she can keep her shop up and running. Thanks to Annet's training and certification, small farmers like Sebulega know they're getting genuine products and sound advice.

The proof is in the yield. The supplies and advice Sebulega has received from Annet have helped him increase his bean yield from approximately 1 ton per acre to 2.5 tons per acre. That kind of success makes all the difference in the world to Sebulega and his family.

Sebulega's is just one life, one story—one fortunate enough to be headed in the right direction. But close to a billion people worldwide are living in extreme poverty. They suffer from chronic shortages of basic necessities, such as food, clean water, shelter, and sanitation. They have no access to even the most basic financial services. By making wise investments in programs that help farmers help themselves, we believe we can take part in providing everyone an opportunity to be as prosperous as Sebulega.



Agrodealer Annet Mubiru, owner of Anema Vet Consult Ltd. and member of Uganda National Agro-input Dealers Association (UNADA), inside her agricultural supply shop (Mityana, Uganda, 2009).



Annet Mubiru visiting the farm of Sebulega John Bosco to check the progress of his newest banana plants (Busimbi, Uganda, 2009).

TOGETHER WE WILL SAVE THE LIVES OF MILLIONS OF CHILDREN.

By 2025, we will immunize **90 percent** of children against diseases like measles, pneumococcal pneumonia, and rotavirus.





A child being vaccinated against measles in the Babile district during an Enhanced Outreach Strategy (EOS) campaign organized by UNICEF and funded by the Global Fund (Ethiopia, 2005).

GLOBAL HEALTH PROGRAM



Dr. Tokugha, who is HIV+, attends to an HIV+ patient in the ward at YRG Care (Chennai, India, 2008).

Across our initiatives, we aim to harness advances in science and technology to save lives in developing countries. We work with partners to deliver proven tools, such as vaccines, drugs, and diagnostics, and invent new solutions where they don't exist. We invest heavily in vaccines in the hope that one day they can be used to prevent HIV, malaria, and tuberculosis; wipe out polio; and help save children from dying of diarrhea and pneumonia.

AREAS OF FOCUS

Enteric and Diarrheal Diseases

We are working to develop and deliver low-cost interventions that prevent and treat diarrhea-related illness in the developing world.

Family Planning

We are improving health and saving lives by providing families access to voluntary family planning services and contraceptives.

HIV

We aim to reduce new HIV infections by delivering proven prevention tools and strategies and advancing research and development on new prevention technologies.

Malaria

With proven control programs and promising new research, we are making headway against the eventual goal of malaria eradication.

Maternal, Neonatal, and Child Health

We are advancing the use of practical tools and strategies to reduce the number of mothers and newborns who die during and immediately after childbirth.

Neglected and Other Infectious Diseases

We are working with our partners to reduce the burden of neglected diseases, such as guinea worm and river blindness.

Nutrition

Our efforts focus on preventing malnutrition in young children to ensure proper physical and cognitive growth and improve disease resistance.

Pneumonia

Through improved access to affordable vaccines, we can significantly reduce the number of children in developing countries who contract pneumonia.

Polio

With our partners in the Global Polio Eradication Initiative, we are exploring every avenue to help eradicate this crippling disease.

Tobacco

By accelerating the adoption of strategies to prevent and reduce tobacco use, we aim to reduce the occurrence of tobacco-related disease in developing countries.

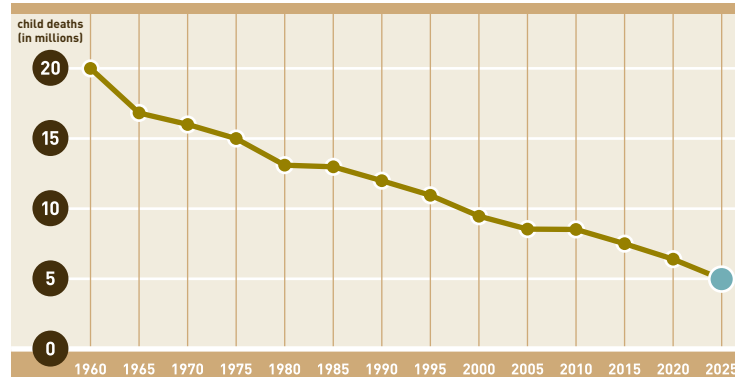
Tuberculosis

With our partners we are developing and introducing new ways to prevent, diagnose, and treat tuberculosis.

Vaccines

Our efforts focus on the discovery, development, and delivery of vaccines, which offer the greatest and most cost-effective way to prevent disease.

Reducing Deaths Among Children Less Than 5 Years Old



The global mortality rate for children less than 5 years old has declined by half over the past 50 years. With the help of vaccines, malaria drugs, and bed nets; improved care for newborns; and better access to diarrhea and pneumonia treatments, it is possible to cut the rate in half again by 2025.



Jorge Luis Alvarez and his 2-year-old daughter Skarla at La Mascota Hospital in Managua (Nicaragua, 2009).

Story from the Field:

JORGE LUIS ALVAREZ AND THE FIGHT AGAINST ROTAVIRUS

“As a dad, I work to protect my kids, but sometimes I worry,” says 38-year-old Jorge Luis Alvarez, a construction worker and proud father of four from Nicaragua.

Jorge Luis has brought his youngest, 2-year-old Skarla Alvarez Zuniga, to La Mascota Hospital in Managua to receive treatment for vomiting and diarrhea. Most days, Skarla’s mother takes care of her, but Jorge Luis is happy to have the day off to be with his daughter at the hospital.

Skarla has symptoms of rotavirus, an easily transmitted gastrointestinal disease that causes rapid dehydration and often death among infants and young children in developing countries. Diarrheal illness kills 2 million children a year worldwide. Rotavirus—though preventable and treatable—is the leading cause of those deaths.

Fortunately, thanks to the hard work of the GAVI Alliance and others, children like Skarla are receiving vaccines for rotavirus that will dramatically reduce the number of deaths this little-known illness causes. Since 2006, Nicaragua has vaccinated more than 80 percent of children under 5, using horses, donkeys, and boats to reach the country’s most remote areas. The most serious rotavirus cases have plummeted 77 percent.

In May 2009, the World Health Organization recommended that all countries include rotavirus vaccinations in their immunization programs. The GAVI Alliance plans to introduce rotavirus vaccine to 44 of the world’s poorest countries by 2015.

Skarla has received the necessary rotavirus vaccines, so she has avoided the worst of the disease. “We are going home today,” Jorge Luis says with a smile. “If she hadn’t been vaccinated, she’d be a lot worse.”

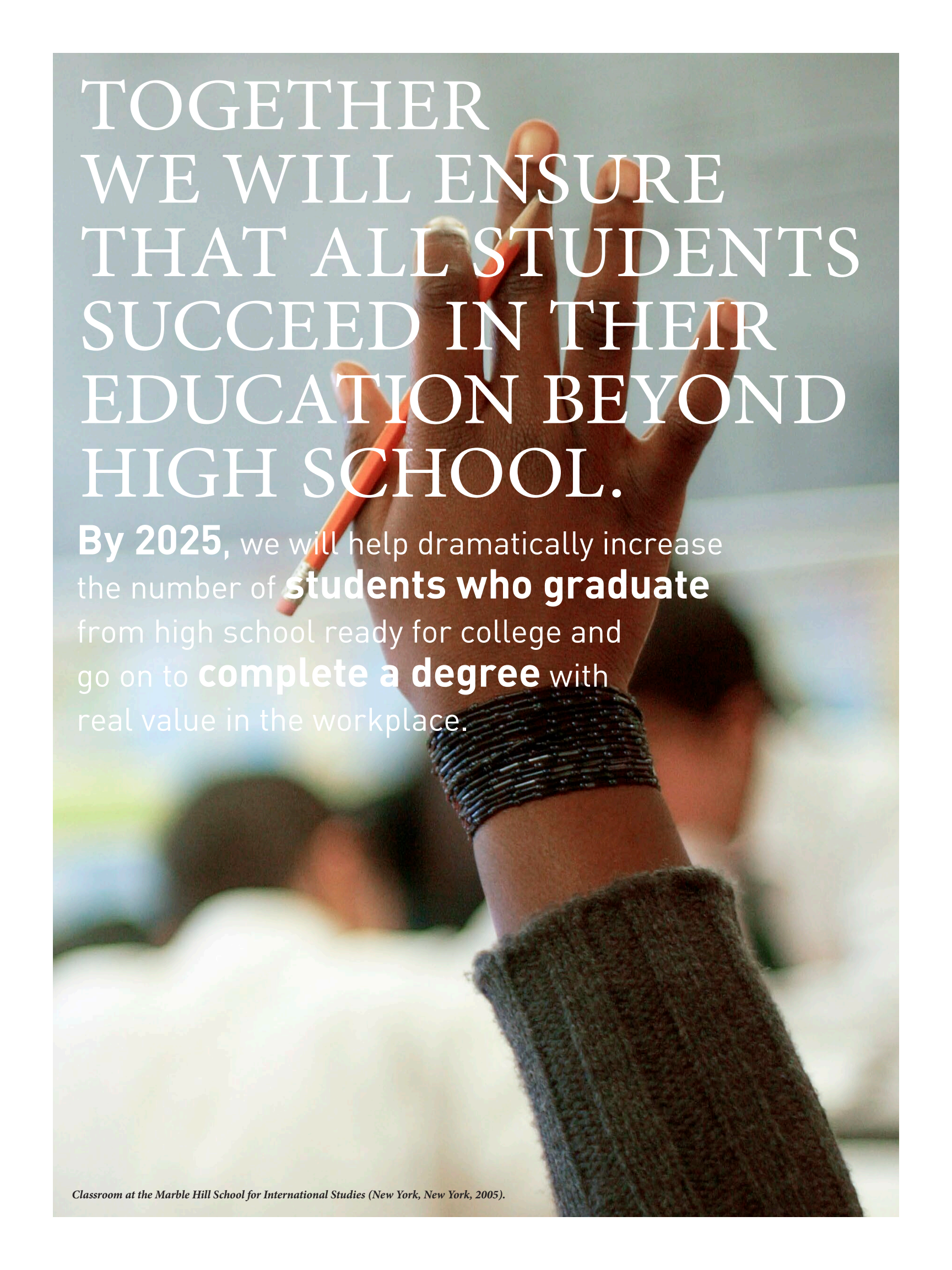
“I want everything for Skarla. She is my princess. I want her to grow to be a strong and determined woman—a superstar.”



A health worker holding a baby recovering from severe diarrheal disease at Hospital Infantil Manuel de Jesús Rivera, a pediatric care center in Managua (Nicaragua, 2009).



Campeños (farmers) using horses to transport rotavirus vaccine to remote communities in the northern highlands inaccessible to motorized vehicles (Corozal, Nicaragua, 2009).



TOGETHER
WE WILL ENSURE
THAT ALL STUDENTS
SUCCEED IN THEIR
EDUCATION BEYOND
HIGH SCHOOL.

By 2025, we will help dramatically increase the number of **students who graduate** from high school ready for college and go on to **complete a degree** with real value in the workplace.



Student at his graduation from South Brooklyn Community High School (Brooklyn Heights, New York, 2008).

UNITED STATES PROGRAM



Physics lab at Central Piedmont Community College (Charlotte, North Carolina, 2009).

Our primary focus in the United States is to ensure that all students graduate from high school prepared for college and go on to complete a postsecondary credential that has value in the workplace. We work with partners to tackle the difficult problems surrounding this effort. Through public policy and communications, we work to advance the foundation's programmatic goals by building public and political will to scale solutions that work.

AREAS OF FOCUS

Education

We are working with partners to advance reforms that will benefit all students, particularly those in underserved communities.

Our goals include:

- establishing rigorous, clear standards for student achievement
- empowering effective teachers
- supporting accelerated academic catch-up to shorten time to degree completion
- promoting alternative financial aid policies that reward completion
- researching and identifying data that provides educators, parents, students, and policymakers the information they need to succeed

We also fund college and graduate school scholarships for outstanding low-income students across the country and support high-quality early learning programs in Washington state.

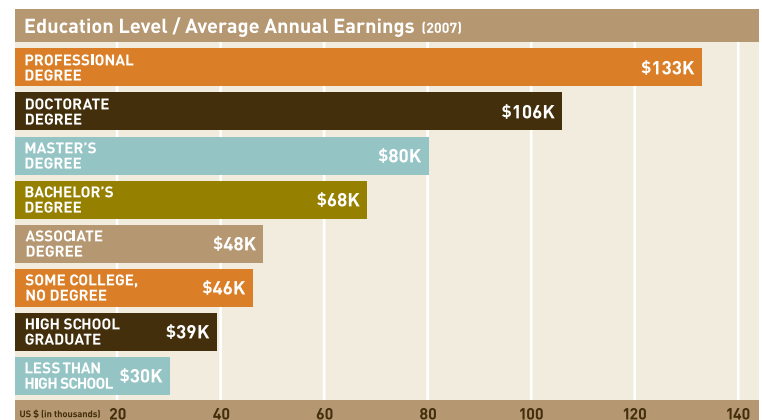
U.S. Libraries

We support efforts to provide and sustain free access to computers and the Internet in public libraries across the country.

Pacific Northwest

We assist struggling families by supporting innovative community organizations in the Pacific Northwest, where the foundation makes its home. In particular, we focus on efforts that help break the cycle of family homelessness in the region.

Education Creates Opportunity



Source: U.S. Census Bureau. Current Population Survey (CPS). *Educational Attainment—People 25 Years Old and Over, by Total Money Earnings in 2007, Work Experience in 2007, Age, Race, Hispanic Origin, and Sex.* 2008.



Teesha Hubbard with her children Jordyn and Gus at their home in the Croft Place transitional housing complex (Seattle, Washington, 2009).



Mission Early College High School juniors, including Andrea Magaña (fourth from the left), receiving associate degrees from El Paso Community College (El Paso, Texas, 2009).

Story from the Field:

ANDREA MAGAÑA AND THE EARLY COLLEGE MOVEMENT

For years, 17-year-old Andrea Magaña has watched her Mexican immigrant parents struggle to make a decent wage in the United States. Most high-paying jobs require a postsecondary education, something many in her parents' position do not have.

Last spring, Andrea took an important first step toward transforming her future when, as a high school junior, she donned a cap and gown—for her college graduation.

Her achievement is part of an emerging early college movement—an effort aimed at helping more low-income and minority students defy the odds and complete their postsecondary education. Andrea's accomplishment wasn't an isolated one at Mission Early College High School in El Paso, Texas—thanks to the Texas High School Project (THSP), a foundation grantee. Twenty-two other juniors also received their associate degrees.

The concept took off in 2002 when the foundation, other philanthropic leaders, and state and local agencies supported a group of educators in doing what seemed counterintuitive: instead of putting low-income youth and prospective first generation college students in watered-down high school classes to catch up, why not challenge them to exceed expectations?

Over the past seven years, more than 200 early college high schools have opened in 24 states. According to Jobs for the Future, the national group coordinating the early college initiative, of the 2,258 graduates of early college high schools open four or more years, 40 percent have graduated with more than a year of college credit. More importantly, 81 percent have enrolled immediately in two- and four-year colleges.

"Being 14 years old in a college environment, we were all kind of scared at first," said Andrea. "But it just makes you mature fast. I learned I'm capable of doing anything I'm asked to do. So many doors have opened for me because of this school."

This fall, Andrea started coursework at the University of Texas at El Paso (UTEP). She is currently taking five classes at UTEP and two at her high school. While exhausted much of the time, she is also determined.

"I really believe it's going to pay off in the end," she said.

www.gatesfoundation.org/education



Teacher with students at TechBoston Academy (Boston, Massachusetts, 2009).



Biology class at Mountain View Early College High School (Dallas, Texas, 2008).

TOGETHER WE CAN HELP PEOPLE IMPROVE THEIR LIVES.

Governments, businesses, organizations, and individuals are coming together to tackle some of the world's most complex problems. The past decade has shown us that we can make rapid progress toward a world where everyone has the chance to lead healthy and productive lives. But we still have a lot of work to do.

To learn more about our organization, programs, areas of focus, and grantees, visit us at www.gatesfoundation.org. There you can join in on conversations about our mission and topics, follow us on Twitter, or become one of our Facebook fans.

Thank you for your interest in the Bill & Melinda Gates Foundation.



Maya with her children in Rampur Ashu, one of the villages in Uttar Pradesh where the Sure Start project is active (Hardoi, India, 2007).

www.gatesfoundation.org

PO Box 23350, Seattle, WA 98102 | +1.206.709.3100 | info@gatesfoundation.org

© 2010 Bill & Melinda Gates Foundation. All Rights Reserved. Bill & Melinda Gates Foundation is a registered trademark in the United States and other countries.