

Health innovation, venture capital and impact investment

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Trade involves the transfer of the ownership of goods or services from one person or entity to another in exchange for other goods or services or for money. (Wikipedia)

Hank Green was interviewed on Adam Hills Tonight (Channel ABC).
(A Beginners Guide to Free to Air TV)

It's a free trade agreement currently under negotiation between 12 countries located on the Pacific Rim.
(An Idiot's Guide to the TPP)



SUSTAINABLE DEVELOPMENT GOALS

1 NO POVERTY



2 ZERO HUNGER



3 GOOD HEALTH AND WELL-BEING



4 QUALITY EDUCATION



5 GENDER EQUALITY



6 CLEAN WATER AND SANITATION



7 AFFORDABLE AND CLEAN ENERGY



8 DECENT WORK AND ECONOMIC GROWTH



9 INDUSTRY, INNOVATION AND INFRASTRUCTURE



10 REDUCED INEQUALITIES



11 SUSTAINABLE CITIES AND COMMUNITIES



12 RESPONSIBLE CONSUMPTION AND PRODUCTION



13 CLIMATE ACTION



14 LIFE BELOW WATER



15 LIFE ON LAND



16 PEACE, JUSTICE AND STRONG INSTITUTIONS



17 PARTNERSHIPS FOR THE GOALS



SUSTAINABLE DEVELOPMENT GOALS

Trade

17.10 Promote a universal, rules-based, open, non-discriminatory and equitable multilateral trading system under the World Trade Organization, including through the conclusion of negotiations under its Doha Development Agenda

17.11 Significantly increase the exports of developing countries, in particular with a view to doubling the least developed countries' share of global exports by 2020

17.12 Realize timely implementation of duty-free and quota-free market access on a lasting basis for all least developed countries, consistent with World Trade Organization decisions, including by ensuring that preferential rules of origin applicable to imports from least developed countries are transparent and simple, and contribute to facilitating market access

Science, Technology and Innovation

17.6 Enhance North-South, South-South and triangular regional and international cooperation on and access to science, technology and innovation and enhance knowledge sharing on mutually agreed terms, including through improved coordination among existing mechanisms, in particular at the United Nations level, and through a global technology facilitation mechanism

17.7 Promote the development, transfer, dissemination and diffusion of environmentally sound technologies to developing countries on favourable terms, including on concessional and preferential terms, as mutually agreed

17.8 Fully operationalize the technology bank and science, technology and innovation capacity-building mechanism for least developed countries by 2017 and enhance the use of enabling technology, in particular information and communications technology

Society

Economy

Sustainable
Development

Environment



Megatrends

- There are broad, universal megatrends that pose challenges and opportunities to countries' abilities to meet these ambitious goals.
- Megatrends can be defined as large, transformative global forces that define the future by having a far-reaching impact on business, economies, industries, societies and individuals.
- Economic integration, digital currency, e-commerce, innovative finance, 3D printing and robotics; will all have an impact on trade, investment and the type of jobs future economies will offer.
- Scientific breakthroughs in genomics, the shifting demographic, and the rapidly growing urban population will all have a profound impact on the wellbeing of society.
- Climate change is possibly the biggest challenge human kind has ever faced.
- Rapidly expanded digital connectivity and the data revolution, including Big Data, has surfaced an explosion of information that for the first time, could support policy makers understanding of the interlinked benefits and trade-offs between economy, society and the environment.



GLOBAL
AVERAGE:
42%

NORTH
AMERICA

88%

we
are
social

WEST
EUROPE

81%

EAST
EUROPE

58%

CENTRAL
ASIA

38%

EAST
ASIA

51%

CENTRAL
AMERICA

43%

MIDDLE
EAST

36%

SOUTH
ASIA

19%

SOUTHEAST
ASIA

33%

26%

AFRICA

we
are
social

SOUTH
AMERICA

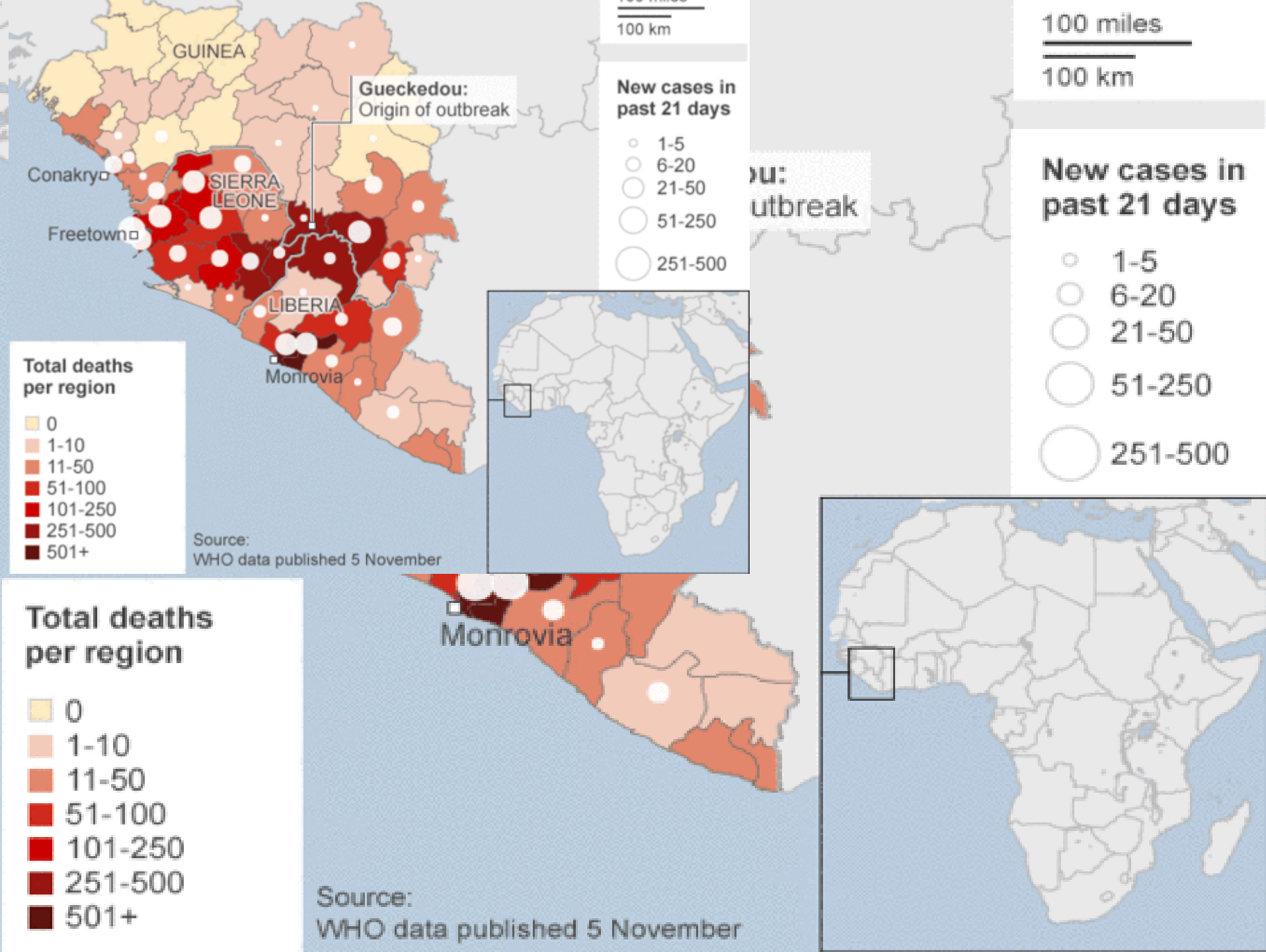
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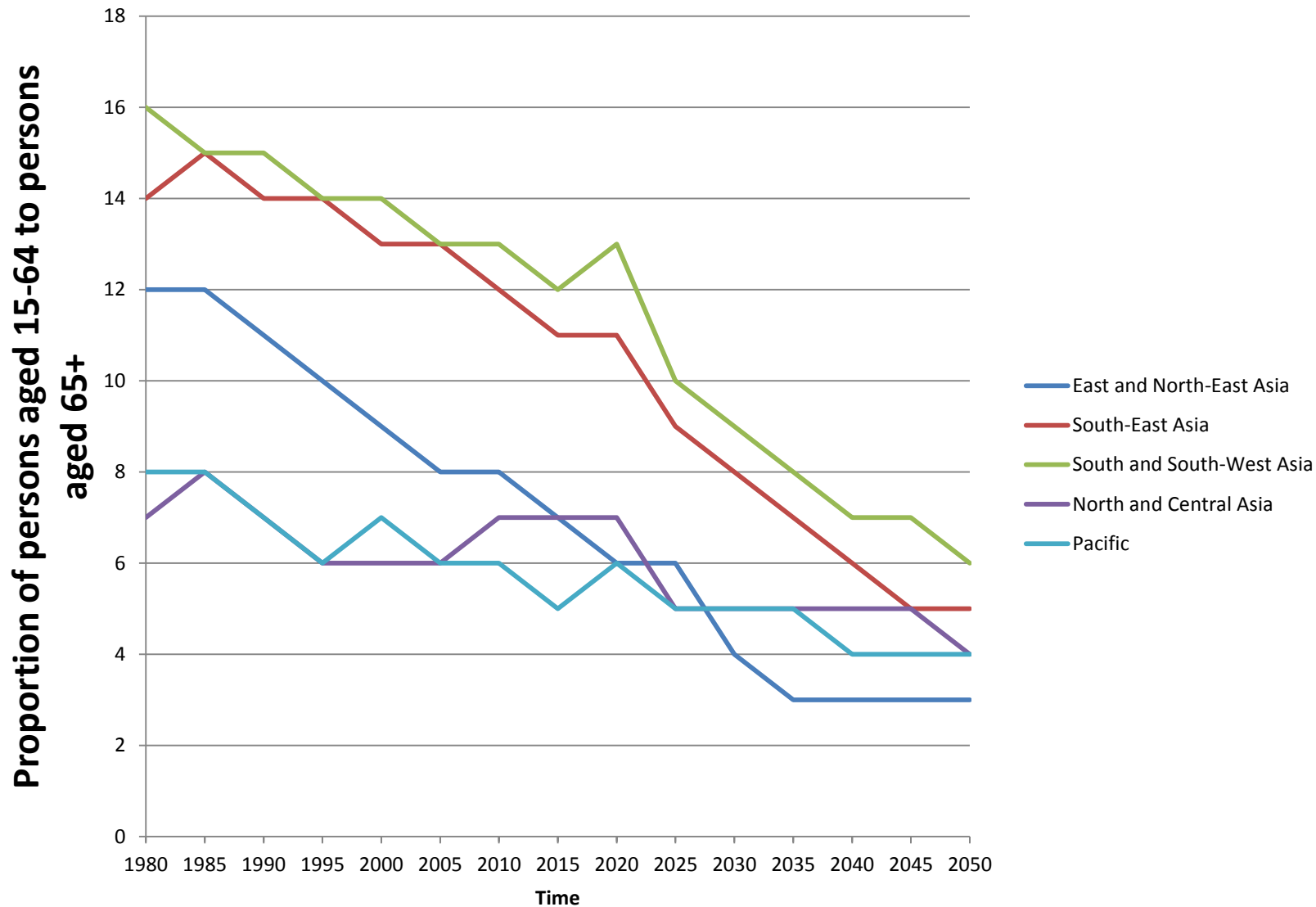
OCEANIA

69%

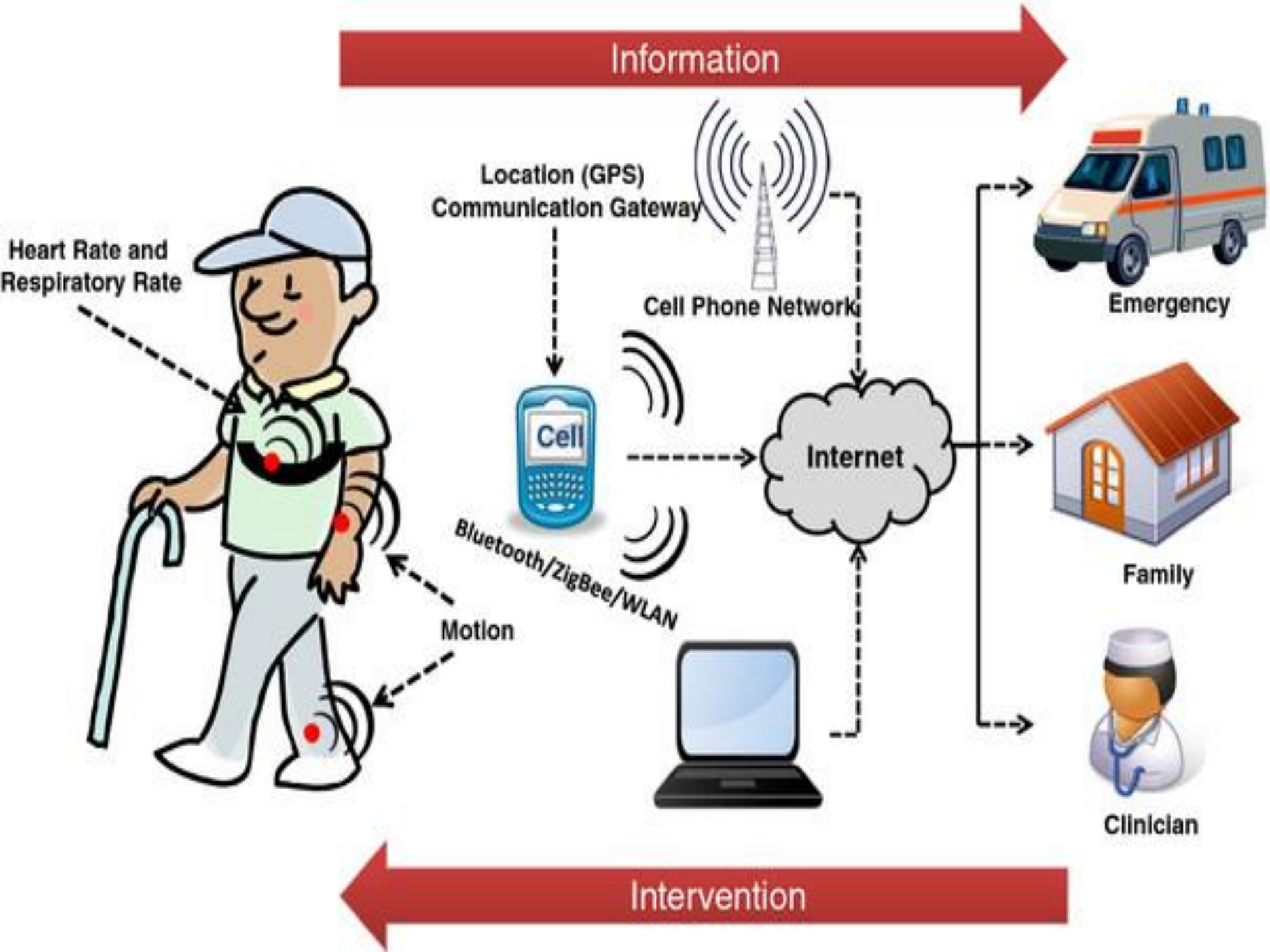
What do these trends mean for innovation?

- World's largest taxi company owns no taxis (Uber)
- Largest accommodation provider owns no real estate (Airbnb)
- Largest phone companies own no telecoms infrastructure (Skype, We Chat)
- World's most valuable retailer has no inventory (Alibaba)
- Most popular media owner creates no content (Facebook)
- Fastest growing banks have no actual money (SocietyOne)
- World's largest movie house owns no cinemas (Netflix)
- Largest software vendors don't write apps (Apple and Google)





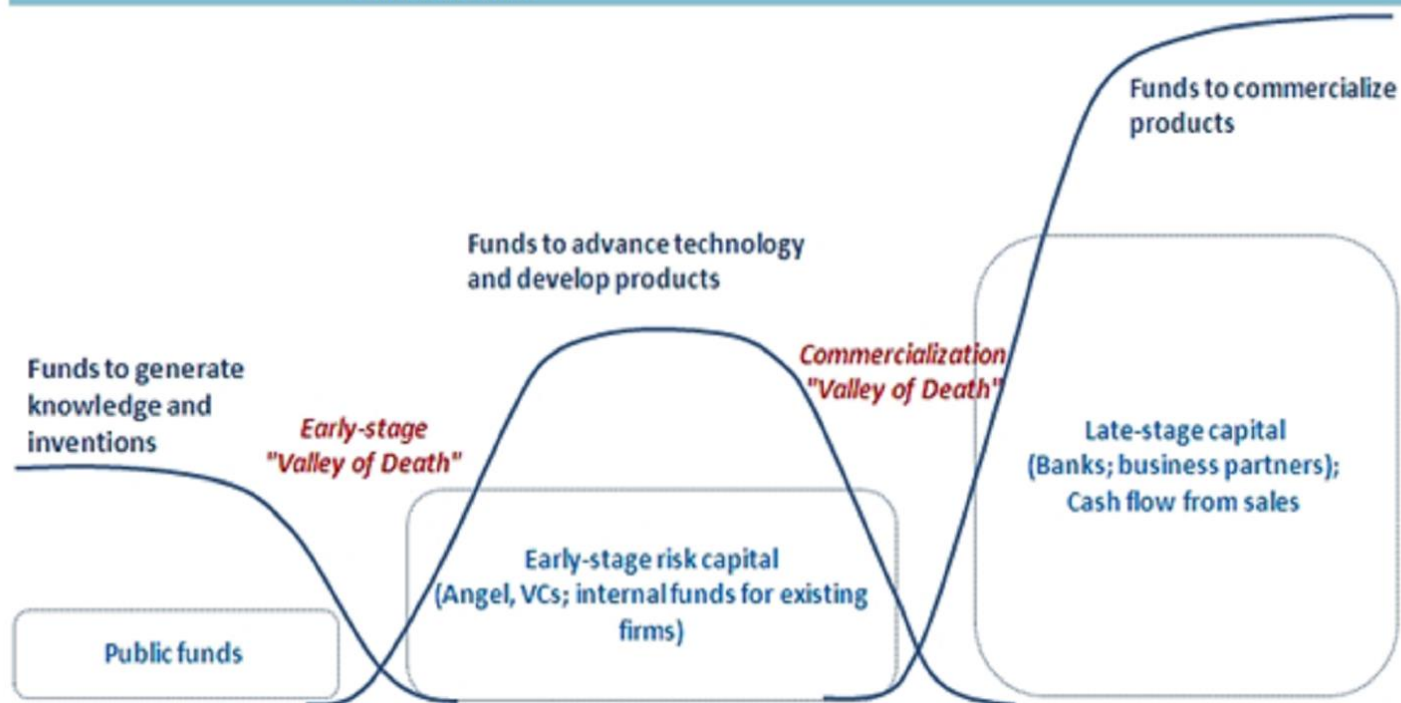
What do these trends mean for health
innovation?

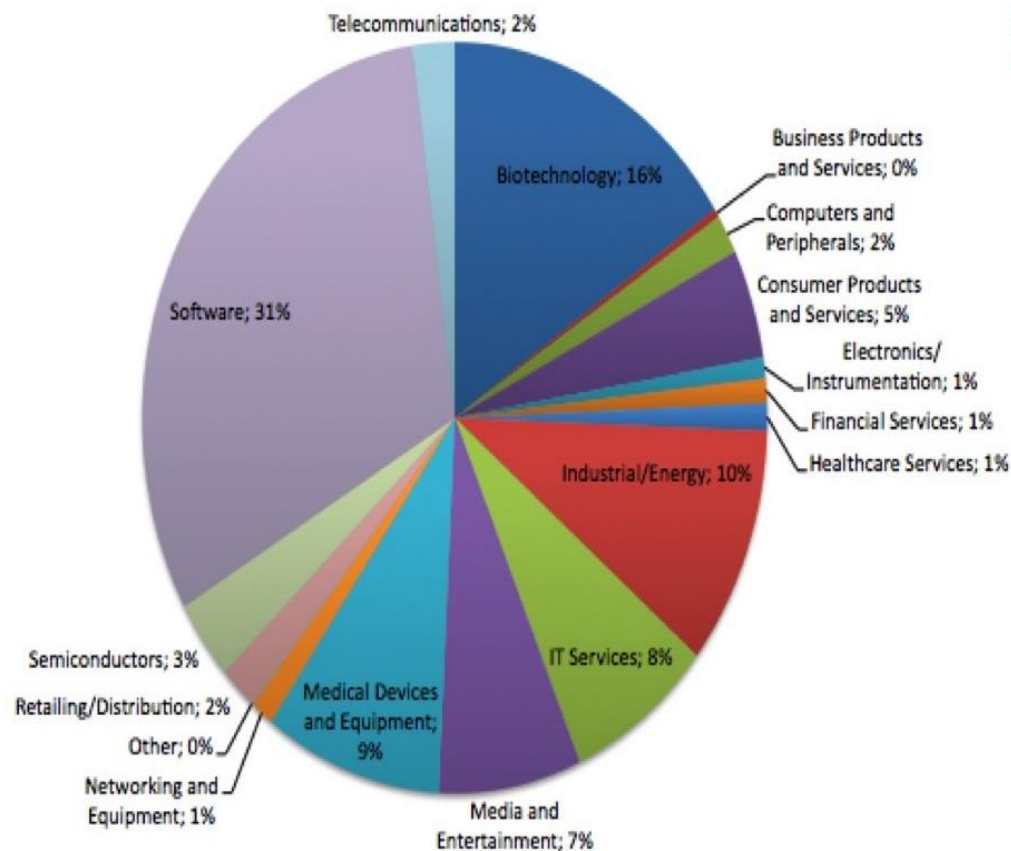


What is the role of venture capital in innovation?

Venture capital is capital invested in a project in which there is a substantial element of risk, typically a new or expanding business

Basic and Applied Research	Technology Development (Proof-of-concept; prototype) & Demonstration	Market-focused product and business development	Early Deployment (market creation)	Full commercialization (market established)
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\$26.5 billion in VC funding
for **3,698** deals

967 internet deals in 2012,
representing **\$6.7bn** in funding

Nearly 50% of capital went to
Software & biotech

The Asia Pacific's ageing market is projected to reach US\$3.3 trillion by 2020

Venture-capital investment in tech sector, in millions of U.S. dollars



Source: Asian Venture Capital Journal Research

The Wall Street Journal

Looks like there is money in doing good!

Impact investing is a type of investing that seeks to ensure investments generate social and environmental value as well as financial return

It can be further defined as investments that serve or invest in those at the '**Base of the Pyramid**' (BoP)

05

Waste used to generate electricity or create fertilizer to sustain and grow local business.



01

Branded household toilet with bio-digester chemical and removable waste container.



02

Local franchised operator provides household waste collection service.



04

Vacuum truck services local transfer tanks.



03

Waste taken to neighborhood transfer tank for interim storage.



Incorporating, as it does, the three pillars of sustainable development, this form of investment has been generating momentum both in the developed and developing world

It has been estimated that the impact investment market has the potential to absorb between \$400 billion and \$1 trillion by 2021 however, to date, this potential has not been realized

FIGURE 1A: KNOWN CAPITAL DEPLOYED BY DFIS,
USD MILLIONS

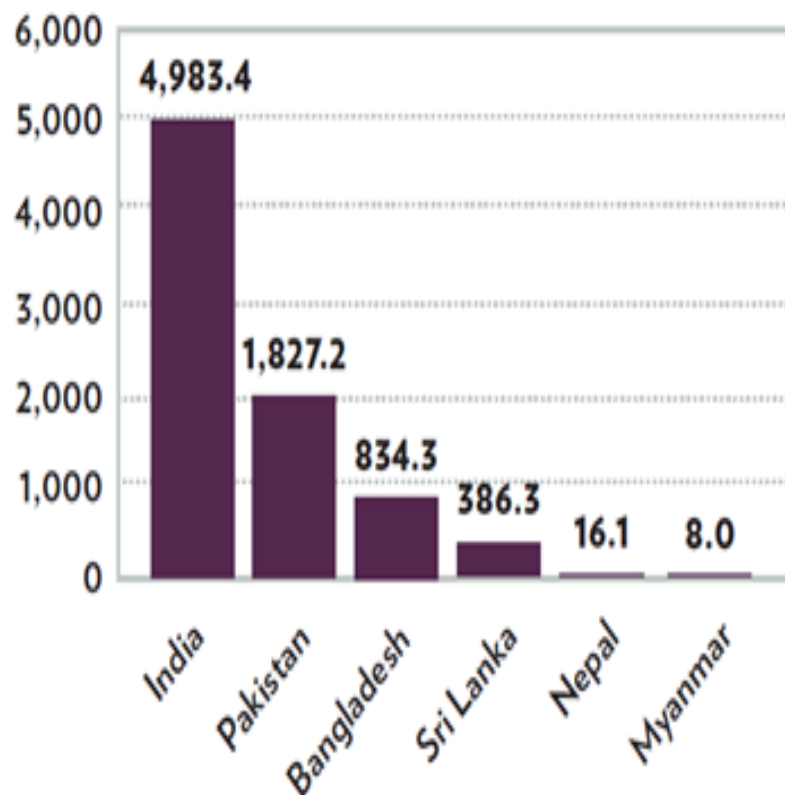
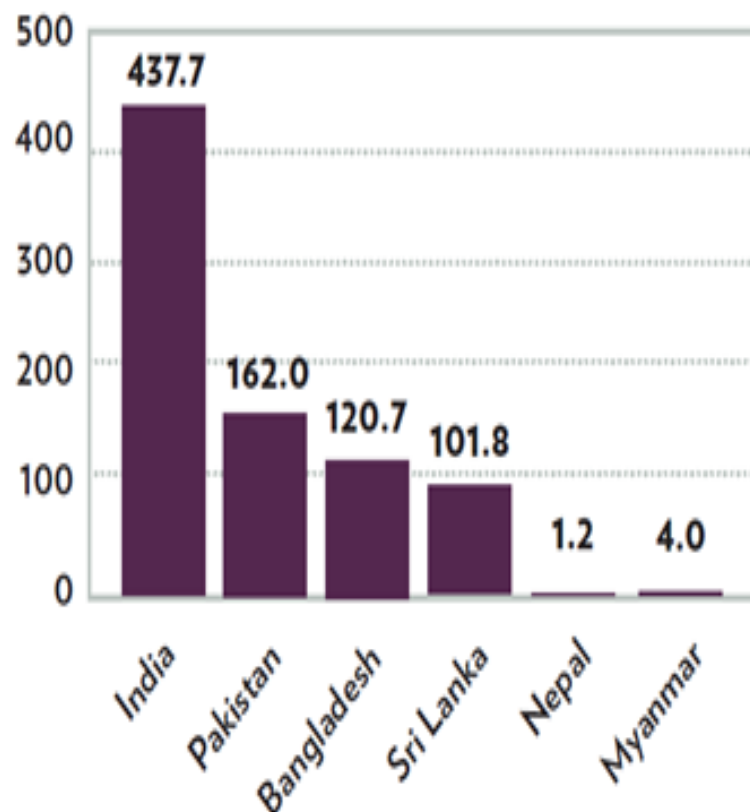


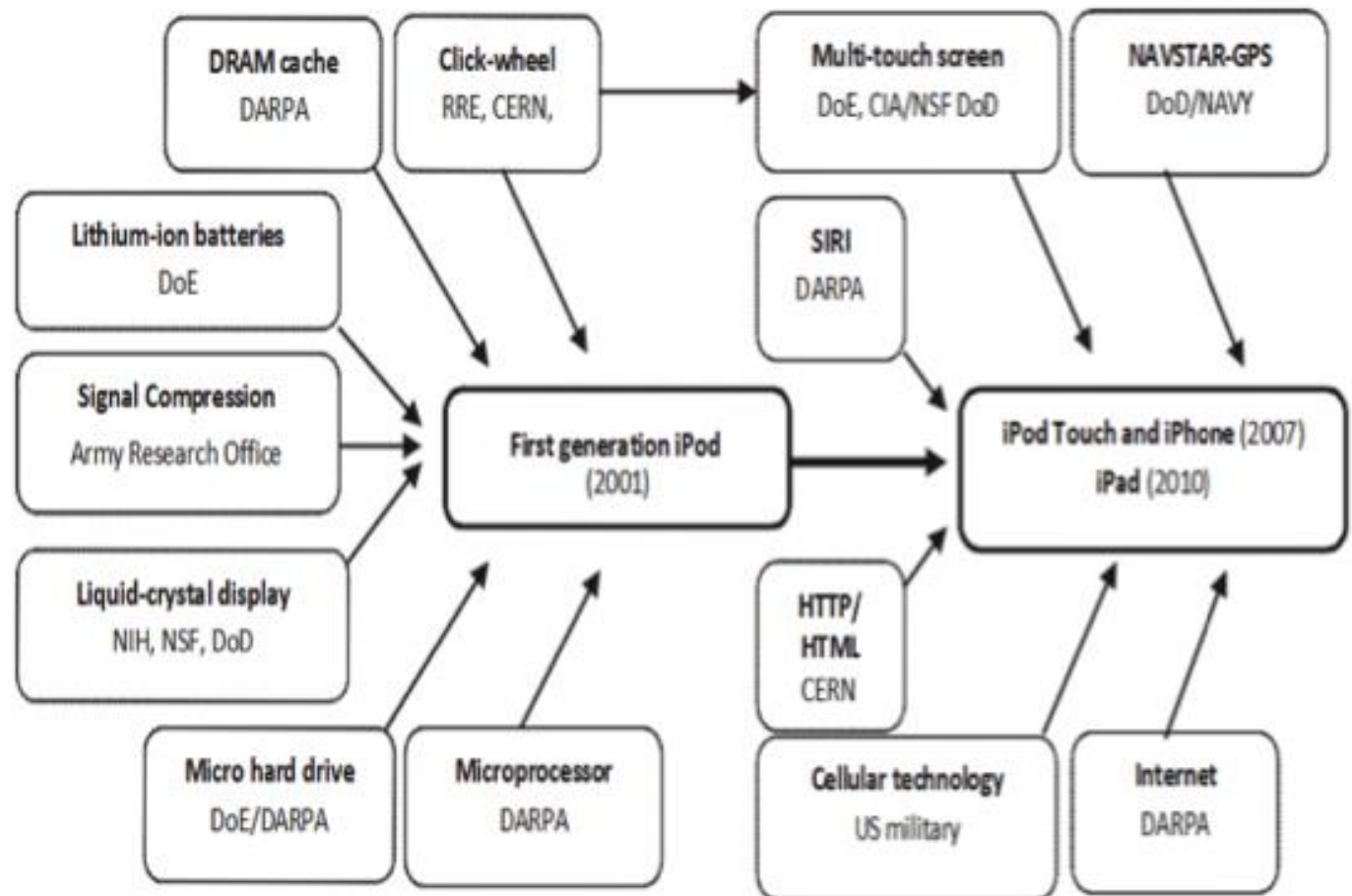
FIGURE 1B: KNOWN CAPITAL DEPLOYED BY
NON-DFI IMPACT INVESTORS, USD MILLIONS



Source: Dalberg analysis. Notes: Figures represent aggregate capital deployed from 2004-2014. The majority of the capital represented here was deployed between 2009 and 2014. This is due in part to the limited availability of data for 2004-2009.

So what does this mean for governments who
have committed to meeting the Sustainable
Development Goals?

Can government be innovative?



Can government be an enabler of innovation for inclusive and sustainable development?

Government priorities for harnessing science, technology and innovation for inclusive and sustainable development

- Integrating the 3 dimensions of sustainable development in to science, technology and innovation policy
- Incentivizing shared value in business
- Incentivizing impact investment
- Open and inclusive approaches to innovation



Thank You

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