

Philanthropic funding to foster innovation

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Shopping cart with dollars California-based philanthropic organization, Wadhvani Foundation, recently pledged a large amount of funding to IIT Bombay and NCBS, Bangalore, for research. While the industry has welcomed this initiative, it also points out the need for R&D funding from private organizations in India to foster an ecosystem of innovation

Philanthropic funding towards academic research in India does not have an impressive track record. At least, not in biosciences research. High risks, large scale investments, long periods of gestation, high possibilities of failure, lack of transparency and accountability have caused many funding organizations to backtrack from their commitments. While this has definitely slackened the pace of biotech R&D in the country, it has to a large extent stunted any form of innovation stemming from the country's educational institutions. The only safe alternative for them is to resort to funds provided by government agencies and schemes, which again have their own set of obscurities.

Against this backdrop, a recent initiative by the Wadhvani Foundation, headed by Dr Romesh Wadhvani, to infuse mammoth amounts of funding towards the setting up of state-of-the-art centers of research at the National Centre for Biological Sciences (NCBS), Bangalore, and the Indian Institute of Technology, Mumbai (IIT), have set many eyeballs rolling.

Taking academia towards innovation

A distinguished alumnus of IIT Bombay from the class of 1969 and an IT entrepreneur in Silicon Valley, California, Dr Wadhvani announced a gift of \$5 million to his alma mater at a conference held in New York in July 2008. Today, through his foundation, he is determined to stimulate the system in India and create an energetic ecosystem for research. Speaking to BioSpectrum, Dr Wadhvani mentions, "India has immense talent pool but research output is not commensurate with world standards. The major reason I see behind this is lack of infrastructure and support to cultivate talent. For India to have a true powerhouse economy with sustainable eight-to-10 percent annual economic growth, it needs to be a global leader in

innovation. This requires a commitment to world class research across a variety of industry segments. The funds that we are injecting into the system is to make the quality of research and infrastructure at par with global standards. The research happening in India today is not just boring but outright depressing whereas the talent pool in India is comparable to that anywhere in the world, if not better.â€

The Shanta Wadhvani Centre for Cardiac and Neural Research at NCBS in Bangalore and the Wadhvani Research Centre in Biosciences (WRCB) at IIT Bombay are part of the innovation initiative of the Wadhvani Foundation. It has pledged a total of 32.5 crore in total, 17.5 crore to NCBS and 15 crore to IIT Bombay.â€ The opportunities for innovation in India are very broad. And we have chosen biosciences and bioengineering as the initial focus,â€ says Dr Wadhvani.

While the Shanta Wadhvani Centre will look at research into regenerative biology, the WRCB in Mumbai will look at the science of cancer growth, mainly cell motility and cancer invasion using emerging technologies. Speaking to BioSpectrum, Prof Devang Khakhar, director, IIT Bombay, says, â€This is going to be a major center for IITB. We are already getting a lot of funding from the government and various agencies for research in biosciences. This funding is different as it is very flexible and we are given the liberty to do anything with it which we could not do with other kinds of funding. While other funds are supposed to be used only for research, we will use this fund for infrastructure and for getting faculty. Presently, around five-to-six faculty members from IITB's Department of Biosciences and Bioengineering (DBSBE) will be engaged in research in this center.â€ The initial funding of 25 crore to IITB is for a stipulated period of five years.

Wadhvani's initiative targets generating 25-to-30 world-class faculty and 100-150 post-graduate students engaged in cutting edge research, supported by an international advisory board of well-known scientists. â€The intent is to catalyse additional centers of innovation across a variety of sectors in partnership with existing research institutes, government and industry. However, this might just be a few drops in the ocean but through our Foundation and our persistent efforts, we look at creating a difference to the research industry's growth prospects,â€ Prof Khakhar adds.

Philanthropic funding for Innovation?

For a sector reeling under the paucity of funding, Wadhvani Foundation's initiative has been given thumbs up by industry observers, who believe that it is a significant milestone in India's history of philanthropic funding. In the past, renowned academic institutions such as Mumbai's Institute of Chemical Technology have been receiving funds from corporates but a large part of it get used in non-scientific areas.

Mr Nitin Deshmukh, head of private equity and chief executive officer at Kotak Private Equity Group, says, â€Wadhvani Foundation's initiative is definitely an important development and a new beginning in cancer research. In countries such as the US, research for various therapeutic areas has got a lot of backing from philanthropic funding organizations, but that has not happened in India.â€

â€This is a strong signal that academic institutions are moving away from just depending on government funding. In India, there is a dire need that funds comes for disease-related research, mainly in areas like vaccines, AIDS and diagnostics,â€ says Mr Vishal Gandhi, senior vice president and head, life sciences, Yes Bank.

Industry observers opine that globally, organizations such as the Wellcome Trust and Bill and Melinda Gates Foundation have engaged in revolutionary work in funding basic research. It is high time that private and philanthropic funding follow a similar route in India.

â€In India, the scale of research is much smaller compared to countries like the US. We need to boost that and above all, more investments are required. If you look at the US, they spend \$300 billion in research, whereas we spend just \$3 billion. The lack of funding and universities engaged in high-end research are the drawbacks,â€ says Prof Khakhar.

â€World-over, research is supported by a combined endowment of the government and private contributions but in India private contribution is minimal. This scenario should change and private participation should increase comprehensively. Philanthropic organizations can stimulate meaningful involvement in research that looks beyond surface-level research. This can ultimately help India to get a number of world-class research institutes,â€ adds Dr Wadhvani.

Says Mr Ajit Mahadevan, partner - business advisory services, Ernst & Young, â€Globally, Howard Hughes, Wellcome Trust and Rockefeller Foundation are some of the large institutions supporting scientists all around the world (including India). A strong basic research infrastructure helps significantly towards creating an atmosphere and milieu that fosters and accelerates research.â€

The good news is that there are positive developments for India as funds are flowing in from private funding agencies such as the Wellcome Trust, Bill and Melinda Gates Foundation and the Clinton Foundation. The UK-based Wellcome Trust has made progress in collaborating with the DBT for funding basic research initiatives, both for companies and academic

institutions alike.

In 2008, the trust, along with the DBT, announced a 80-million- pound partnership (joint funding between the two) in order to boost biomedical research in India.

The National Chemical Laboratory in Pune has been receiving funding from pharmaceutical companies for many of its research projects. Institutes like the IISC and TIFR have been created with significant support from corporates. "As the need for innovation and research grows in India (along with prosperity and development), it can be expected that philanthropic donations in India towards research will also increase," says Mr Mahadevan.

Nayantara Som in Mumbai