

# **Report of the Twelfth Meeting of the CGIAR Private Sector Committee**

MTM2000, Dresden, Germany  
May 19-20, 2000

*The 12<sup>th</sup> meeting of the CGIAR's Private Sector Committee (PSC) was held at the Westin Bellevue Hotel, the conference hotel for MTM2000, in Dresden, Germany on May 19-20, 2000, under the chairmanship of Sam Dryden. Members Claudio Barriga, Badrinarayan Barwale, Wallace Beversdorf, Barry Thomas, Seizo Sumida and Florence Wambugu attended. Robert Horsch could not participate. Selçuk Özgediz and Waltraud Wightman, CGIAR Secretariat, served as Secretary. Gerard Barry (Monsanto) attended as an observer.*

*The Committee also interacted with Ismail Serageldin, CGIAR Chairman, and Emil Javier, TAC Chair.*

*Agenda:*

- 1. Introduction*
- 2. Overview of recent developments affecting CGIAR's partnerships with the Private Sector*
- 3. Vision and strategy for the CGIAR*
- 4. Interactions with the CGIAR Chair and the TAC Chair*
- 5. Other Business*
  - 5.1 Possibilities of Private Sector involvement with the CGIAR*
  - 5.2 Communication outreach to end users*
  - 5.3 Future meetings*

## **1. Introduction**

In the absence of Sam Dryden (unavoidably delayed), Selçuk Özgediz opened the meeting by welcoming members and observers to the Private Sector Committee (PSC). Wally Beversdorf agreed to chair the meeting until Dryden's arrival.

Members agreed to discuss the possibilities of Private Sector (PS) involvement with CGIAR center activities and approved the agenda as amended. The report of the 11<sup>th</sup> meeting was adopted without amendment.

Özgediz provided a brief overview of the developments in the CGIAR since ICW99. At ICW, the Group agreed that the CGIAR needed to develop a vision and strategy to define where it should be, what it should be doing and producing, how it should be doing it, and with whom. TAC was asked to lead the exercise. Based on extensive consultation with stakeholders, and following meetings of the Consultative Council, CGIAR committees and major investors, TAC drafted two documents, i.e., "A Food Secure World for All: Toward a New Vision and Strategy for the CGIAR" and a companion paper on "Priority Research and Related Activity Themes." The Group was expected to discuss the new vision and strategy during MTM and to come to closure on this topic.

Özgediz also briefed PSC members on developments in the areas of finance and governance. Research agenda funding in 1999 was \$330 million, 3 percent lower than the 1998 level, mostly due to the EC's inability to meet its 1999 commitments, for administrative reasons. Funding prospects for 2000 are within the Group approved level of \$340 million.

CGIAR governance is expected to be influenced by the departure of Ismail Serageldin, for whom MTM2000 would be the last CGIAR meeting as chair. Alexander von der Osten plans to retire after ICW2000. Özgediz encouraged Committee members to nominate candidates for the position of "CGIAR Director" (the CGIAR Director will replace the Executive Secretary). A third partnership committee, the Science Partnership Committee (SPC), was established earlier this year to provide a closer link between the CGIAR and the scientific academia. The SPC is headed by Nobel laureate Werner Arber.

## **2. Overview of recent developments affecting CGIAR's partnerships with the PS**

Dryden reported that he had attended several meetings—including an international forum convened by CIMMYT in Tlaxcala, Mexico—that sought to determine how the private and public sector could join forces to make proprietary technology products available to *subsistence farmers*<sup>1</sup> in developing countries. There is great willingness on the part of the PS to share such technologies, as long as such action would not distort world markets. However, the industry unanimously agrees that proprietary technology products can only be made available in countries with a regulatory framework to protect the consumer and environment.

## **3. Vision and strategy for the CGIAR**

Özgediz provided a brief overview of the main components of TAC's vision and strategy paper for the CGIAR (including the companion paper on priority research and related activity themes). The PSC subsequently devoted a major part of its 12th meeting toward a discussion of the two documents.

The principal conclusions were:

- The PSC supports the vision and planks of the strategy, and encourages its implementation with emphasis on sharp focus, execution and leadership.
- The PSC supports the CGIAR's efforts in establishing a framework for project portfolio management. These should include clearly defined objectives that are consistent with the CGIAR mission and clear to all those who are involved, so as to ensure the beneficial impact of projects. The PSC believes weak or absent links in the delivery of CG outputs have significantly weakened the impact of CGIAR investments.
- The PSC encourages efforts by the CGIAR to establish and execute technology partnerships with providers of advanced research, technology and other intellectual property (both public and private) to ensure rapid and efficient exploitation of discoveries to help alleviate poverty and hunger.
- The PSC strongly recommends the concept of regional approach to research planning involving all CGIAR partners. The PSC strongly encourages the CGIAR to consider geographic alignment and leadership when addressing the issue of structural adjustments to the system to ensure accountability and speedy beneficial impacts.
- As noted in prior comments regarding structural adjustments, the PSC encourages the CGIAR to form an independent body for handling IPR matters.

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<sup>1</sup> According to one industry definition, *subsistence farmers* and their families consume more than 50% of a farm's produce.

#### **4. Interactions with the CGIAR Chair and the TAC Chair**

In their separate discussions with the CGIAR Chair and the TAC Chair, Committee members emphasized that the CGIAR needed to clearly define how its products would reach the end user. Otherwise there would be a considerable risk that it would not achieve its overall mission of poverty reduction. In the same context, members commented that germplasm conservation was a great service to mankind, but did not contribute to poverty reduction *per se*. This could only be achieved with appropriate linkages, e.g., germplasm conservation → genomics → germplasm improvement → improved varieties.

The Chairman noted that germplasm is still available to everybody but the results of scientific research are not. Growing resentment in the developing world could lead to more and more barriers around the free movement of germplasm. It would be good if the agro-business sector could come up with creative mechanisms, such as licenses or research tool kits that could be updated on an annual basis. The World Bank president, the Rockefeller Foundation (RF) president, as well as the Ford Foundation have indicated their readiness to mediate. Public sentiments could be turned around if there were, say, five examples of 'Golden Rice' caliber: real products, with a demonstrated benign benefit, given away for nothing.

Discussions with Emil Javier centered around the Committee's concerns and conclusions regarding the new CGIAR vision and strategy. Committee members acknowledged that the CGIAR Chair has been foremost in promoting the use of new research tools. However, it appears that this view is not shared by all. A united approach would help in convincing the public and the CGIAR's investors about the potential benefits of biotechnology for the poor in developing countries.

The TAC Chair noted investors wanted impact but the CGIAR generally delivers intermediate products, such as seeds. It was up to others, such as the PS, to provide the linkage and to bring end products to the farmers' fields.

#### **5. Other Business**

##### **5.1 Possibilities of PS involvement with the CGIAR**

Barry Thomas introduced the subject. He explained that the Global Crop Protection Federation's (GCPF) mandate was broadened from integrated pest- to integrated crop management and, more recently, to sustainable agriculture. Thomas could envisage the industry cooperating as a "Global Crop Science Federation", whose mandate would range from IPM to seeds, to biotechnology tools and products. In this case, CGIAR centers could send all their project/funding proposals to the Federation, which would screen them and ultimately decide on their merits for funding (one-stop shop concept). Committee members agreed that this was an interesting concept, that is worth pursuing.

At the same time, consolidation in the biotech industry continues and is expected to lead to having only 4-5 major players. It may thus be easier for the CGIAR and the PS to reach common platforms and approaches regarding matters revolving around proprietary technology products.

Regarding partnerships, there are two main avenues: purely philanthropic or project-based. Committee members agreed that tapping philanthropic sources for funding of public goods research is less likely to succeed in future, because most of the patents held on pesticides etc. have expired, resulting in the erosion of profit margins from industry sales and thus less 'surplus cash' that could be allocated to agro-industry foundations.

Committee members emphasized, however, that the PS would be interested in helping to finance projects with clearly defined objectives and project outcomes that aim at poverty reduction. Increasing the income of poor subsistence farmers would eventually make them business partners for the PS—a relevant outcome for the CGIAR, the poor and the industry. The likely success of such an approach

would, however, depend on many factors, including the interpretation by the CGIAR of its 'international public goods' criterion.

## **5.2 Communication outreach to end users**

Throughout the meeting, Committee members emphasized that the application of modern science is essential for achieving food security in developing countries. Currently, the public discussion on the use of biotechnology is dominated by NGOs, especially in developing countries. There is a need to diversify sources of information and broaden the discussion. However, if the PS launched such an outreach initiative, it would be seen as self-serving. The CGIAR could serve in a 'honest broker' role and help in providing a balanced view regarding the benefits of new technologies to policy makers, producers and consumers in developing countries. This could be done through an information and communication program that informs the public about the potential benefits of science in increasing food production and availability in developing countries. To explore the possibilities of such an outreach plan, and to work toward the design and implementation of such a program, the PSC therefore proposed that a multi-stakeholder working group—consisting of CGIAR representatives (e.g., CDC chair, Secretariat Information Officer, Future Harvest) and industry bodies such as FIS, ISAAA, Biotechnology Council, and/or GCPF—be constituted. NGOs, such as the RF, could also be included.

**Action:** Dryden to propose this to the CGIAR during the forthcoming MTM;  
All PSC members to discuss concept within their respective companies.

## **5.3 Future meetings**

The next meeting will be held before ICW2000 on Friday and/or Saturday, October 20-21, 2000 at the World Bank's headquarters in Washington DC. The major theme and draft agenda will be communicated at a later stage.

## **Thanks**

The PSC believes the dialogue with the CGIAR has been very fruitful and wishes to record its appreciation of Chairman Serageldin's efforts and acknowledges his vision and leadership that enabled this interaction to come about.

*Prepared by W R Wightman  
June 20, 2000*