

Global Public Goods and the CGIAR

Seminar Introduction by Motoo Kusakabe

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Delegates to International Centers Week: Ladies

and Gentlemen:

It is a pleasure to be here and to introduce the topic and speakers for this session on Global Public Goods and the CGIAR. Does the CGIAR produce global public goods and, if so, how does it produce them? This, in a nutshell, is the topic before us.

The CGIAR is credited with having done an excellent job of generating positive spillover in the form of international public research goods. At the same time, the System is now undergoing a process of review and re-definition - with everything on the table. as I understand it, from the structure of the organization, to the business model, the governance, and the financing. I would like to make a brief comment on the financing of global public goods, and CGIAR financing. You can understand that, as the Vice President for Resource Mobilization and Co-financing, I am particularly interested in this question.

There has been much debate recently about the role of global public goods in the process of development and poverty reduction. The issue of how to pay for global public goods, on the other hand, has not received much attention. I am quite certain that this is about to change. Why? Because transnational development challenges are on the rise in today's interdependent world. As a result. the need for international cooperation is growing. This, in turn, leads to an increase in the number of global and regional programs that compete for funding. This development has not been lost on the CGIAR.

There is a call to action in at least two areas:

First, we need to deepen our understanding of the constraints and opportunities that govern the production of different kinds of public goods. What economists call the "publicness" of public goods is important here. The CGIAR is in the knowledge business. And knowledge, at least certain kinds of knowledge not made excludable by patents or other means, qualifies as a public good - non-rival and

non-excludable. The implication for funding is that there is a strong reliance on grant-funded public provision. I understand that this is the conclusion of the Report on the Long-Term Financing Strategy. The Report judges the possibility for private contributions and provision to be limited. Public funding cannot be replaced.

Now, we know from public good theory that the prognosis for funding improves when you have at least a degree of excludability or when market failures inhibiting private participation are overcome. One can then visualize a shift from public sector "push" to the "pulling in" of private resources. Private agricultural research has dramatically increased in recent years, building on advances in biotechnology. But it goes where there is purchasing power and ignores the needs of the poor. What concrete scope is there for a partial move from "push" to "pull" through innovative public-private partnerships as a means to strengthen the financial basis of the CGIAR?

Second, priorities. The need to prioritize between and within global and regional programs is evident in the light of stagnant ODA. On this point I can be more definitive, since the challenge of priority setting is central to our work in managing the World Bank's Development Grant Facility - the source of the Bank's annual contribution to the CGIAR. We know that spending on agricultural research can yield important benefits to society and can contribute measurably to poverty reduction and greater food security.

- But what is the right amount and composition of international agricultural research?
- How much of it is needed in relation to national level investments in this field?
- How well are the two levels of intervention - national and international - being coordinated in the interest of maximizing synergy?

I am asking these questions because they have a bearing on financing, or at least on the arguments that can be advanced in support of fund-raising. In the final analysis, poverty is reduced, or not reduced, by actions and decisions at the national level. The case for the complementary role of specific kinds of international agricultural research needs to be made very explicitly, and it needs to be updated as markets, technologies and other conditions change. The case needs to be made both to sustain the interest of donors and to bring a larger number of developing country members on board.

But let me turn to our speakers who will address these and other issues in detail.

- Our first speaker will be Mr. Per Pinstrup-Andersen, the Director General of the International Food Policy Research Institute. He will tell us in what way the CGIAR can be considered an instrument for global public goods.
- Per's presentation will be followed by 3 contributions addressing the question: Who pays for, and who benefits from, agricultural research carried out in the public sector? The 3 speakers will be:
 - Mr. Alberto Duque Portugal, the President of EMBRAPA, Brazil
 - Ms. Ann Waters-Bayer, the Co-Chair of the CGIAR NGO Committee, and
 - Mr. Sam Dryden, the Chair of the CGIAR Private Sector Committee, and Managing Director of Big Stone, Incorporated.

Mr. Pinstrup-Andersen: you have the floor!