

CGIAR Mid-Term Meeting 1998 Preliminary End-of-Meeting Report Brasilia, May 29, 1998

The 1998 Mid-Term Meeting (MTM98) was held in Brasilia, Brazil, from May 25 - 29, 1998. The CGIAR Secretariat will publish the Summary of Proceedings and Decisions for MTM98. This end-of-meeting report represents a preliminary summary of meeting highlights. It is not a comprehensive, official record.

- 1. Formal Opening**– His Excellency Fernando Henrique Cardoso, President of the Federal Republic of Brazil, formally opened MTM98 at a ceremony at the Itamaraty Palace. In his speech, President Cardoso emphasized the importance of agricultural research, recognized Embrapa's impact in Brazil, and expressed his support for the work of the CGIAR and its extensive collaborations with Embrapa.
- 2. Chairman's Opening Address**_ Ismail Serageldin welcomed Maurice Strong and the System Review Panel, noting that the dialogue with the Panel will give cohesion and strength to the rest of the meeting. The theme of MTM98 was "Mobilizing Science for Global Food Security." Mr. Serageldin emphasized that the CGIAR's new research agenda will require a double shift in the research paradigm to bring about the contextualization of commodity research and to emphasize the genetic imperative. The latter, in particular, raises questions on genetic resources, biotechnology, and Intellectual Property Rights (IPR)– major agenda items at MTM98.

The Chairman challenged the Group to consider ten specific propositions to further the CGIAR's work:

Governance and Management

- *Proposition One:* A streamlined approach is hereby adopted and the Oversight Committee should be charged-in coordination with the Secretariat-with the tasks of designating items to be treated under the streamlined procedure and the construction of the agenda for the next meeting.

Finance, Funding and Staffing

- *Proposition Two:* The Finance Committee should be asked to take the necessary steps to move from crisis management to strategic issues. A mechanism should be in place for the first such strategic effort to be launched by ICW98.
- *Proposition Three:* The Group formally endorses the recommendation of the recent consultation (on gender issues) and commits to support focused efforts to address gender-staffing issues and expand those efforts to include additional staff diversity issues.

Genetic Resources, Biotechnology, and IPR

- *Proposition Four:* The Center Directors should complete their review and adopt the official text of the CGIAR Material Transfer Agreement (MTA); a formal public announcement should be made at the end of MTM.
- *Proposition Five:* The Centers should complete work on the remaining items for a more comprehensive genetic resources policy. The Center Boards should adopt this germplasm policy and empower CGIAR representatives to present it on their behalf in the multiplicity of fora where these issues arise. This should be completed by ICW98.
- *Proposition Six:* The Finance Committee should allocate from the top of the current available funds a notional sum of \$1 million to undertake the audit and immediate follow up of the CGIAR's genetic resources survey. This report on full compliance and satisfactory procedures should be presented no later than September 1998.
- *Proposition Seven:* The Board Chairs and Centers Directors will prepare a concise statement of the principles that govern interactions with the private sector and patenting, and make the statement public by the end of this week, including the designation of an inter-center working group to issue more detailed guidelines by September 1998.
- *Proposition Eight:* A central advisory capacity on legal matters shall be created. The Finance Committee should allocate \$250,000 for that central capacity. That capacity shall be in place by ICW98.
- *Proposition Nine:* A short and clear statement on biotechnology policy, building on what we already have, shall be completed and adopted by the Center Directors and Board Chairs and made public by the end of this week. A more complete statement would be ready by September and distributed for ICW98.
- *Proposition Ten:* Representatives of FAO and the Centers will jointly identify areas requiring clarification in current Agreements covering germplasm collections and will report to ICW98 on ways in which these issues will be addressed.

The Group endorsed the thrust of the Chairman's propositions and took appropriate actions as indicated below.

3. **Comings and Goings.** The Group welcomed new Board Chairs, Technical Advisory Committee (JAC) and Impact Assessment Evaluation Group (IAEG) members, and representatives to the CGIAR, and paid tribute to all those for whom this would be the last meeting.
4. **Honors.** The Group applauded the international recognition that center staff has received for their scientific achievements.
5. **New and Potential Members.** The Group received Uganda's decision to join the CGIAR with unanimous acclamation. This would bring the South-North balance of member countries to 20-21. Representatives of Argentina, Chile, Ghana, Greece, Turkey, and Vietnam attended MTM98 as observers.

6. **System Review.** The Group interacted extensively with the Third System Review, including plenary, committee, and consultation sessions. Review Chair Maurice Strong presented the preliminary findings on the CGIAR's science and strategy, governance, structure, and finance. He stressed that the presentation reflects a synthesis of some ideas and opinions of the panel. It does not represent final recommendations. Mr. Strong encouraged responses to the presentation, which will help shape the final report.

Mr. Strong described the CGIAR as an extraordinary resource to help improve the lives of the poor and hungry in developing countries. He called the CGIAR "the best single investment for ODA, bar none." The \$4.2 billion expended between 1972 and 1997 has been accountable for virtually doubling food production in developing countries. Benefits of investing in the CGIAR can also be seen in industrial countries—studies for the USA and Australia show high returns. The challenge for the twenty-first century is to assure accessible and affordable food supplies for the world's poorest. Mr. Strong called on the CGIAR to mobilize political will to promote food security in developing countries. The CGIAR was never more needed, he emphasized, but it faces risks from apathy and shifting priorities. The funding issue is very real and could be a threat to the future viability of the CGIAR if sustainable financial support systems are not established.

Executive Secretary Mahendra Shah emphasized that the CGIAR's greatest and most unique assets are its genetic collections and its scientific capability and partnerships. CGIAR scientists are at the forefront of a global research effort and the CGIAR should play a larger and extremely important role in the coming decades.

The Specialist Panel on Science and Strategy acknowledged that the CGIAR's science is its comparative advantage, addressing the needs of the poor who would otherwise not be helped. The Panel emphasized linking scientific concepts to farmers' needs. The CGIAR should stress natural resources management, integrated gene management, knowledge management, and people-centered approaches.

The Specialist Panel on Governance, Structure, and Finance presented the results of recent meetings in Mexico and Italy. The Panel commented on the CGIAR's governance. The Panel felt that the CGIAR may need more focused programs, a culture that fosters innovation and risk-taking, conflict resolution techniques, the ability to adapt to external change, and non-bureaucratic governance. Among the goals should be stability in attracting and keeping the best scientists, higher visibility with key audiences, publicizing international agricultural research, and reallocating resources from old to new priorities.

Participants at MTM98 welcomed the interaction with the System Review Panel and encouraged Panel Members to provide a final report focusing on strategic issues and recommendations. The System Review Panel will present its final report at ICW98.

7. **Climate Change and the CGIAR.** Robert Watson, Chairman of the Intergovernmental Panel on Climate Change (IPCC) and Director of the World Bank Environment Department, presented an overview of the latest scientific findings on climate change, the projections of climate models, and the significance for agriculture and forestry.

Agriculture accounts for 20 percent of the annual increase in greenhouse gases. Climate change experts predict that climate change will not affect global agricultural production, but

that there will be significant regional effects. Among the predictions are decreased agricultural production in Latin America, Africa, and the Indian subcontinent, and increased production in North America and parts of Asia. Mr. Watson invited and encouraged CGIAR scientists to work in partnership with the IPCC on these issues.

Following Mr. Watson's presentation, Louise Fresco, Director of the Sustainable Development Department at FAO, presented a scientific analysis of the potential risks and benefits to agriculture from climate change, and the implications for the CGIAR. TAC plans to review the implications of issues related to climate change for CGIAR priorities at its September 1998 meeting.

8. **Biotechnology and the CGIAR.** The Group received reports from the Expert Panel on General Issues in Biotechnology and the Expert Panel on Proprietary Science and Technology. TAC endorsed most of the recommendations of the Panel on General Issues in Biotechnology. TAC recognized that the report of the Panel on Proprietary Science and Technology represented a diversity of views and contributed to greater understanding of the Intellectual Property Rights (IPR) issues confronting the CGIAR.

The reports of both panels were considered in plenary and parallel sessions. The parallel session on General Issues in Biotechnology reached broad agreement that the CGIAR should consider the application of molecular genetics, not only in germplasm enhancement, but also in natural resources management, diagnostics, vaccine development, and other fields. The parallel session also supported panel recommendations to expand network approaches to biotech research, establish duty of care committees at Centers, and create a central biotechnology service unit. The parallel session suggested that the CGIAR should play only a facilitator's role in organizing a genome summit.

The parallel session on Proprietary Science and Technology recommended that the Centers should collectively refine their various Intellectual Property policies into a coherent "package" and suggested specific elements to be included in the integrated CGIAR Intellectual Property policy. The creation of a central biotechnology service unit and the conduct of a comprehensive Intellectual Property audit were also recommended.

9. **Decisions.** Following discussion in plenary on various topics, the Group supported the ten propositions of the Chairman, and:
 - agreed that a central advisory capacity should be developed on biotechnology and legal issues;
 - adopted a set of Ethical Principles relating to Genetic Resources;
 - agreed that a Material Transfer Agreement (MTA) and IPR audit will be conducted to determine that centers are in full compliance and follow satisfactory procedures;
 - agreed that the Centers should jointly review with FAO current trust agreements covering germplasm collections and made recommendations about areas needing clarification;

- agreed that the CGIAR policies and practices in biotechnology, genetic resources, and IPR will be made public.

The Group also received a set of guiding principles and procedures for CGIAR Centers to follow when dealing with biotechnology, intellectual property rights, and genetic resources issues. Developed by the Board Chairs and Center Directors in response to the request of the Chairman in his Opening Remarks, the package includes:

- Ethical Principles Relating to Genetic Resources (endorsed at MTM98).
- Agreements between Centers and FAO placing collections of plant germplasm under the auspices of FAO.
- Germplasm Acquisition Agreement for Material Intended for Designation.
- Material Transfer Agreements (MTAs) for Designated Germplasm (available in two formats: one in contract form and the other using the "software" protection approach).
- Statement on the steps Centers will take when they believe that a MTA may have been violated.
- Guiding principles on Intellectual Property Rights and Genetic Resources.
- Statement on Principles Involving Center Interaction with the Private Sector and Others on Proprietary Technology.
- Centers' Position Statement on Biotechnology.

Other decisions. The Cosponsors recommended and the Group approved the appointment of Hans Gregersen as a member of the IAEG.

In response to the Chairman's propositions:

- The CGIAR will adopt a streamlined approach to assure that its meetings are strategically focused. The Secretariat and the Oversight Committee are charged with designating items to be treated under the streamlined procedure and constructing the agenda for the next meeting.
- The Finance Committee will move from crisis management to strategic funding issues.
- The CGIAR will endorse the recommendations of the recent consultation on gender staffing and commit to support focused efforts to address gender staffing and additional staff diversity issues.

10.1997 Funding and 1998 Financial Prospects. The Finance Committee reported the 1997 financial outcome and 1998 prospects, which show the overall stability of CGIAR funding. In 1997, funding totaled \$333 million (\$320 million agenda funding and \$13 million non-agenda funding), compared to \$332 million in 1996 (\$304 million agenda funding and \$28 million non-agenda.) Analysis of center expenditures shows no major deviations from center

research plans at the start of the year. Delays in work caused some disbursement difficulties and loss of income. The proportions of unrestricted funding, including funds requiring attribution, is declining, although the absolute amounts are stable.

The outlook for 1998 continues to be stable. The 1998 funding forecast by Centers totals \$335-340 million, about two percent below the financing plan of \$345 million. Non-agenda funding is projected at about \$6 million, for a total outcome of \$345 million. The financing plan reflects increases by Sweden and Norway (50 percent), and declines by Japan. The strengthening dollar is also a continuing pressure.

Regarding the allocation of 1998 World Bank funds, the Financial Committee made the following recommendations:

- \$33 million distributed to Centers on a matching basis does not require any significant changes in the terms of the allocation.
 - \$2.5 million allocated to partnership activities (including the System Review, the Global Forum, and the NGO, Private Sector, and Genetic Resources Policy committees) will be spent as planned.
 - \$4 million set-aside is proposed to be allocated as follows:
 - _ Special assistance for ICARDA - \$1.6 million.
 - Start up funding for Central Asia and the Caucasus - \$2 million
 - \$1 million for facilitation unit/steering committee.
 - \$1 million for programs.
 - CGIAR biotechnology and genetic resources decisions.
 - \$0.5 million for legal advisory services.
- Streamlining center MTAs and related procedures-up to \$1 million to be made available from the CGIAR reserve.

The Group acted on the recommendation of the Finance Committee.

.1999 Research Agenda and Funding. The Group adopted the research agenda recommended by TAC. The agenda reflects center activities slated for implementation during the second year of the medium-term planning period 1998-2000 approved at MTM97. TAC noted that following adoption of a rolling plan concept, centers had submitted plans for 1999-2001. The CGIAR is still underinvesting slightly in activities for increasing productivity, in particular in germplasm improvement; TAC cautioned against further reductions for this activity. Investments in documentation, publications, and training for professional development also go against the trend endorsed by the Group at MTM97. Work on fish and forestry is proceeding toward the 2000 targets endorsed by the group at MTM97, but there are projected shortfalls in investment in water management.

The Finance Committee noted that the aggregation of center-proposed and TAC approved programs would bring total funding to \$372 million, which represents an 11 percent increase over the estimated 1998 outcome. This increase significantly exceeds the two percent annual growth over the past five years. Consequently, without constraining individual Center proposals, it seems prudent to adopt a similar rate of growth in 1999 in setting the system's overall financial plans.

The Finance Committee recommended that the CGIAR adopt a financial planning target of \$335-\$345 million. The Group approved the substance of the 1999 Research Agenda recommended by TAC, endorsed the Finance Committee recommendations, and commissioned the preparation of center financing plans for approval at ICW98.

.External Reviews. The Group considered external reviews of three centers: IRRI, IFPRI, and CIMMYT, and endorsed their recommendations. Mr. Serageldin commended the Panels for their excellent reports. The Group also endorsed the follow-up report on ICRISAT.

.Partnership Reports. The Group received reports on partnership efforts from the Global Forum Steering Committee, NGO Committee, and Private Sector Committee. The Group thanked Fernando Chaparro for his leadership of the Global Forum Steering Committee and welcomed his successor, R.S. Paroda.

.Reports from CGIAR Committees. The Group received reports from the Cosponsors, and Oversight, Finance, and Genetic Resources Policy Committees, and adopted their recommendations.

.Future meetings. ICW98 will be held from October 26 - 30 in Washington, DC. Other future meetings:

1999 MTM May 24 - 28	Location to be determined
1999 ICW Oct. 25 - 29	Washington, DC, USA
2000 MTM May 22 - 26	Bonn, Germany (in conjunction with the Global Forum)
2000 ICW Oct. 23 - 27	Washington, DC, USA