

Document No: ICW/98/14
Distribution: General
Date: October 23, 1998

**International Centers Week 1998
October 26 - 30
Washington D.C.**

Shaping the CGIAR's Future

**Comments of the Private Sector Committee
on the CGIAR System Review Report**

Attached is a Private Sector Committee (PSC) note on the CGIAR System Review. These comments follow the PSC meeting held on October 1-2, 1998.

REPORT ON THE CGIAR SYSTEM REVIEW
COMMENTS OF THE PRIVATE SECTOR COMMITTEE

The CGIAR Private Sector Committee (PSC) applauds the System-wide Review Committee for the completion of its difficult and important task. We recognize the difficulty of this effort in attempting to review a system that must be responsive to many diverse stakeholders and external political realities. The PSC also notes the importance of this initiative given the recent changes which are affecting the whole of the international research system a liberalized global trading environment, an accelerated technological push in agriculture which is being largely driven by the biotechnology “revolution”, an increasing trend towards privatization of agricultural research and the continuing requirements to address the needs of the poor in the face of escalating population pressures and a diminishing natural resource base.

As a committee that has been established to articulate the position and interests of the agribusiness sector, the PSC has the somewhat easier task of examining the results of this review within the context of a more narrowly focused framework. In that context, we have taken the opportunity to comment on the System Review’s results, with the ultimate hope of identifying or clarifying those issues which may pose concerns for agribusiness or which may offer opportunities for a more effective collaboration between the CGIAR and the private sector. To elucidate our position, we have posed the following topics raised by the report and have provided comments that reflect our perspective and interests.

Importance of Private Sector-CGIAR Collaboration

In commenting on this report, we believe it is important to restate our interest in the process and in the CGIAR system at large. Currently, the private sector is a major sponsor of research in agriculture and agricultural systems. The research is both applied and basic in nature, as exemplified by the recent sizable investments of companies in the area of genomics and sustainable development. The contributions of the private sector to the contemporary agricultural research system are significant. Furthermore, recent trends, resulting in an unprecedented consolidation of the industry, will insure that the significant resources of the private sector continue to be a major force in scientific discovery.

With the expanding role of agribusiness in international research comes an increasing recognition of the need to sustainably address issues of global food security in a manner which complements the efforts of other institutions, such as the academic and government research institutions and the multi-lateral entities, such as the CGIAR. In short, we are a major part of the system

and, as a result, must recognize our likely impact and work to insure that the system, as a whole, operates in a manner which is efficient and productive.

Mechanisms for Collaboration

This will require a coordinated effort among research organizations which addresses both technical (or functional) roles as well as a coordination in policy areas which may ultimately impact the operating efficiency of the entire international agricultural research system.

From a technical perspective, the PSC recognizes the need to expand dialogue between the Private Sector the CGIAR in order to better understand respective missions, strengths and markets. This is particularly true for the “newer” technology areas, such as biotechnology, where the private sector retains a distinct advantage in terms of resources and scientific progress. Continuing advances in biotechnology, which have greatly accelerated variety development and value creation, are resulting in expanded areas of research and product focus for the private sector with the result that previously untapped or unexplored markets are becoming more attractive. Respective market analysis is required to fully articulate and rationalize areas of potential collaboration between the CGIAR and agribusiness research entities. Thus, in our view, a re-examination of the CGIAR’s targeted market is critical to eliminate duplication of effort and to re-direct financial resources to those areas of research or crops which are unlikely to be the focus of commercial concerns. This should ultimately ensure better access to needed technologies.

With respect to policy considerations, the PSC recognizes the difficulty the CGIAR system faces, as a result of its diverse base of stakeholders, especially in those areas that are controversial, such as the development of an intellectual property rights policy. However, it is imperative that the system outline an operational framework which will eliminate the areas of policy ambiguity which currently plague the system and prevent more effective collaboration with the private sector. In our view, a more active approach, rather than passive, is required if the system is to retain its scientific relevance in the face of a complex array of factors which are currently driving international agricultural research.

Currently, the review does not address the CGIAR’s responsibility to advocate policy positions that directly impact its ability to successfully implement its mandate. For example, if the system recognizes an important role for biotechnology research in sustainable food production, it should develop system-wide positions on key policy areas that ultimately control the delivery of biotech research products to those likely to benefit. The CGIAR system should articulate a clear viewpoint and operational stance on controversial areas to avoid further marginalization of its efforts on behalf of the poor.

Definitional Clarity to Ensure Collaboration

In order to optimize collaboration between the CGIAR and the private sector, definitional clarity on key areas is required to promote a common understanding of mission and activities. Areas that require clear and concise nomenclature are as follows:

authority - who has it? where does authority reside within the CGIAR to negotiate on areas of functional significance? for policy concerns? for legal considerations?

rights and responsibilities - should be defined for intellectual property; for product liability; for product stewardship

market segmentation - who does what? on what? and where?

agricultural extension - what should the CGIAR assume? to what extent can it advocate on behalf of National Agricultural Research Systems (NARS)? where can it leverage the resources of the private sector in the research to product to distribution continuum?

Creation of a Central Legal/Policy Body

The PSC supports any governance structure that clearly outlines or defines an operational structure for setting policy and for negotiating agreements in an efficient and consistent manner. We could envision a system that allows for negotiating flexibility at the technical level but would identify a more centralized body for those areas that define operation of the System at large. At a minimum, points of contact and resources should be clearly defined and obvious to those in the private sector who may have an interest in collaborating with the System.

Technical Focus of the CGIAR - Relevance and Priority Setting

In our view, the report falls short of recommendations that address the current relevance of the system's crop and research focus to address global food security into the coming century. Stated goals (frontier science, capacity building, natural resource management and downstream development) are overly broad and ambitious, especially given current and projected financial resources. The PSC would strongly recommend some form of System-wide technical priority setting which is consistent with (as previously stated) market segmentation, intra- and inter- Center comparative advantage and crop mandate relevance in the context of a more liberalized system for global trade in agricultural commodities and products.

Focus on Africa

In line with the preceding point, the continual problems plaguing food security in Africa require more directed attention. A geographical examination of effort and funds should be considered with respect to Africa. The CGIAR should consider its role with respect to Africa in consideration of the activities of other bi- and multi-lateral efforts. To what extent has the system considered its role from a leadership vs. implementation position? Does it have a comparative advantage where Africa is concerned and, if so, does that advantage exist in the ability to focus on needed research for Africa, on a knowledge of socio-economic conditions driving agricultural productivity in Africa, or in the area of natural resource systems management? To what extent can the System leverage its comparative advantage with the expertise resident in the private sector to accelerate agricultural transformation in Africa? A task force composed of various stakeholders could be considered to address the unique problems of food security in Africa.

Private Sector Membership in the CGIAR

The PSC believes that it is unrealistic to expect that the private sector will pay for membership in the CGIAR system and that such an expectation implies a necessary dependence on the system which may not be rational in the current political climate. One of the strengths of the private sector lies in the creation of value and an ability to leverage this capability to attract other entities which create value. To the extent that this situation exists within the CGIAR, it would be reasonable to expect limited situations where the private sector would (and currently does) provide financial or in-kind resources in exchange for a perceived value contribution of the system.