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MR. CHAIRMAN,

As you will recall, the private sector committee—a newly formed partnership committee of the CGIAR—only 18 month-old ... A fast growing young kid though ... Although it seems more to me like an 18 year-old teenager...—had received the mandate to " provide private sector perspectives regarding international agricultural research and to foster new relationships."

Last year's private sector committee observations

Last year in jakarta, my colleague on the private sector committee, Sam Dryden, made among his observations the two key-following points to this same group:

1. The dramatic shift in private sector and public sector's research boundaries, due to the private sector move upstream over time into biotechnology research as well as research in other technologies.
2. The strong need which exists for collaboration between the public and the private sectors, and, the definite need for a better dialogue between the private sector and the c.g.

PROGRESS TO-DATE

Let me acknowledge the progress we have made on these fronts within our committee. We have looked at many technologies which can help improve agricultural productivity in a safe and sustainable way to ensure global food security over the next decade. We have decided to focus first on the one having the greatest potential: biotechnology.

One year later, it is our pleasure to report further significant progress on last year's issues.

1. A firs significant contribution has been made with the paper which was distributed for this meeting, reflecting the private sector committee's views on...

"strengthening CGIAR & private sector partnerships in biotechnology".

Our major conclusions are:

- * there is a compelling case for a CGIAR with stronger biotechnology capacity.
- * the CGIAR should not weaken its existing strengths, nor it should "re-inventing the wheel".
- * private companies can assist the CGIAR in making technologies available in developing countries.
- * There is a need for raising the awareness of private sector leaders about the CGIAR and its potential as an ag research partner.

2. Exchanges of views between CGIAR executives and private companies have been educational to both sides and have created an important climate of respect and—hopefully—trust.

This is the result of leadership by the cg chair and the willingness of its various constituents to participate in good-faith dialogues. Several visits by the cg chair, the tac chair and psc members to private institutions such as monsanto, pioneer, novartis, pulsar and others have occurred.

The chair's recent so-called "consultation on biotechnology" with diverse audiences and interests is another leadership example.

Compelling issue -- biotechnology

An important result of this dialogue is the revelation that these issues are even more compelling than initially thought. Upon closer scrutiny, the issue of shifting research boundaries and the role of plant biotechnology is found to be central to the strategies of the cg, the nars and the private sector.

These new technologies are delivering crucial productivity gains and environmental benefits which lead to economic benefits, agricultural development and food security.

In 1996, the revolutionary introduction on a very large commercial scale of transgenic crops in the u.s., australia, mexico, and canada has led to exceptional farmers' acceptance of the technology.

In 1997, for the usa alone Transgenic crops being planted will represent around....

- * 15% of the soybean crop,
- * 18% of the cotton acreage, and
- * 20% for the corn field crop.

Also, 20% of the 1997 canola crop in canada will be planted with transgenic varieties.

As this technology has become a "reality" in the developed markets, the private sector companies are rapidly turning their attention to the emerging, developing markets. In Asia and Latin America, market forces such as market size and economic return will dictate the deployment of these technologies between now and 2000.

Unfortunately, several important market and commodity crop segments may become the true "orphans" and won't receive the same attention.

Why? The efficient flow of these new technologies is being inhibited by the intellectual property rights associated with biotechnology. This is a common occurrence when launching new technology in most fields.

To ease the flow of these enabling technologies, we first need to recognize the issue, then address it and lastly resolve it in creative ways. Somewhat complex, but feasible.

Collaborative opportunities

Economic development and food security in what we called "orphan market segments" will only occur with a more determined, coordinated collaboration between the CG, the private sector, NARS and the NGOs.

Examples of interesting collaborations between these parties exist within a few of the international centers, as reported in the annexes of our paper.

Let's be realistic... Most relationships with private companies will be bi-lateral. However, many can be multi-lateral, as for example new opportunities in the rice crop. No one company or institute will possess all technologies, traits, genes, etc...

If there is serious interest in increasing for example, the rice "yield ceiling", there is definitely an opportunity for a consortium of partners... Starting with my own company!

A systematic approach to understanding the issues to address partnerships is required and the PSC is willing to help.

Believe it or not... But, most companies in the for-profit private sector and the CG have strong mutual interests in social matters such as "poverty alleviation, better food quality production increases and environmental sustainability".

In fact, to us, raising income of the poor farmers equals more customers.

For example, it is essential that all of us releasing "genetically improved plants" work together to ensure that reliable biosafety regulations are developed and enforced in developing countries. We don't need to "re-invent the wheel" either

here. We must take this issue very seriously irrespective of whether it is the result of a private company, a cg or a nars program.

Important issues relating to the "freedom-to-operate" must be addressed. New mechanisms are required to resolve the inherent tensions created by these seemingly conflicting issues.

The CG and biotechnology

To continue fulfilling their mandate of enhanced productivity over future decades, the iarcs must significantly increase their biotechnology capabilities and capacity. To do this, they must participate in formal and informal networks of technology exchanges.

This requires a dramatic revolution.... New money, new skills, new organizational behavior, new mechanisms.

This is no different from the stressful, revolutionary changes a company like mine had to go through over the past five years when integrating internally and externally the development and commercialization of different, competing technologies!

We feel this issue is a senior policy-level matter which can be resolved through a focused discussion of these issues. The private sector has the technology and the decision-making authority to resolve the challenges.

And, the cg is in a pivotal position between the various parties to develop the new mechanisms which are required.

Conclusion: external review panel endorsement

Let me conclude by recognizing that this is not a zero-sum exercise where one party seeks gain at the others' expense.

We feel that the private sector—small local, medium regional and large multinational companies—has much to offer to potential collaborations and reciprocally has much to gain. All parties need to continue this first year's encouraging interactions by exploring new mechanisms, new boundaries and new technologies.

These boundaries will hopefully encompass new collaborations and/or endorsements, bi-lateral and consortium-wide---at a minimum they will involve acknowledgment and respect.

Our committee offers to work with you in defining the appropriate mechanisms.

Mr. Chairman, ladies, and gentlemen, thank you for your attention.

