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**Mid-Term Meeting 1998
May 25 to 29
Brasília, Brazil**

Mobilizing Science for Global Food Security

**Private Sector Committee Comments on the Reports of
Biotechnology and Proprietary Science Panels**

and

Report of the Eight Meeting of the CGIAR Private Sector Committee

Attached are the Private Sector Committee's comments on the reports of panels convened by TAC on General Issues on Biotechnology and on Proprietary Science and Technology (Document Nos. SDR/TAC:IAR/98/6.1 and SDR/TAC:IAR/98/7.1.) Also attached is the report of the eighth meeting of the Private Sector Committee held at FAO headquarters on March 9-10, 1998. These documents are issued as background to agenda items "Biotechnology" and "Strengthening Partnerships—Private Sector Perspectives," respectively.

Attachments

Report of the Eight Meeting of the CGIAR Private Sector Committee

Rome, March 9-10, 1998

The CGIAR Private Sector Committee (PSC) held its eighth meeting at the FAO headquarters in Rome on March 9-10, 1998 under the chairmanship of Sam Dryden. Alejandro Rodriguez Graue Alejandro Graue was unable to attend. Selçuk Özgediz represented the CGIAR Secretariat and served as Secretary. Mahendra Shah (CGIAR System Review), Shellemiah Keya (TAC Secretariat), Maria Zimmermann (FAO), and Radha Ranganathan (KWS) attended as observers.

The meeting was preceded by a working dinner on March 8 attended by Committee members, observers and invited guests. The guests included Henri Carsalade (FAO) and Geoff Hawtin (IPGRI). The Committee interacted with IPGRI Board and staff (March 9), FAO staff (March 10), and the Panel Chair of the Systemwide Genetic Resource Program Review.

The agenda consisted of the following items:

- 1. Introduction*
- 2. Biotechnology and Proprietary Science*
- 3. Partnerships*
- 4. Interactions*
- 5. Next Steps and Future Meetings*

1. Introduction

Sam Dryden opened the meeting by introducing three new members: Wallace Beversdorf (Novartis), Alberto Rubinstein (Shell Chile), and Seizo Sumida (Japan Bioindustry Association). He welcomed guests and observers and thanked Maria Zimmermann for the arrangements for the meeting. Selçuk Özgediz provided an overview of developments in the CGIAR since the last meeting of the PSC in October 1997.

Dryden noted that the major purpose of the meeting is to distill the Committee's views on CGIAR policy on biotechnology and intellectual property rights (IPR), as an input to the discussion of this subject at the Mid-Term Meeting in May in Brazil. In addition, this meeting would enable the Committee to interact with FAO and IPGRI on common concerns.

2. Biotechnology and Proprietary Science

Dryden, who served as a member of the two CGIAR panels commissioned by TAC to cover these subjects, summarized the conclusions reached by each panel as the full reports

were not available at the time of the meeting. The PSC felt that most of the recommendations of the Biotechnology Panel were on target. On the other hand, the conclusions reached by the Proprietary Science Panel were less sharp and the summary provided to the meeting appeared to be a watered-down consensus document. In light of this, the PSC concluded that it can contribute best to the CGIAR's discussion of biotechnology issues by formulating a set of clear positions it would recommend to the CGIAR on key issues.

The members identified the following eight issues as the initial set on which it should focus its recommendations to the CGIAR (with keywords reflecting suggested positions shown in brackets):

1. *Compensation for genetic material* (fair value sharing, pragmatism, clear title of rights, due diligence, central capacity with sophisticated expertise, endorsement of existing mechanisms)
2. *Sharing technology* (willingness to share so long as there are rational and understandable boundaries—or well-developed terms)
3. *Biosafety and duty of care* (CGIAR role as policy advocate)
4. *Proprietary rights and their enforcement* (CGIAR role as clearing house)
5. *Global movement of materials and associated liabilities* (facilitating smooth flow, analyzing implications for all actors)
6. *Focused expertise* (concerned with patenting, licensing, trade, legal matters; need for coordinated capability, possibly as a network with central hub)
7. *Capacity building/awareness raising* (CGIAR role in these areas, including training)
8. *Network building* (CGIAR as catalyst for building networks of learning in biotechnology)

The Committee agreed to revisit these issues and the suggested positions after the full reports of the panels are made available.

3. Partnerships

Selçuk Özgediz briefed the Committee about the partial results of the study he is conducting on partnerships and networks. Özgediz highlighted the distinction between 'strategic alliances' (which are mostly in the form of bilateral inter-organizational relations) and 'networks' (which have emerged as a new organizational form, particularly in new

industries such as biotechnology, information technology and new materials). To foster CGIAR - private sector partnerships one would need to understand the motivators for entering into either form of partnership.

Several PSC members summarized case studies of partnerships from their corporate experiences. These included:

- *Bt* genes and rice (for exploitation in developing countries)—Novartis-IRRI
- Acquisitions of SSRs (micro satellites)—Novartis contracts with combinations of firms
- Acquisition of genes and gene components—Novartis with any party in totally open market fashion, including through barter/trades
- Virus protection in Potato (Mexico)—Monsanto-CINVESTAV
- Riverblindness—Merck partnership with WHO (through the Carter Center)
- Foot-and-mouth disease—Merck with a Botswana research institute
- Vaccines for east coast fever and heartwater—Merck with ILRI and University of Florida
- Seaweed farming in Sri Lanka (public-private-NGO partnership)
- a novel Monsanto research initiative (in its embryonic stage) involving halophytes (using *salicornia*) that requires long-term research partners.

The PSC considered these as ‘work in progress’ and reached the following tentative conclusions:

1. There is little that can be generalized from the cases presented as they are *ad hoc*, each with its own rationale and logic. These are mostly in the form of bilateral alliances.
2. In most of these partnerships the private sector partner’s contributions are philanthropic, with little apparent short-term gain for the company. Thus, they are not likely to be sustainable.
3. The entire area of participation in networks need study, with focus on motivators for different participants.

4. Interactions

FAO. An entire morning was devoted to interactions with FAO. This was mostly in the form of 10-minute briefings by FAO staff on partnerships, genetic resources, biotechnology, and biosafety. There were many presentations but little interaction.

FAO welcomed PSC inputs to its own private sector partnership work. It also invited PSC to provide a paper on private sector perspectives to the Commission on Genetic Resources. The Committee decided to be cautious about making commitments to FAO and other organizations in order not to dilute its advisory work to the CGIAR.

IPGRI. The Committee interacted with the IPGRI Board at a luncheon meeting. The center management briefed the PSC about the scope of its work, which led to an interesting debate on IPGRI's strategy. Several PSC members inquired what 'unit of measure' IPGRI was using for 'genetic resources.' The IPGRI approach is seed-based and relies on accessions. The approach used by the private sector regards the resource to be conserved to be at the genome level. The PSC members noted that the specific approach taken would lead to different strategies for conservation, characterization, utilization, and evaluation.

SGRP Review Chair. Jaap Hardon noted that the review will draw clear distinctions between conservation and utilization as distinct activities ('businesses') within the CGIAR. On the unit of measure for germplasm, Hardon noted that he prefers the classical approach, considering genome-based definitions "reductionist." Nevertheless, he agreed that during the near term one would need to use both approaches.

5. Next Steps and Future Meetings

1. When they are made available, the reports of the TAC panels will be sent to PSC members for comment.
2. A PSC working group will be established by the Chair, in consultation with the Secretary, to formulate PSC views on biotechnology and proprietary science issues for presentation at the MTM. [The Working Group which was subsequently established included Dryden, Auxenfans, Beversdorf, Rodriguez, Preston and Özgediz. Dr. Judith Chambers of Monsanto provided expert advice and helped prepare the Working Group's commentary.] The draft prepared by the Working Group is to be reviewed by the full Committee.
3. The Committee agreed not to hold a meeting in prior to the MTM. The Committee would be represented in Brasilia by the PSC Chair and Vice-Chair. Instead the PSC agreed to meet following the MTM and before the International Centers Week. The initially identified dates (June 14-15, in Paris) were later changed to two days during the September 26-October 4 period in Paris.

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