

REPORT to CGIAR AGM 2004
of the
CGIAR Private Sector Committee

The nineteenth meeting of the CGIAR Private Sector Committee was held in Monheim, Germany, on February 27th, 2004. Dr. Usha Barwale Zehr was Chair of the meeting. Present were members Robert Horsch, William Niebur, Bernward Garthof, Alejandro Delfino, Bruno Ferrari and PSC Secretary Selcuk Ozgediz. Member Mumeka Wright sent her regrets. CGIAR Director Francisco Reifschneider, CDC Chair and WARDA Director Kanayo Nwanze and Dr. Edward Green, V.P. Research of Seminis Seeds, also attended the meeting.

The PSC meeting was held in conjunction with the IFPRI Seminar on Cooperation in Agricultural Research: A Review of Research on Public-Private Partnerships, which took place on February 26th, 2004, in Frankfurt. PSC members participated in the seminar along with various representatives from the public sector. It was agreed that though the public and private sector operate in fundamentally different ways, potential for co-operation exists and this co-operation can be beneficial to both as well as to society. Dialogue should be initiated between the two sectors and immediate objectives should be to identify opportunities and constraints, and ways to facilitate collaboration.

PSC members had a teleconference on June 15th, 2004, specifically to discuss the Final Report on the Independent Evaluation of the Partnership Committees of the CGIAR, by Keith Bezanson (Chair), Sunita Narain and Gerhard Prante. It was decided that the PSC forward a formal response to the review to the CGIAR. This response is attached hereto.

Following are the minutes of the 19th meeting of the PSC:

The day began with a tour of the Bayer CropScience facilities at Monheim. The formal agenda was taken up after the tour (The Agenda is attached).

PSC Chair, Usha Zehr, **introduced and welcomed** the members and other participants. She noted that:

- ▶ Bruno Ferrari, of Seminis Seeds, is attending his first PSC meeting,
- ▶ Kanayo Nwanze, CDC Chair and Director General of WARDA has been invited to explore ways of improving the PSC's dialogue with the centres,
- ▶ Madhavi Char of Mahyco would be assisting the Chair with PSC matters this year.
- ▶ Mr. Bruno Ferrari also introduced his colleague, Edward Green, V.P. Research of Seminis Seeds.
- ▶ A special welcome to Francisco Reifschneider, Director CGIAR

The **Agenda** was adopted with the following amendments:

- ▶ The report of the panel reviewing partnership committees has not been finalised and thus would not be discussed.
- ▶ Items added under 'Other Items':
 - ▶ PSC's working procedures
 - ▶ Fax from the Director General of the IFA to James Wolfensohn, President of the World Bank, evincing an interest in the World Bank – CEO dialogue and the activities of the PSC.
 - ▶ Membership matters, including filling of the vacancy left by Sam Dryden
 - ▶ Follow up to the Declaration of Corporate Support.

Report from the CGIAR:

Francisco Reifschneider, Director, CGIAR, reported on the developments in the system.

- ▶ Agriculture was back on the development agenda,
- ▶ Membership of the CGIAR continued to grow and was now at 63 members,
- ▶ The first phase of reform in the CGIAR was nearing completion. The new Executive Council has helped streamline decision-making. Having one CGIAR meeting a year (instead of two), has increased efficiency. The new Science Council is in place, with a new membership and mandate. A virtual systems office is also in place, with improved dialogue among its units. The three Challenge Programmes that are in implementation are proving to be a useful pilot experiment for the CGIAR.
- ▶ As part of the continuing reform process, the CGIAR would be looking into transaction costs, performance measurement management, and governance mechanism of the Challenge Programmes, as the goal is for them to be conclusive, efficient and able to deliver. PSC input has been important in conceptual and implementation stage of the CP's and 3 pilot programmes and the CGIAR looks forward to continued interactions in these matters.
- ▶ The closure of ISNAR.
- ▶ In 2004, the total annual funding for the CGIAR is expected to exceed US\$ 400 million for the first time.
- ▶ The appointment of two task-forces (one on programmatic alignment in the CGIAR and the other on organisational alignment), both having two chairs, have just begun working.

Alliance-Building Initiatives:

William Niebur gave the PSC an update on the Challenge Programmes;

1. Biofortification Challenge Programme now called **Harvest Plus** There have been several interactions between H+ the PSC. However, as the CP has had limited contact with the food technology sector or private sector players from the Southern hemisphere, it was agreed that the PSC could play a facilitating role by identifying additional 'southern' partners. (e.g., a major food player in the African continent) Alejandro Delfino agreed to provide names of potential partners in South and Latin America.

Members proposed that the the small-scale private sector could also be seen as a client of the CG as are small-holder farmers. The small-scale private sector is particularly helpful in the final stages of product development.

Members were encouraged to send suggestions to Bill Niebur who would be attending the H+ meeting in Rome, May 5-7, 2004.

2. Unlocking Genetic Diversity in Crops for the Resource Poor. Bill Niebur provided a progress report on the CP and shared slides prepared by the CP Director, Robert Ziegler. The members agreed that there is a clear need for focus, a need for more resources, and a need for streamlining the governance and structure of the CP.

It was agreed that the PSC should share its views on the programme with the principals of the CP through a note. Bill Niebur, Usha Zehr and Secluk Ozgediz, were tasked to draft such a note by end of March 2004.

Interaction with CDC Chair:

Kanayo Nwanze presented views from the centres on CGIAR-private sector interactions. He noted that the CG-PS alliance is not restricted only to the biotechnology area. He highlighted the types of strengths the CGIAR brings to the table in an alliance (e.g., its grass-roots organisation, knowledge of national research systems, germplasm collections, and numerous

established networks). He also discussed the issues critical to an alliance between the CGIAR and the private sector. These included:

- ▶ CGIAR provides free goods, the private sector does not.
- ▶ Small players have less freedom to operate (especially related to biotechnology).
- ▶ In alliance-building, marketing activities are quite important.
- ▶ Both sides should have a clear understanding of the risks involved.
- ▶ To date, there has been insufficient information sharing. This should be overcome.
- ▶ A key objective of the centres is to mobilise resources. How can the private sector add value to the centre's efforts to mobilise funds?

Kanayo Nwanze stressed that the PSC can be a useful sounding board for advice on several issues of concern to the centres. It can also serve as a facilitator for establishing linkages with specific companies. In addition, the PSC can mobilise companies that can partner with CGIAR and other actors in Challenge Programmes.

Another issue of importance to the centres and the System is **product delivery systems**, i.e., the link from product development to market. The centres can benefit from the private sector's marketing know-how.

After a good discussion, the following were seen as possible next steps;

- ▶ to continue the dialogue between the PSC and CDC, and perhaps through a joint meeting prior to, or following, the next AGM, or at another occasion;
- ▶ to focus on deliverables by identifying one or two projects that can be showcased as joint undertakings.

Update on the CGIAR's 2003 AGM:

Selcuk Ozgediz provided an update on the AGM. The CGIAR-commissioned external review of partnership committees (including the PSC) is still due and the PSC would need comment on the report once it has been circulated.

Report on the WB-CEO Dialogue at Washington D.C.:

Usha Zehr gave an overview of the World Bank-CEO dialogue. The discussion on the new Rural Development Strategy of the World Bank, the proposed assessment on agricultural science and technology and other development issues were highlighted. The CGIAR, particularly its challenge Programmes and the initiatives of the PSC, also figured prominently in the dialogue. It was agreed, that greater and more frequent interaction is desired between the PS and the WB.

Centre Interface Programme:

Bernward Garthoff presented the draft outline of the "The Scientific Exchange and Training Programme". A new name was suggested for this programme – 'the Scientific and Know-how Exchange Programme' (SKEP), to indicate the comprehensiveness of the proposed activities. The years 2005 to 2008 would be the Phase I/ramp up of the programme, starting with 1 or 2 exchanges, and the years 2008 to 2015 would be the full programme, each with defined milestones. The full programme would envisage up to 20 scientists per year.

The programme mission and targets are: the transfer of technology, know-how, know ledge, information in designing, controlling, managing R&D and developing a higher level of trust. Inputs of the CGIAR are to be incorporated as we go forward. We need a shared vision to achieve deliverables. Two IP ownership options were also presented.

Bernward Garthoff offered, on behalf of Bayer CropScience, to provide to the programme, the position of the head of the programme for the start-up phase. Members welcomed this kind gesture.

It was agreed that the programme was about commitment to:

- ▶ relationship building, underlying trust,
- ▶ competency development, which is workforce development,
- ▶ reach and complete projects more effectively and
- ▶ about public relations and corporate responsibility,

Which the members further agreed, could be the key output of the programme.

Kanayo Nwanze welcomed the proposal and indicated that it had a high chance for success because it was addressing a real need in a win-win fashion. There would have to be preconditions, e.g. conditions to be observed for protection of IP. He thought that the time frame was realistic. Selcuk Ozgediz felt that it could be thrown open to all the centres who are interested and that those interested could form a "pilot group" to test the idea. Others could join depending on the results being obtained. Kanayo Nwanze also felt that they need to look for 'champions', to build alliances between PS and CG.

The following were among the main points made during the ensuing discussion:

- ▶ SKEP should be planned with a long-term perspective (10 year proposal),
- ▶ members should review the 2 IP options (or a hybrid that could be developed) and express their views to Bernward Garthoff,
- ▶ discussions should take place directly with the Centres,
- ▶ the Centres need to be convinced that there is a space for Global Public Goods to be produced with this framework (of SKEP),
- ▶ Financing – to be finalised in the coming months, with Bayer CropScience already offering to provide the Head of the programme for the start-up phase and CGIAR willing to support with funds.

After a discussion, the next steps regarding the Master Agreement were agreed upon as follows:

- ▶ Finalise draft proposal after comments from the PSC members, along with the Master Agreement
- ▶ Agreement on the timeline
- ▶ Next, in-principle support from CGIAR Secretariat
- ▶ Expression of interest from Centres/CDC – get proposal to CDC before the May 2004 meeting of CDC
- ▶ Financing – commitment for finances from various bodies and budgetary guidelines by June 2004

The members thanked Bernward Garthoff for presenting a detailed plan to take the discussion to the next level and for all the time and energy he spent on this proposal.

Video conference with CGIAR Chairman:

Francisco Reifschneider informed the PSC that the video conference with CGIAR Chairman, Ian Johnson, scheduled for the afternoon, would not take place as Ian Johnson was unwell.

Venue and date for the next PSC meeting:

The following suggestions were made and need to be confirmed;

1. October 4th, 2004, in India at the Mahyco facilities.
2. Before or after the AGM in Mexico City, this will be held from 25th to 29th October, 2004.

Membership issue:

At the last PSC meeting, PSC had discussed broadening its membership to include individuals who represent diverse industries like food processing, natural resource management, IP-legal. At present there is one vacancy in the committee created by Sam Dryden's departure.

The PSC was informed by the Chair that the international fertiliser association had shown a keen interest to participate in the PSC. It was agreed to contact the forestry, fishery, food, fertiliser and IP/Legal organisations to identify potential members. PSC members were asked to suggest any candidates to the PSC Chair and Secretary.

Conclusion:

The meeting benefited from the active participation, inputs, and work put in by the members and Usha Zehr thanked all of them for participating. The hospitality provided by Bernward Garthoff and all the arrangements made were greatly appreciated and PSC wishes to express its sincere thanks to him and Bayer Crop Sciences for the opportunity to visit their facility and their hosting of the meeting.

**19th Meeting
of the
CGIAR Private Sector Committee**

FINAL AGENDA

Friday, February 27, 2004
Bayer Crop Science, Agricultural Centre, Monheim, Germany
9.30 a.m. to 5.00 p.m.

- A] Introduction**
1. Introduction and Welcome
 2. Review of the Agenda
 3. Report from the CGIAR – *Francisco Reifschneider, CGIAR Secretariat*
- B] Follow-up from the last meeting**
- Alliance-building Initiatives
1. Challenge Programmes – *Bill Neibur, Pioneer Hi-Bred, U.S.A.*
 - ▶ Harvest Plus
 - ▶ Unlocking Genetic Diversity in Crops for the Resource Poor
 2. Centre Interface Programmes – *Bernward Garthoff, BayerCropScience*
 - ▶ Scientific Exchange and Training Programme
 3. Delivery Systems Programme – *Usha Zehr, MAHYCO*
 - ▶ Interactions with CDC
- C] Update of CGIAR's AGM held on October 28 – 31, 2003 in Nairobi, Kenya –**
Selcuk Ozgediz, CGIAR Secretariat
1. External Review of Partnership Committees by Keith Bezanson – Review Panel Report
- D] CDC Intervention/Perspective -** *Kanayo Nwanze, Chair, CDC and Director eneral, WARDA*
- E] Report on World Bank - CEO Dialogue held on January 14, 2004, at Washington D.C., U.S.A. -** *Usha Zehr, MAHYCO*
1. Rural Development Strategy
 2. Agricultural Assessment
 3. Public-Private Partnership
 4. Precise steps for further action
- F] Video conference with Ian Johnson, CGIAR Chairman**
- G] Summary of Activities for PSC for 2004-2005**
- H] Next meeting and PSC Time-table**
- I] Any Other Items / Closing Remarks**

June 30, 2004

Mr. Ian Johnson
Chairman, CGIAR
1818 H Street, N. W.
Washington, D. C. 20043
USA

Dr. Francisco Reifshneider
Director, CGIAR
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Washington, D.C. 20006,
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Re: The External Review Panel Report of Partnership Committees

Dear Mr. Johnson and Dr. Reifschneider,

The Private Sector Committee (PSC) discussed the external review panel report in June. The report prepared by the panel is comprehensive and as most of the current PSC members are new to the committee, it provided a good historical perspective on how the committees formed and evolved over the years. On behalf of the committee the following comments are made. The comments here are restricted to the areas dealing more specifically with the PSC in the report.

The objective behind establishment of the PSC was to get a private sector perspective regarding the current status and future needs of global agricultural research, serve as a link between the CGIAR and the private sector and raise awareness of the global agricultural research. All of these are still valid objectives. The increasing need for agriculture to provide for more people globally, is made a more challenging problem as a result of the limited and shrinking funds that the public sector has available for research. In these times of rapidly evolving technologies that are more and more costly, the need for effective partnerships between the public and private sector is of paramount importance. We feel that the PSC is an effective mechanism in place today to facilitate or enable this exchange and technology transfer. While the pressures and dynamics of the relationship have shifted over time, PSC members believe that the current groups of scientists are ready to work in a cooperative manner for better public good.

In the early years of the committee's operations, more emphasis was placed at policy level initiatives. This also was the time when CGIAR was in the process of change and until the change process had reached a certain level of stabilization, PSC could best serve at the policy level. The PSC has since shifted some of its activities at center/program level such as the interactions with the Challenge Programs, the proposed exchange program between CGIAR centers and various participating private sector organizations.

The review indicates that the current framework of the PSC remains highly general and does not give details. The PSC has defined specific work plan within the framework established and is working closely with the CGIAR on these. The London meeting of the PSC set out with a new work plan that reflects both policy and operational level activities. Also the PSC meeting in Feb. 2004, had the participation of the CDC chair. Preceding this meeting was a workshop organized by IFPRI on Public private partnerships, again examples of activities that are engaging the CGIAR centers. Although time lines have been drawn up for some of the PSC programs, we need to take the next step in developing goals that both CGIAR and private parties can be measured against. It is also a fact that we have different reward systems and this at times leads to very different approaches to getting work done.

While the results of the survey by the panel on partnership committee perception are mixed, the creation of the committee has created greater awareness about CGIAR in the member's companies. Within our organizations there is greater understanding about the activities of the CGIAR and the PSC is also looking at working with Seed Industry Associations at national, regional and international level to bring greater exposure of the CGIAR and improved understanding. On appreciation, the cultural differences of the two groups require more effort to create greater appreciation of CGIAR at all levels within the private sector. It is valuable to the private sector to have a forum for engagement and for learning about the issues and strategies and programs of the CG. But this is also valuable to the mission of the CG in so much as it influences the actions of the private sector in ways that benefit small-holders and poor consumers directly or indirectly.

On the mission of the PSC, the review indicates that it is self-set and at CGIAR level, expectations from the committees are not well defined. PSC is comfortable with the mission as is and welcomes further clarifications from the CGIAR on what is expected from the committee if different than the stated mission. In addition, the PSC would welcome a formal means by which PSC's recommendations to the CGIAR are considered by the CGIAR. This would also help further define expectations from each other.

The panel has made one recommendation for the PSC and that the current committee/programs be market tested for next 2 to 4 years. The PSC is already engaged in these programs and supports the recommendation.

Although the panel has focused much on the historical evolution of the PSC, it has failed to place due emphasis on the current activities. Also a combined review of the partnership committees, especially since the two committees (PSC and NGO) have operated in such distinct manner has tended to generalize the committees and specific PSC related issues could have been lost in this. The ExCo discussions on the panel report highlighted the diversity of civil society and the fact that it is not just PS and NGO. PSC members are open to the idea of organizing some joint activities with Civil Society Organisations (CSOs) in areas of common concern. The PSC would take up this matter in its next meeting and update you as our thinking further develops on this subject matter.

The enthusiasm that existed at the establishment of the committee continues today and the PSC is looking forward to our continued interactions. We appreciate the opportunity to comment on the report.

With best regards,

Usha Barwale Zehr
PSC Chair