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World Bank Coup over Genetic Resources
Moves to Thwart First Steps Towards Intergovernmental Authority
20 June, 1994

Issue: The ICCBD's commitment to resolve the problem of ex situ germplasm collections gathered prior to the coming into force of the Convention (Resolution 3) is being circumvented by a World Bank initiative to take over the Consultative Group on International Agricultural Research (CGIAR) and its massive gene banks.

Implications: More than half a million unique crop germplasm accessions - possibly the largest collection of socially and economically-critical biomaterial in the world is about to become an "asset" of the World Bank. Virtually all of this material was donated by farmers and rural societies in developing countries. The World Bank is also negotiating with the new World Trade Organization (WTO) to make special provisions for access to the CGIAR gene banks under the terms of the GATT-TRIPS accord.

Recent Development: An initiative that would have brought the CGIAR gene banks under intergovernmental authority through a Food and Agriculture Organization (FAO)-CGIAR agreement was thwarted three weeks ago when the World Bank, which Chairs the CGIAR, said it wanted to review the deal even though it had already been approved by all parties. Subsequently, Bank officials let it be known that they are holding separate discussions with the WTO and that they consider as "foolhardy" the arrangement through FAO that would for the first time have given policy control to the Third World.

Background: Under pressure from industrialized countries during the May, 1992 negotiations that led to the adoption of the Convention, ex situ germplasm collections gathered prior to the coming into force of the Convention were dropped from the Accord. However, recognizing the extreme importance of these collections, Resolution 3 of the Nairobi Final Act calls for solutions to this matter and that of Farmers' Rights to be developed through the Global System on Plant Genetic Resources (FAO). Subsequently, in 1993, the member states of FAO endorsed a process of negotiations with CGIAR intended to place the half million germplasm accessions under the policy control of the intergovernmental Commission on Plant Genetic Resources. The clear intent, for both FAO and CGIAR, was that this legally-binding agreement be the first step toward the development of a draft protocol for agricultural biodiversity for submission to the Conference of Parties.

By May, 1994, the legal agreement had been accepted by FAO and by the relevant CGIAR bodies. Only formal approval was needed when the CGIAR's financial (as different from germplasm) donors, the industrialized countries, convened three weeks ago.

In the context of the worst budgetary crisis in the 23 year history of CGIAR, the World Bank stepped in with a number of linked initiatives...

[Paper prepared by RAFI, GRAIN and. TWN and endorsed by 40 NGOs at the Biodiversity Convention meeting, Nairobi, June 1994]

- Bank officials announced they were "forgiving" outstanding CGIAR debts.
- The Bank offered to increase its normal grant to the CGIAR to \$40 million.
- In addition the Bank offered to match new funds from other donors up to a combined total of \$60 million.
- Finally, the Bank announced the creation of a new \$2.5 billion (over five years) fund for national agricultural research linked to CGIAR.

The Bank had some other announcements:

- Also for the first time in its 23 year history, the formation of a CGIAR Steering Committee chaired by the Bank.
- The appointment of the CGIAR's key technical advisor to a Bank post.
- The appointment of another Bank official as Chair of the new Finance Committee of CGIAR.
- The Bank scuttled ratification of the FAO-CGIAR agreement and announced that it, itself, would provide leadership in this matter.
- The Bank would consult the World Trade Organization regarding the intellectual property provisions in GATT and the disposition of CGIAR germplasm.

In early June, CGIAR officials confirmed to enquiring NGOs that (1) the Bank was indeed in conversation with the WTO; and (2) the Bank was "not enthusiastic" about an agreement through FAO, with the Biodiversity Convention. In a letter to one NGO dated 16 June, Ismail Serageldin, Vice-President of the World Bank and the new Chair of CGIAR, stated that "it would be foolhardy to lock into agreements" (related to CGIAR germplasm) within the next few years.

Analysis: The World Bank is not a legitimate custodian of or policy maker for genetic resources donated by developing countries. The Bank is not governed on the basis of one nation - one vote and has never been accused of being sensitive to the needs of the Third World. The Bank's intent is to prevent intergovernmental control.

The Bank sees the CGIAR as a major instrument for the imposition of its agricultural programmes and policies and as an important private sector technology conduit. In the Bank's view, the CGIAR's major asset is its vast treasure trove of genetic materials.

The CGIAR has no collective legal identity and is merely a "club" of industrialized country financial donors who do not represent the interests of the donors of germplasm.

Recommendations: NGOs meeting in Nairobi recommend the following...

1. The ultimate control of ex situ germplasm collections held outside of the country of origin, whether collected before or after the coming into force of the Biodiversity Convention must rest with an intergovernmental body governed by the principle of one nation - one vote and with full recognition of Farmers' Rights.
2. The critical social and economic importance of the genetic materials within biodiversity that nurture people - including animals, plants

and micro-organisms used for food, fibre, pharmaceutical and other purposes should be recognized through a protocol to the Convention.

3. Recognizing the particular situation of the CGIAR and its ex situ germplasm collections gathered both prior to the Convention and since, it is clear that these collections must come under the intergovernmental authority of a body as described in point one above.
4. Therefore, the initiative by the World Bank to take control of the CGIAR gene banks should be rejected, and the FAO-CGIAR agreement should be concluded expeditiously.
5. Ultimately, the genetic resources held in the CGIAR genebanks, as well as all other ex-situ collections, should come under the rules of the Convention. We urge the FAO to continue developing proposals on how to do so - as requested by Resolution 3 - as soon as possible.

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June 16, 1994

Mr. Pat Roy Mooney
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Dear Mr. Mooney:

Thank you for your letter of June 7th and for your kind words about the CGIAR mid-term meeting in Delhi. I am glad you had the opportunity to attend and I value your reactions, particularly on the genetic resources issue which you rightly stress as sensitive.

In your letter you focus on the draft legal agreement with FAO and refer to 'the proposed Agreement between FAO and the CGIAR'. The current proposals however, are for an agreement between each individual center and FAO, an important difference. I will come back to this. You also make the point that 'the CGIAR is ideally positioned to take a leadership role in the preparatory process.' I want to comment on this first.

As was acknowledged in the discussion of genetic resources in Delhi, several aspects of the Centers' work have become global issues. As you well know, the CGIAR has traditionally placed the highest value on Center autonomy and, historically, this has served it well. The corollary is that the CGIAR system has no whole persona, it has no coherent presence at the international level. I am currently engaging that issue, but we need time to evolve. Pending that evolution, the strongest vehicle we have for international representation is the Cosponsors; FAO, UNDP and the World Bank. It was these considerations which led to my proposal, accepted by the CGIAR in Delhi, to pursue the issue through the Cosponsors.

Now to the question of the proposed agreements between each center and FAO. It is of course closely related to my comments on the CGIAR as an international entity. Acceptance of the system wide program on genetic resources in Delhi was an important step towards CGIAR coherence on key global issues. However, the proposal for individual center agreements with FAO runs counter to the spirit of that new found coherence. Indeed, such a fragmented arrangement implies subsequent interactions with centers on an individual basis, something which may impair the development of system wide policy and procedures for the collections as agreed in Delhi.

Mr. Pat Roy Mooney

June 16, 1994

* [A related point, strongly made in Delhi, which you support in your letter, is the upcoming sequence of international meetings through 1996. These meetings will have outcomes which deserve weight in any agreements on the CGIAR collections. It would be foolhardy not to bring a CGIAR voice to those meetings, and equally foolhardy to lock into agreements which the meetings themselves may render obsolete.] *

I hope my comments here allay the fears of an unhappy controversy you articulate in your letter. I appreciate the efforts you and your organisation continue to make to ensure the poor of the world their deserved place in both national and international policy decisions. I assure you your goal is wholly congruent with my own commitment.

I am sending with Geoff Hawtin a statement I prepared for the Intergovernmental Committee on the Convention on Biological Diversity (IGCCBD). I hope it helps meet some, if not all, the concerns you have aptly brought to my attention.

Sincerely,



Ismail Serageldin
Chairman