

The Greed Revolution *Mega Foundations, Agribusiness Muscle In On Public Goods*

Big foundations like Gates and giant agribusinesses like Syngenta are taking an interest in multilateral public institutions committed to ending hunger. The international agencies are having trouble with the “public/private” boundaries. It’s time to evaluate them all.



Issue: Three recent incidents show that the UN's Food and Agriculture Organization (FAO) and the Consultative Group on International Agricultural Research (CGIAR) seem to be redacting their reports, or opening their gene banks and looking the other way as the private sector overrides governments and farmers to commandeer agricultural policy and practice. Private foundations and OECD states are causing public institutions to lose their focus on "public goods."

At Stake: FAO looks to agribusiness for policy guidance and looks away when agribusiness practices harm peasant agriculture. Simultaneously, CGIAR's management is either ignorant of – or condones – Centers' privileging corporate access to CG breeding lines and publicly-held germplasm. At risk is the public policy credibility of FAO as well as public control of the almost \$700 million CGIAR budget. The spill-over from this conflict of interest jeopardizes all the Rome-based Agencies (RBAs) and the UN's premiere Committee on World Food Security.

Actors: Trade association lobbyists and agribusinesses (Nestlé, PepsiCo and SABMiller, for example) are hiring their own agronomists – by the hundreds – to work directly with farmers in the global South to get the products the companies want and under conditions they dictate. As companies move upstream, they have a new interest in agricultural policy and research into plant varieties that may help them safeguard their raw material supply despite climate change. Simultaneously, FAO and some CGIAR Centers, such as ICARDA and ICRISAT, are adopting private sector culture, under pressure from big foundations and OECD governments, in order to appear "market-friendly" and to attract funding.

Fora: The Bill & Melinda Gates Foundation is expected to announce plans for an evaluation of the Rome-based Agencies. An evaluation would be appropriate if it is conducted by the UN Committee on World Food Security and guided by smallholders and governments. The CFS should also conduct an evaluation of the role of private institutions including the impact of trade association lobbyists and big foundations like the Gates and Syngenta Foundations. The CFS will meet in Rome in October. The CFS, as an intergovernmental body, has special rules to ensure the active participation of smallholder producers, concerned civil society and agribusiness, as well as governments. It is also the one forum where the Rome-based agencies – FAO, IFAD (International Fund for Agricultural Development), WFP (World Food Programme) as well as CGIAR (through Bioversity International) – report. The CGIAR should review its private sector policies when its funders group convenes with the Gates Foundation in Seattle March 6-7, and the FAO Council should do likewise when it gathers July 9-13. This could also be a discussion topic when FAO's brand-new Director-General sits down with the UN's Special Rapporteur on the Right to Food January 9-17.

Policies: As the only UN forum that brings together all the international foodies, the CFS must be strengthened, become more independent of FAO, and develop an agenda that protects public institutions from private interests. Guided by the FAO International Treaty on Plant Genetic Resources for Food and Agriculture, CGIAR must prohibit privileged access to its advanced breeding lines and, protect publicly held germplasm. Legal control of CG gene banks should be surrendered to FAO. FAO should critically review its policies and practices regarding private sector involvement and submit its report to the CFS.

Erna Bennett, 1925–2012

It was with great sadness that ETC Group learned of the passing of Dr. Erna Bennett at the beginning of this year. Erna was a passionate, Irish revolutionary and world-renowned plant geneticist as well as a founding board member of RAFI (now ETC Group). She worked at FAO from 1967 until 1982 when she was forced to leave because of her strong support for FAO's general and program staff unions as well as her vocal and unrelenting campaign to keep corporate interests outside the UN system. While we're not in the custom of dedicating our work to individuals, ETC Group dedicates this *Communiqué* to the extraordinary life and memory of Erna Bennett, whose passing comes 30 years after her departure from FAO and at a crucial moment in the battle she so effectively waged against the privatization of plant genetic resources.

The New Agronomists:

The takeover of multilateral agricultural organizations like the CGIAR and FAO by multinational agribusiness has either been predicted or presumed at least since the 1970s (see Box #1). Indeed, by the beginning of the '80s, governments' interest in agriculture was in freefall and corporate control of global public goods was a distinct possibility. But, multinational agribusiness hardly knew that CGIAR and FAO existed. It shouldn't be surprising that Cargill and Monsanto muddled-on uninterested in the international public sector. After all, the poor and hungry were not part of their market. Only about 15% of the world's food supply moves across national borders and much of that moves between OECD states from Australia and Japan and North America and Western Europe. The rest is small potatoes. However, beginning in the late 1960s and early 1970s, as the Humboldt Current's anchovy catch collapsed and the demand for the soy/maize animal feed combo skyrocketed, the multinational grain traders became increasingly interested in Brazil and Argentina. Then, the economic juggernauts of China, India and Brazil and their new enthusiasm for processed foods and meat and dairy products encouraged multinationals to read the tea leaves and recognize their future lies in "emerging

economies." Faced with stagnant population growth and volatile commodity prices in the North, multinationals are sowing and selling South and, for the first time, taking notice of the multilateral institutions that have been there for half a century.

That's why, now, Levi Strauss, the giant jeans jock, is working with Adidas, The Gap and IKEA in a non-profit consortium to go into the fields and coax farmers in India, Pakistan, Brazil and West and Central Africa to grow their preferred cotton.¹ And why PepsiCo's 200 staff agronomists have developed drought-resistant potatoes for Chinese peasants and sunflowers for Mexican campesinos – *en route* to becoming oily crisps. In all, Pepsi says it is working with at least 25,000 farmers worldwide including chickpea growers in Ethiopia (to make smoothies, they say). And also why the world's biggest food company, Nestlé, has 1000 agronomists directly sourcing crops and dairy products from 500 million farmers worldwide. Not to mention SABMiller, one of the world's biggest brewers, which now employs 60 agronomists who work with 28,000 farmers (19,000 of whom are in Africa) to grow grains. (Eighty percent of the brewer's customers, after all, belly up to the bar in emerging markets.²)

It also makes sense for the retailers to work more closely with the input companies. Beginning in the mid-1970s, pesticide/chemical companies began to buy up family seed companies until, according to ETC Group's recent report, [*Who Will Control the Green Economy?*](#), the world's top three seed companies (Monsanto, DuPont and Syngenta) have 53% of the global commercial seeds market and the top 10 companies control 73%. Both ends of the food chain want to be in sync with one another.

The Rome-based agencies (RBAs) are awash with possibilities. The World Food Programme delivers food aid – mostly to cities – that must be purchased. This is hardly a new market for grain traders but it is an increasingly attractive market as companies look for new beachheads on new continents. With a little coaxing, big retailers and processors may surmise, IFAD – the International Fund for Agricultural Development – could be persuaded to subsidize the production of high-value, processed foods for the South's burgeoning middle class. Most strategically, FAO plays a significant role in setting the framework for national agricultural policies and co-hosts (with the World Health Organization) the *Codex Alimentarius* Commission, whose food standards are recognized by the World Trade Organization) as the international benchmark for food safety. Most attractive of all, however, is the CGIAR. With 15 international centers located conveniently throughout the South, CGIAR offers corporations quasi-UN “protection” getting seeds in and out of countries; has hectares of experimental fields and greenhouses; and can render up the “cheap labour” of publicly-funded scientists and technicians who might be cajoled into doing the most speculative and least profitable research for the big companies. Collectively, the RBAs can give agribusiness the “goodwill” and

protective cover needed to set up shop in the global South. While all of these possibilities have existed for decades, now, for the first time, emerging markets offer volume sales – and the retail downstream side sees the value.

Slowed Food Aid: Nestlé's thousand agronomists are clamouring into the field even as international agencies and national agricultural ministries are leaving it. A convergence of interest and disinterest: First came the agricultural input companies – Monsanto, DuPont, Syngenta – from the seed/pesticide sector, along with Yara, Cargill (now Mosaic), etc. from the fertilizer industry. This makes sense: Increase yield; get as much product into the marketplace, no matter how low the price, as fast as possible. But the blossoming middle-class in many parts of Asia and Latin America and even in Africa also created opportunities for the food and beverage companies. Today, both ends of the food chain – Monsanto tugging on one end and Wal-Mart on the other – have the South's farmers tangled in-between.

The inputers and the retailers share some interests: They both want as few farmers as possible – as big as possible. They want farmers contracted to buy their inputs at the beginning of the season and contracted to surrender their harvests at season's end, and to bear the risk of whatever happens in between. It's as much in the interest of Syngenta as it is for Carrefour to have uniform, trademark produce and a traceable value chain. Logically, then, agribusiness would “get with the program,” shift their focus to production for the best soils in the best markets and accept that marginalized *campesinos* must turn into urban consumers.

For these companies, climate change is a “convenient truth.” Agriculture has to grow

big, high-tech and fast and so-called marginal lands have to surrender every blade of biomass for the new bio-fuels, bio-plastics and bio-chemicals replacing petrochemicals. And, the most important task of the public sector is to help the private sector achieve this transition.

Agribusiness – especially, but not exclusively, the processors and retailers – have other concerns. Wherever retailers rattle their food chain, nutrition takes a hit. Obesity and type 2 diabetes, for example, are becoming as common in the South’s megacities as in the North. Warnings that developing countries neither could nor should adopt the industrial food model – that growing demands for meat and dairy products especially are unsustainable and undesirable – are anathema to multinational foodies. Any efforts within FAO or WHO or other UN agencies to move the world toward healthier diets – or to keep them there – must be challenged.

ETC Group’s recent report, [*Who Will Control the Green Economy?*](#), predicts that China will out-consume the United States in 2012 to become the world’s largest grocery market. Brazil recently overtook France to become the fifth largest grocery consumer. By 2015, Brazil, Russia, India and China will claim four of the world’s top five grocery markets with combined sales estimated at about \$3 trillion.³ In 2009, the top 100 food and beverage companies had combined food revenues of more than \$1 trillion and account for about 77% of all packaged food.

Until now, Wall Street has assumed that the energy industry (with global sales of around \$7 trillion) is the “mother of all markets.” No longer. Tipping the scales at \$7.5 trillion, the food chain is now the “fodder of all markets.” This is the industry that is pressuring our public institutions and Food

Sovereignty.

“**Best-before date?**” Unhappily, farmers’ historic champions, the public sector multilateral institutions – inside and outside the UN – look sadly stale-dated, cash-starved, attention-deficit and awkwardly anxious to be seen as relevant. Instead of defending the Right to Food and Food Sovereignty, demoralized public institutions are just doing whatever they have to do to get by. When José Graziano da Silva took up his new post as FAO’s Director-General on 1 January 2012, he automatically became *primus inter pares* among the gaggle of public institutions that are in danger of losing their moral compass. How he addresses the rapidly shifting relationship between public and private institutions could define his term in office and could be decided between now and the next meeting of the Committee on World Food Security in October. This could be an important topic for discussion when Dr. Graziano meets the UN Human Rights Council’s Special Rapporteur on the Right to Food, Olivier de Schutter, who makes an official visit to FAO January 9-17. Dr. Graziano comes with impressive credentials as someone who helped pull hundreds of thousands of Brazilian families out of misery and malnutrition via Lula’s *Zero Hunger* initiative. Will Dr. Graziano see not only the urban poor but also the rural peasant? This question could well be the basis for the new Director-General’s presentation to the World Social Forum in Brazil at the end of January.

Conflicts of (Public/Private) Interest – Three Case Studies:

In annexes to this *Communiqué*, ETC Group offers three case studies that illustrate how the public mandate of multilateral institutions (FAO) and international agricultural researchers (CGIAR) is being eroded and distorted by private sector

interests. FAO is anxiously soliciting and prioritizing the policy input of agribusiness trade associations. Agribusiness is gaining privileged access to advanced breeding lines and germplasm held in international gene banks. Mesmerized by the interests of private sector partners and their quest for intellectual property monopoly on germplasm, some institutions are forgetting their mandate to support national public agricultural research partners and the needs of peasant farmers, the poor and hungry. International Agricultural Research Centers are in danger of becoming cheap, “outsourced” breeders working in the service of agribusiness.

1. FAO – “Stakeholders” vs. “Steak Eaters” (see Box #2, Annex 1, page 14):

In an act of solidarity that has become more common since the re-formation of the CFS, the RBAs agreed to craft a common contribution on the importance of agriculture to the UN’s so-called “zero draft” document for the Rio+20 summit this June. In early September, FAO and OECD convened an “Expert Meeting on Greening the Economy with Agriculture” where civil society, agribusiness, and others offered comments on FAO’s texts-in-progress. They were assured that their comments would be taken into account in the final text and in any submissions to UN New York. However, about a month after the Paris meeting, a number of industry organizations including CropLife International (pesticides) and the International Fertilizer Industry Association, sent letters to the Deputy Director-General for Knowledge at FAO with detailed complaints about the Paris draft. All industry concerns were forwarded to the drafting group within FAO, but the consolidated comments from the Paris meeting and from the many follow-up civil society contributions were actively suppressed. Senior FAO management

unilaterally edited the joint RBA submission and forwarded FAO’s version to UN New York bearing all the RBAs’ logos. Three days later, at a briefing on Rio+20 to Permanent Representatives, requested by the FAO Conference, FAO staff deliberately withheld both versions of the RBAs’ submission and all other documents discussed in Paris. Unhappily, the FAO-forwarded text reflected industry’s concerns and made no apparent effort to address other written submissions from civil society. Under strong RBA pressure, however, by the end of the week a revised joint submission was sent, with embarrassment, to New York. Although discussions are continuing between the RBAs over the Rio+20 preparations, the cooperative environment has soured and future cooperation at the CFS looks less likely. See Annex #1 for details.

2. ICARDA – Hoisting for Heineken?

In 2009, CGIAR’s Syria-based International Center for Agricultural Research in Dry Areas (ICARDA) signed a 3-year contract with the Mexican beer industry to provide “advanced lines” of malting barley for assessment in Mexico. One provision of the contract: If the industry requests exclusive Mexican rights on any of the transferred barley, ICARDA agrees to withhold distribution of the barley material to any other party in Mexico. The Director-General of ICARDA has told ETC Group that the barley materials transferred under this agreement did not need Standard Material Transfer Agreement (SMTA)-accompaniment. It is not clear if the research agreement and the omission of SMTAs represent a violation of the International Seed Treaty governing access to and exchange of germplasm held in trust for the world community. If it is not a treaty violation, the problem lies with the Treaty’s

provisions and/or interpretation and with ICARDA's ethical perspective.

In 2010, the controversy deepened when ICARDA's Director General made a second deal with Resource Seed Mexicana (RSM), a private seed company owned by a plant breeder who has served as a consultant to the office of ICARDA's DG since 2008, and whose duties include supervision of ICARDA's spring barley breeding program.⁴ ICARDA's agreement pays the consultant's Mexican-based seed company, RSM, to evaluate ICARDA's barley varieties in Mexico before sending them to the beer industry. In 2010, one of ICARDA's Mexican brewery partners was acquired by the giant Dutch brewer, Heineken. The other two industry partners are owned by Mexico's largest brewer, Grupo Modelo, which is 50% owned by the world's top ranking brewer, Anheuser-Busch Inbev.

Anonymous sources at CIMMYT indicate that CIMMYT barley germplasm held in Toluca, Mexico was transferred to RSM without the mandatory SMTA. Following receipt of an earlier draft of this report, the Directors-General of ICARDA and CIMMYT and the President of RSM have argued against ETC Group's interpretation of these events. None of the information provided persuades us to change our conclusions. Full details appear in Annex #2.

3. ICRISAT – Cat among the Pigeonpeas?

In November 2011 CGIAR's Hyderabad-based International Crops Research Institute for the Semi-Arid Tropics (ICRISAT) grabbed headlines and the credit for being the first to complete a draft sequence of the pigeonpea genome – the first peasant crop genome to be sequenced. But ICRISAT was not the first. It turns out that a team of Indian

scientists supported by the Indian government's Indian Council of Agricultural Research (ICAR) accomplished the same feat days ahead of ICRISAT. Instead of cooperating with its national research partners, ICRISAT's scientists reportedly spurned collaboration with ICAR-supported scientists and teamed up instead with private sector partners like the Beijing Genomics Institute (the world's largest gene sequencing company) and Monsanto. ICRISAT claims that it was not even aware of the parallel sequencing effort being undertaken by a team of 31 Indian scientists until the late date of 15 June 2011. The lack of cooperation is especially disturbing because ICRISAT's Center of Excellence in Genomics (CEG), established in 2006, was generously financed by the Indian government. Ultimately, publicly-funded scientists competed instead of cooperated and scarce resources were wasted. Further details are provided in Annex #3.

Conclusions:

International public-sector institutions involved in food and agriculture have not yet come to grips with the new reality that food processors and retailers now see the urban global South as its best opportunity for market growth. This is already dynamically – and negatively – restructuring the South's production and nutrition. The worst elements of the North's industrial food system will be imposed on the South unless our multilateral institutions take action.

In general, however, it is not that the private sector (family foundations and agribusiness) is strategizing to control the public sector, it is that the orientation of OECD governments has now shifted heavily in favour of global agribusiness and market-based initiatives. The result is that multilateral agencies and CG Centers feel obliged to give special

weight to private sector opinion and are bending over backwards to attract businesspeople to their committees and boards. As the private sector's presence grows, the historic commitment to "public goods" and to the mandate of developing policies and technologies for marginalized producers and the urban hungry is weakened. Standard private sector "think" assumes that benefits always "trickle down" to marginalized peoples. Once this mantra becomes mainstream, the public sector priority – to address the most immediate needs of the marginalized – fades into the sunset. Virtually every private sector proposal can, after a snifter of brandy, have spinoff effects for the poor. Shifting the focus from smallholder producers to large farmers on the best soils can be seen as a wise response to urbanization and climate change – not, as it is, a surrender to the interests of Nestlé and friends. *The scandal is not that we have found three (probably, among many) examples of poorly-managed conflicts of interest, but that the international public sector of a generation ago, looking into the mirror today, would not recognize itself...and would be scandalized.*

The "Occasionally-Consulted" Group: CGIAR offers the clearest example of irresponsible mandate drift (manipulation); in the beginning, the "Consultative Group" prided itself on science-based decision making, guided by a blue-ribbon Technical Advisory Committee and the input of Center scientists. In the 1970s, the funding governments and foundations strove to maintain an arm's-length involvement and tried to provide core grants to give scientists the flexibility they felt they needed. ETC Group (then RAFI) argued that the pursuit of sound science was laudable but unlikely. Then, on average, 85% of CGIAR's top decision-makers (the definers and arbiters of "sound science") were from OECD states

and, usually, two-thirds were Male, White, Anglo-Scientist Patricians ("MWASPs") with a depressingly limited understanding of peasant agriculture.

By the early 1990s, OECD funders had lost confidence in the Centers and were tying most of their grants to projects of interest to the funders themselves. Still, funders had to reckon with scientific councils and science-laden Center boards fundamentally committed to producing "international public goods."

Somewhere in the most recent round of non-stop CG restructuring, the science-orientation of Center boards has shrunk from the table like a waning tide to be replaced by bankers, accountants, business managers – everybody except farmers. Today, just over one-third of the Centers' board members have a dominant "private sector" orientation and some have no obvious connection to agriculture at all. Although the Director-General of CIMMYT insists that only three of his board members are from the private sector, ETC Group considers this estimate sadly myopic. At least 8 of the 15 members of the CIMMYT board are from the private sector or have very tight ties to the private sector.⁵ Contrary to Barack Obama, for business people, "business as usual" is perfectly lovely and "public goods" are there to be privatized.

While board members' knowledge of agriculture has swung from the farm to the fridge, the decision-making relevance of Center boards has tanked. It is a mixed blessing that the CGIAR is now driven by centrally determined, system-wide programs that proportion monies to individual Centers based on collective negotiation. The monies themselves are still hugely tied so the maneuverability of Centers to protect their infrastructure or encourage local creativity is vanishingly small. Once legendary Center

DGs are increasingly high-priced housekeepers and their boards are “occasionally-consulted” custodians.

All this further encourages mandate manipulation as Center DGs and their weakened boards scramble to find money wherever they can. This seems to include making deals with private companies, welcoming variety patents/PBRs, and regarding national partners as competitors in the race for recognition. It also leaves CGIAR’s combined financial report confusing. According to the 2010 annual report, CG Centers took in \$696 million. The largest funder was the United States at \$86 million followed by the Gates Foundation at \$71.4 million. Ranked as number three was the World Bank with a comparatively modest \$50 million. Gates officially joined CGIAR as a member in 2010 although it has been directly or indirectly funding Centers for the last seven years.

Miscellaneous Millions: The other notable feature in the annual report is that, astonishingly, the biggest funding category is “miscellaneous” – more than \$89 million committed in 2010 by presumably a large number of unidentified sources. It’s not likely that kids around the world are breaking open their piggy banks for the Washington-based International Food Policy Research Institute (one of the 15 centers). As our case studies involving ICARDA and ICRISAT make clear, funding is coming from private companies and this money falls into the CG’s miscellaneous category – which reflects “a broad range of sources from non-members.” *The CGIAR’s inability to provide a breakdown of this figure – as a matter of public responsibility and transparency – is an issue of immediate concern. “Miscellaneous” provides more funding to the CGIAR than the United States or the Gates Foundation. The CGIAR should*

provide a special revenue reporting category for all private sector contracts or donations.

Philanthro-Capitalist Foundations: Over the last seven years, the Gates Foundation has committed over \$1.5 billion to international agricultural development, making it hugely influential over what everybody in the public sector says and does. Virtually none of the Gates money is for “core” or “general” support – it is tied to their specific interests. Almost without exception, Gates funding is linked to projects that also involve agribusiness. The Foundation clearly has a business model in mind for agricultural development. While the Gates Foundation is correct that the Rome-based agencies would benefit from a collective external evaluation – or “meta-evaluation” of their recent individual evaluations – Gates is not the one to do this. In fact, the Gates Foundation is remiss in not inviting smallholder producers and governments to undertake an independent external evaluation of the Foundation’s agricultural program.

Similarly, the role of the Syngenta Foundation, a member of the CGIAR since 2002, requires evaluation. Although a much smaller contributor to the CGIAR and other agricultural initiatives, this foundation is different from Rockefeller, Ford or Kellogg because, unlike those, it is a corporate-controlled foundation that, according to its bylaws, is prohibited from undertaking any activities that could undermine corporate profits. Given that Syngenta Corporation is one of the world’s biggest seed and pesticide companies – and is moving aggressively into the global South – its contributions demand rigorous scrutiny. The acceptance of the Syngenta Foundation as CGIAR member 10 years ago led to the mass resignation of the CG’s entire NGO committee.

Recommendations:

A study of the inter-linkages between the international public and private sectors in food and agriculture is overdue. Likewise, at this early stage of the renewed CFS, it's important to conduct an evaluation of all four RBAs. Our most important recommendations, therefore, are as follows:

- The CFS should invite the Special Rapporteur on the Right to Food to help it design a study of public/private sector interrelationships. The study should conclude with recommendations applicable to all of the Rome-based agencies (including CGIAR) and private agribusiness. The study should be completed by July 2013 and discussed at the October 2013 meeting of the CFS.
- The CFS should undertake an evaluation of the Rome-based agencies (including CGIAR), supported by the Special Rapporteur, and including the full participation of small-scale producers and governments of the global South.

The following recommendations relate specifically to the CFS, FAO, CGIAR and the Rio+20 process:

Committee on World Food Security:

Despite the important restructuring of the CFS in 2009, control of the Secretariat and budget remains too closely tied to FAO. For this reason, other RBAs are reluctant to either defend their interests or fully trust organizational aspects of the CFS. Surprisingly, the intergovernmental Bureau that guides the work of the CFS between and during sessions has also felt pressured by FAO senior management. This must change if the CFS is to meet its mandate and if the Rome-based agencies are to convince UN

New York and sister organizations that they can be trusted with UN leadership on food and agricultural issues. The following steps should be taken:

- The CFS Secretariat should be led by a high-ranking officer, capable of commanding the attention of the heads of the Rome-based agencies, selected by the CFS upon the nomination of the CFS Bureau based on a list provided by the RBAs.
- The CFS Bureau and RBAs together should undertake a review of staffing requirements with the intent of establishing new professional staff positions.
- Depending upon the outcome of this review, the Secretariat may continue to be wholly or partly seconded from the RBAs but should not be regarded as FAO staff during the secondment.
- The venue for Bureau and CFS meetings should rotate between those RBAs that have appropriate space.
- The CFS should – through Bioversity International – invite the CGIAR to become the fourth founding multilateral institution of the CFS.
- The Special Rapporteur on the Right to Food should be invited to attend and participate actively in CFS meetings.
- CFS annual meetings should, as a permanent agenda item, review the relationships between the RBAs and with the entire multilateral system.
- Each group participating in the CFS should be invited to introduce one agenda item of approximately 3 hours for plenary debate at each meeting of the CFS.
- The CFS Bureau should ensure that interest groups have, in attendance, at least one organization with observer status from each region and

that each group has a recognized and documented self-organizing mechanism for its participation in CFS meetings.

- The FAO Conference should agree to transform its biennial regional conferences (including budget) to become biennial regional CFS conferences.

Food and Agriculture Organization: As of January 1, 2012 FAO has entered a new era of leadership with cause to hope that FAO will now have a more open and inclusive approach to multilateral partners and “stakeholders.” The new leadership may wish to consider the following:

- The Director-General should consider giving his support to the above recommendations concerning the CFS and could instruct his senior management to do likewise.
- FAO should take the lead in the UN system in adopting the Aarhus Convention on Access to Information, Public Participation and Justice on Environmental Matters as it applies to FAO.
- FAO should review international proposals for a Convention on Corporate Social Responsibility and Accountability and establish specific procedures for private sector participation addressing FAO policies and programs.
- FAO should undertake a study of its legal capacity to monitor and implement actions in support of hosted treaties and agreements and make this report available for debate in the next FAO Conference and in all meetings of intergovernmental bodies related to these treaties/agreements. The report should include recommendations.

Rio+20: Given the importance of agriculture in meeting the challenges of environmental degradation, and especially, climate change, FAO, together with the other RBAs, should ask the governments at Rio+20 to adopt the following emergency initiatives to ensure long-term food security:

- As a matter of priority, FAO should strengthen the secretariats and financial resources available to the International Treaty on Plant Genetic Resources for Food and Agriculture (ITPGRFA) and the Commission on Genetic Resources for Food and Agriculture (CGRFA) in order to promote the availability of genetic resources to address climate change.
- FAO and the CGIAR should establish a working group to review the legal, policy and practical relationship between FAO and the CGIAR’s gene banks with a view to making recommendations to the ITPGRFA and CGRFA when they next meet. In particular, FAO and CGIAR should consider the possibility of legal ownership of gene bank materials and facilities being placed directly under UN control and ownership.
- In consultation with farmers’ organizations, FAO should work with CGIAR to develop a program, within the provisions of the ITPGRFA, to duplicate unique gene bank accessions for free distribution, in small packets, to farmers’ organizations for their further distribution to smallholder producers in order to encourage local plant breeding and conservation.
- Following consultations with farmers’ organizations, FAO should develop an emergency climate response strategy. In particular, this strategy should identify market

barriers (including intellectual property) that constrain farmers' access to crop and livestock genetic diversity and their ability to bring greater diversity to local markets.

- Specifically, FAO should challenge intellectual property applications and grants that are broad, multi-genome claims impeding plant breeding to respond to climate change.

CGIAR: The CG system has been in a state of constant – and generally chaotic – reorganization at least since its Third External Evaluation in the late 1990s. The absence of leadership and the decline in resources have led to slippage in important policy areas and even in research objectives. Recent events have brought this slippage to a crisis point and urgent action is needed:

- CGIAR should cooperate in adopting all of the above proposals relevant to its structure and program.
- CGIAR should require each center and multi-center initiative to provide an annual report on its relationship with all “stakeholders” and to disclose all financial and personnel arrangements involving for-profit private sector enterprises and trade associations.

- CGIAR should adopt a Convention on Corporate Social Responsibility and Accountability with respect to its collaborations with private sector organizations.
- CGIAR should report on its policies and practices with respect to intellectual property to regular intergovernmental meetings of the ITPGRFA and CGRFA. The CG system does not have the credibility to make such decisions on its own.
- CGIAR Centers must not give privileged or priority access to any private sector or government entity or any other party unless it is to restore germplasm to countries or farmers where the germplasm originated.

ETC Group is writing to the FAO Seed Treaty to request formal investigation of ICARDA's possible violation of the Treaty and SMTA procedures, challenging their agreement to restrict access to other researchers pending IP, including the possible transfer of material under development without SMTA. Under the Treaty, FAO is designated as the “Third Party beneficiary;” therefore, the Treaty's Secretariat should take the issue to the FAO legal counsel and the Treaty's Bureau.

BOX #1 A Short History of the Greed Revolution

While the efforts to attract agribusiness may have reached a new high, private sector links to FAO and CGIAR are neither new nor surprising. Addeke Boerma, who became FAO's Director-General in the late 1960s, was not only a former Dutch Minister of Agriculture but also an executive with Shell Oil. When he moved to Rome, he brought along a consortium of 80 agribusinesses and created a space inside FAO for its Industry Cooperative Program (ICP) which involved itself in virtually every aspect of FAO work including the editing of manuals on the advantages of chemical inputs, etc. When Boerma was replaced in the mid-1970s by Edouard Saouma from Lebanon, the new DG – with the backing of the Swedish government – abruptly expelled the ICP. The ICP fled to Geneva and took up temporary offices inside UNDP in a modest annex some distance from the Palais des Nations. UN Secretary-General Kurt Waldheim invited the group to New York and persuaded Brad Morris, UNDP's Administrator, to find them a home on UN Plaza. *En route*, the ICP changed its name to ICD (Industry Council for Development) but lost many of its members over the public embarrassment. One of ICD's first initiatives was to establish the commercial seed industry development program (CSIDP) to help promote improved seed availability in developing countries. The initiative was supported by Royal Dutch/Shell and CIBA-Geigy (both having purchased numerous seed companies in the '70s) and operated out of Shell's headquarters in the UK. It seems that the negative press – especially in the early '80s – finally drove Shell and CIBA-Geigy away and ICD itself faded out not long after.

The mood at FAO changed again when Senegal's Jacques Diouf became DG in 1994. Anxious to host the first-ever World Food Summit in 1996, Diouf drafted a letter that was to be sent to leading companies asking them for million-dollar donations to defray the high costs of the Summit. In return, Diouf offered to welcome corporate CEOs at the same rank as presidents and prime ministers, to allow them to use the FAO logo in their advertising, and to give them priority access in the development of any follow-through that might come from the Summit. Alarmed staff inside FAO contacted RAFI (now ETC Group), which quickly contacted the DG's office and told him he would face a scandal in the media if he didn't cancel the letter. Diouf promptly withdrew the letter. There were rumours at the time that Monsanto had already committed \$1 million to the Summit and that PR staff were in the air on their way to Rome to discuss details when the DG dropped the fundraising project.

With exceptions, FAO and CGIAR have historically been more interested in cooperating with agribusiness than agribusiness has been interested in cooperating with FAO and CGIAR. When CGIAR was forced to surrender to CSO pressure to conduct a third external evaluation of its system in the late 1990s, the president of the World Bank called up Whitney McMillan who was just retiring as CEO of his family firm, Cargill – the world's largest grain trading company. When the review panel first met, McMillan confided that he had never even heard of CGIAR – despite his lifetime involvement in the grain trade – until he was telephoned by the World Bank president. With considerable goodwill, McMillan hunkered down to his task and has since become an advisor to others in the UN system. Similarly, when CGIAR created a Private Sector Committee to liaise with the CG system, the chair of the committee, Sam Dryden, who had sold his own start-up biotech company, Emergent Genetics, to Monsanto in 2005, could never quite figure out why the committee should exist or what the interest might be for either agribusiness or CGIAR. Dryden only participated out of a personal concern for world hunger but eventually quit the committee and went back to buying and selling biotech seed companies. Most recently, he took over the agricultural leadership of the Bill & Melinda Gates Foundation. ICARDA and ICRISAT, too, have found themselves in mandate-muddle before.⁶ In 1998, both Centers shipped germplasm to private agribusiness interests in Australia and the enterprises applied for Plant Breeders' Rights over the received material. When RAFI informed them of the abuse, ICRISAT immediately demanded the companies drop their claims. ICARDA – whose Deputy Director-General was on the board of one of the Australian companies – dragged its feet until the pressure became overwhelming.

Annex #1

FAO: “Stakeholders” vs. “Steak Eaters?”

Box #2 “Stakeholders” vs. “Steak-eaters”

International negotiations including the United Nations and many “multi-stakeholder” groups lump together all the various parties concerned about an issue, treating them as equal “stakeholders” in the negotiation process. In that way, for example, small-scale producers and multinational agribusiness are seen as equally valid and important players. There is a difference. In ETC’s view, “stakeholders” are those whose very lives and livelihoods depend directly upon the negotiation. All others, including business (which may see the negotiation as a matter of profit maximization or market opportunity but hardly as “life and death”) and NGOs (including ETC Group), who can walk away from the negotiations without endangering their well-being, are not similarly invested. It is simply false and trivializing to suggest that an organization of farm families has no more at stake than Nestlé or Monsanto.

United Nations organizations also play sloppy mind games with terms like “private sector,” suggesting, when convenient, that small-scale producers are “private sector” just the same as multinational agribusiness. Let’s be clear: the first is that small subsistence producer who may (occasionally or regularly) have surpluses to sell in the marketplace. The second plays commodity markets and has shareholders. UN agencies should be able to tell the difference.

Background – Food Crisis: Following 10 months of intense interagency and intergovernmental negotiation during 2009, the moribund UN/FAO Committee on World Food Security (CFS) located at FAO in Rome was substantially restructured to become an innovative and influential global policy forum for all things relevant to food and agriculture. Its two most unusual features: It meshes together the policy/program /scope (and even reporting) of three Rome-based UN agencies along with the non-UN CGIAR; and, it creates a unique space for non-government actors (small-scale producers, civil society, and agribusiness) to engage agencies and governments roughly as equals. As an intergovernmental body, the CFS meets annually for one week in October. However, the CFS has an ongoing intergovernmental Bureau and Secretariat based at FAO but welcoming seconded staff from the other Rome-based Agencies (RBAs), and the CFS is, importantly, bolstered by a relatively-independent High-Level Panel of Experts capable of initiating studies on controversial topics (land grabs, commodity speculation and climate change, for starters) that are then discussed by the CFS.

The RBAs united within the CFS because they had a gun to their heads. The first round of the current sequence of food crises erupted in 2008 just after IFAD had received a stinging evaluation by an independent international assessment and as FAO was pilloried by an even harsher review. UN Secretary-General Ban Ki-Moon, rightfully distrusting the ability of the RBAs to meet the crisis, created his own High-Level Taskforce that displayed every intention of taking the food policy and program initiative out of Rome altogether. UN New York was frustrated and sceptical of the reformed CFS, but now, after three successive and successful CFS meetings, New York is becoming a believer. In particular, the creation of the self-organized “Civil Society Mechanism” has made it possible for CSOs to identify key spokespersons on each

CFS agenda item under rules that now let CSOs intervene with much the same flexibility as governments. The consensus is almost universal that the quality of debate is exemplary. Most notably, the Civil Society Mechanism has yielded priority to the participation of small-scale producers who intervene knowledgeably and effectively.

If at first cautious, the RBAs, too, have warmed to the new environment. The presence of Bioversity International as the *de facto* CGIAR representative has brought fresh energy to RBA collaboration. An additional indicator of the effectiveness of the CFS as a global forum is that both the World Bank and the G-20 see it as a necessary passage that must be navigated before they can claim broad support for their independent initiatives. In multilateral diplomacy, every transit point is also a target and the future of the CFS must be monitored carefully.

Rio+20 Process: In this new governance environment, then, it made sense that the RBAs would agree to work together to offer the UN a common take on the central contribution of agriculture in the Rio+20 negotiations related to the “green economy” and the role of food security in sustainable development. FAO deserves credit for taking the lead in preparing four draft texts and a synthesis, and for co-convening an OECD (Paris) Expert Meeting on Greening the Economy with Agriculture, where the documents were reviewed before circulation to governments and their contribution toward a final RBA submission to the negotiators in New York. Bioversity International also participated in the Paris meeting.

Special note: In Annex 1, ETC Group has relied upon email messages received from individuals from the Rome-based agencies. In many cases, the same emails were received from more than one individual. Also, in many cases, one or more of those who sent ETC Group the messages were not on the list of recipients for the original email, indicating that the emails had very wide circulation in Rome. ETC Group has confirmed the authenticity of each email to our satisfaction. None of the emails were challenged in this report’s draft text submitted to key individuals on January 9th.

Paris, September 2011: The Paris meeting, held September 5-7,⁷ was prickly. While small-scale producers, indigenous peoples representatives and other civil society partners welcomed many elements in the drafts, they felt the texts pulled their punches by failing to explicitly call for food sovereignty.⁸ From the opposite end of the spectrum, agribusiness was dismayed by the significance assigned to smallholder production in the drafts and, in their view, the negative assessment of the industrial food chain. All parties offered general and specific text changes and FAO left Paris promising to adjust the text to respond to “stakeholder” advice.

Rome, October-November 2011: A month later, agribusiness sprang into action to influence the RBA Rio+20 texts. On October 7, the Director-General of the Paris-based International Fertilizer Industry Association, Luc Maene, wrote to FAO’s Deputy Director-General for Knowledge (DDGK), Ann Tutwiler. The fertilizer lobbyist thanked her for agreeing to meet with the private sector during the upcoming CFS and highlighted agribusiness’s problems with the Rio documents. Interestingly, the lobbyist copied his note to Robynne Andersen of Emerging Ag, a consulting firm.⁹ Emerging Ag has consulted with CropLife International, with seed companies, and with the defunct International Federation of Agricultural Producers (IFAP). After IFAP had a financial meltdown in 2010, Emerging Ag was contracted to represent a new lobby group, the World Farmers’ Organization. Over the October 8-9 weekend, the DDGK sent off messages to

FAO staff reporting that not only the International Fertilizer Industry Association was upset, but also CropLife International and the World Farmers' Organization. In an e-mail on Sunday, October 9, the DDGK said that she had spoken directly with Robynne Andersen of the WFO and had asked for a submission.¹⁰ Later in the day, the DDGK also circulated her detailed comments and corrections to the Rio synthesis document (GEA 5/2011).¹¹

In what struck RBA insiders as an orchestrated response, on Monday, October 12, Bruce Wills, President of the Federated Farmers of New Zealand wrote to the DDGK complaining about the Paris meeting documents' bias against increased meat and dairy production as part of a Green Economy solution.¹² The day after that, the President of the World Farmers' Organization, Robert Carlson, also wrote to the DDGK to complain.¹³

Problems came to a head early in the morning of Thursday, November 3 when FAO's DDGK wrote a widely-circulated memo to Alexander Mueller, FAO's Assistant-Director General for Natural Resources, putting on record her conversation with him November 2, when she had informed him that she had only seen the proposed RBA text for Rio when she returned from a short holiday, Monday evening, October 31. The text was to be sent to New York no later than the end of the business day, Tuesday, November 1 – a holiday in Italy. In ETC Group's conversation with FAO senior management (after sending a draft of this report), management stressed that only one FAO department had been involved in the RBA drafting and at least some departments would have strongly opposed some of the text. ETC was told that senior management felt obliged to work quickly with the Office of the Director-General – knowing, as it said – of the keen interest of the incoming DG in the Rio summit. Mueller was informed that senior management felt that “more positive” messages had to be communicated; that management had struggled to make minimal text changes; and had sent the revised text to the FAO office in New York where the logos of the other Rome-based agencies had been affixed and then submitted to the UN Department for Economic and Social Affairs (DESA).

Senior management's widely-circulated note brought an early frost to Rome. Later that same day, Carlo Scaramella of the World Food Programme sent a widely copied e-mail to Mueller complaining angrily that important references to “food and nutrition” as one of the document's themes had “completely disappeared” and reminded FAO that any text change “needs to be discussed and endorsed” by all the agencies.¹⁴

Less than two hours later, after what he described as a “lengthy” telephone conversation with the DDGK, Carlos Seré, IFAD's Chief Development Strategist, failed to conceal his irritation when he notified his RBA colleagues that senior management had “agreed to try to stop the message from being posted as is and to have a further round of negotiations;” his terse note ended, “I hope this works.”¹⁵ The concerned IFAD, WFP and Bioversity officers had obviously already made known their displeasure.

The next day, November 4, the Rome-based Permanent Representatives (governments) gathered at 9:30 in the morning in the FAO Green Room for an “informal seminar” on the RBAs' work on Rio+20. The meeting had been requested by the FAO Conference in June. The agenda began with a presentation by the DDGK, followed by other FAO staffers and representatives from IFAD and the WFP. None of the RBAs' joint texts or reports from the Paris meeting were made available to delegations. The original (jointly agreed) submission for New York – a modest two-

page list of “messages” – was manually torn off the back of the meeting agenda by FAO secretaries in front of delegates as they entered the Green Room. The import of the action was not lost on the delegations.

Later that day, the RBAs, including Emile Frison, head of Bioversity International, met with key FAO senior staff, and, during the meeting, a new document was agreed by all RBA parties and sent to UN New York to replace the previous FAO posting.¹⁶

After shipping off the short document, FAO and its RBA members still had to consider the long texts presented in Paris. In preparation, on November 11, FAO senior management wrote to Howard Minigh of CropLife asking him to “re-send” the trade association’s blow-by-blow critique.¹⁷ CropLife responded a few hours later.¹⁸

E-mail correspondence made available to ETC Group indicates that senior management immediately forwarded the letters and text changes to literally dozens of FAO staff members beyond those charged with redrafting. A few days later in November, senior management convened the FAO Inter-Departmental Working Group on Rio+20 to inform them that a small committee was being established to draft FAO’s own messages because the RBA text had been renegotiated in haste and was still not representative of FAO’s position. The draft background documents would be revisited to take into account FAO’s new key messages.

Leading CSOs including the More and Better Campaign (a very broad global coalition), Greenpeace, Oxfam, IFOAM, as well as Barilla and the Christensen Fund, also wrote to FAO – though not the DDGK – after Paris, asking that the draft documents be released. RBA insiders report, however, that no effort was made to incorporate or even properly record CSO views presented in Paris or afterward.

Messenger killing the Message: Beginning on October 7 (the date of the letter from the Fertilizer Industry Association), FAO’s senior management made many important changes to the original FAO/OECD text given to participants in Paris in September. In margin notes and track changes, senior management took up the cause of the Federated Farmers of New Zealand defending the role of meat and dairy products in a green economy; emphasizing the importance of high-tech in the food chain; and muffling data implying that the industrial food system is leading to the doubling and tripling of type 2 diabetes. Senior management specifically muted warnings that the big multinational seed/chemical companies were patenting multi-genome “climate ready” crops. (This, even though the Secretary-General’s World Economic and Social Survey for 2011 had expressed this concern.) Most dismayingly, senior management wrote that, “we need to ultimately move people out of farming.” (In a conversation with FAO senior management on this draft, ETC Group was told that the quote is out of context. The related text is, therefore, provided in the endnote. In ETC’s opinion, the excerpted quote reflects the statement of the FAO author.¹⁹) This statement, if supported by FAO’s new Director-General, represents a historic change in FAO policy and a complete surrender to agribusiness’s interests. However, in a positive and welcome move, Dr. Graziano has sent a signal to small-scale producers and to civil society indicating that he will attend the World Social Forum in Porto Alegre in Brazil at the end of January. This will be *an excellent opportunity to discuss the role of the Committee on Food Security and the Rome-based agencies in Rio+20 and to discuss any proposed FAO policy changes.*

RBA or RBS? Correspondence provided to ETC Group makes clear that FAO changed text without reasonable consultation with its Rome-based partners and in violation of the spirit of the renewed Committee on World Food Security. E-mails show that FAO's neighbours were not amused. As one member of an RBA said privately, "the RBA has become typical RBS – Rome Bullshit." By November 17, FAO appears to have decided to go it alone and make its own presentation in New York when Rio+20 negotiations enter their final phase in January.

When David Nabarro, the head of the Secretary-General's High-Level Task Force on Global Food Security, wrote to the RBAs in search of a common platform of ideas for Rio+20, Laurent Thomas at FAO sent him back FAO's own positions emphasizing the role of multinational corporations in the food system and stressing that public sector research and programs should support private sector initiatives. The transmittal note stated that, "These messages were prepared building upon the joint Rome-based agencies (WFP/IFAD/FAO and Bioversity International) technical paper communicated to the UN Secretariat."²⁰ This came as a surprise to the Rome-based agencies and, quite likely, to David Nabarro.

Lame Diouf? In ETC's opinion, the actions taken between October 31 and November 4 were not the actions of individuals but of FAO's senior management. E-mails made available to ETC Group show that there was collaboration between the office of the DDGK and office of the DG as well as with other persons. In the FAO hierarchy, the DDG ranks immediately below the DG and above a stack of ADGs (Assistant Deputy Director-Generals – responsible for departments such as Agriculture, Fisheries, Forests, Economic and Social Affairs, or Natural Resources). In reality, however, DDGs are only as influential as the DG (or, ODG) permits. In fact, in every UN agency, the DG is tantamount to an Absolute Monarch and the DDG can be anywhere between a Chamberlain and a chamberpot.²¹ But, FAO's DG, Jacques Diouf, was on his way out. After playing fast and loose with FAO's constitution – stretching his tenure 18 years as DG – Diouf had to accept compulsory retirement and surrender to a successor, José Graziano da Silva (a Brazilian and, until now, the ADG for Latin America) who has had to languish six months before taking over in January 2012. This unusual "lame duck DG" – in the midst of an ongoing food crisis – comes because FAO's governing body irresponsibly agreed to shift its regular meetings from November to June guaranteeing internal conflicts and confusion at headquarters. As a consequence, in the final weeks of 2011, leadership at FAO was a scarce commodity.

WFO or UFO? One of the names that pops up regularly in the various e-mails with FAO is Emerging Ag Inc., a consulting firm, which lists among its projects UN representation for the World Farmers' Organization, but it has also consulted with the International Seed Federation, CropLife International, and (before it went belly up) the International Federation of Agricultural Producers (IFAP). Many CSOs are concerned that agribusiness took advantage of the collapse of IFAP to construct its own pet farmer organization and that they have been instrumental in having Emerging Ag represent WFO to make sure that La Via Campesina or another organization representing small farmers doesn't take over farmers' leadership in the Major Groups NGO-structure at the UN in New York. It is still unclear whether or not the WFO is legally incorporated. We do know it has no formal observer status in UN New York.²² From the website – still under construction – membership is not clear. The website only states that WFO held its first general meeting in Brussels on March 29, 2011 but didn't adopt its bylaws until September 12-13, 2011. It's hard to see how it could have received observer status in any UN agency prior

to incorporation. Allowing the WFO into UN meetings and letting it “represent” the world’s farmers in these meetings appears to be a breach of UN protocol. It is also difficult to understand why FAO’s senior management put so much weight in the representations of a non-observer NGO that – according to its website – has no evident participation from developing countries in Asia or Latin America and only identifies one person from Africa. These apparent violations of ECOSOC protocol need to be explained.

Bottom Line – FAO+20 companies? On November 1 (the deadline for submissions to New York) FAO’s senior management had three options: (1) it could “hold its nose” and sign off on the short RBA text in order to keep faith with its partners, and address its internal communications problems afterward; (2) it could freeze the text, informing its Rome-based partners that, unfortunately, further internal discussions were necessary at FAO and promising to come back with language-change proposals later in the week; or, (3) it could alter the agreed text without consultation; affix other agencies’ logos without consent; and, send off the misrepresented text to New York without their knowledge. Senior staff chose the only available *wrong* option. The result is that, after a three-day delay and a major breach of trust, the FAO submission had to be withdrawn and a new text submitted to New York. Hardly stellar statesmanship.

Secondly, in the gap between outgoing and incoming DGs, senior management appears to have been pressing assumptions that the number of small-scale producers must be reduced and that the role of international public-sector institutions is to support the private sector. These two issues would benefit from clarification by the new Director General.

The bottom line is that FAO is jeopardizing the credibility of the RBAs as a coherent voice for the Right to Food and Food Sovereignty. Is the Committee on World Food Security, in fact, the UN family’s collective forum for food and agricultural policy – or is it just an FAO *façade*? This is also a litmus test for UN acceptance of the priority of small-scale producers in UN policy and program formulation.

Annex #2

ICARDA – Hoisting for Heineken?

The International Center for Agricultural Research in Dry Areas (ICARDA) based in Aleppo, Syria is one of 15 research centers affiliated with the Consultative Group on International Agricultural Research (CGIAR). ICARDA is devoted to “the improvement of livelihoods of the resource-poor in dry areas by enhancing food security and alleviating poverty through research and partnerships.” Based in the Fertile Crescent, where agriculture began 10,000 years ago, the Center’s global mandate is the improvement of barley, lentil and faba bean.

In 2010, after a 2-year review process, the CGIAR adopted “a revised business model.”²³ According to the CGIAR: “The new model features a more business-like approach that should enable the CGIAR to do more and do better in fulfillment of its mandate to fight poverty and hunger while improving the management of natural resources.” The following case study illustrates how one of the CGIAR’s international plant breeding institutes is handling its private sector deals in the midst of CGIAR’s new business-like approach.

In November 2009, ICARDA’s Director General, Dr. Mahmoud Solh, signed a 3-year research agreement with Mexico-based private sector partners: Impulsora Agrícola (IASA) a Mexican firm that acts as an agent (i.e., intermediary) for three Mexican breweries.²⁴ One of the brewers, Cervecería Cuauhtémoc Moctezuma, S.A. was acquired by Heineken in 2010.²⁵ The other two breweries are owned by Mexico’s largest brewer, Grupo Modelo, which is 50% owned by the world’s largest brewer, Anheuser-Busch Inbev.²⁶ The contract provides that ICARDA will develop at least 1,200 “advanced” barley lines per year to be assessed for agronomic evaluation in Mexico and that ICARDA will transfer a minimum of 150 advanced barley lines and technical knowledge to IASA for quality evaluation, including micro-malting assessment. In return, the private sector partners agreed to pay ICARDA US\$300,000 per year. (Note: The \$300,000 annual payment from IASA represents 0.78% of all ICARDA’s grant revenues in 2010, which totalled US\$38.1 million.)²⁷

The centerpiece of the 3-year research agreement are provisions that allow for exclusive private sector ownership and control of ICARDA’s advanced barley lines. For example:

- “ICARDA agrees to use the best technical knowledge to ensure that lines sent to IASA are capable of ownership by IASA.”
- ICARDA agrees with the delivery of the advanced lines in compliance with “the laws in force for import or transfer complying with the rights of plant variety obtainers, as well as the intellectual property in Mexico.” (In other words, taking into consideration both plant breeders’ rights and patents under Mexican law). However, the International Treaty on Plant Genetic Resources for Food and Agriculture and the Standard Material Transfer Agreement (SMTA) that sets conditions for fair and equitable sharing of benefits derived from the transfer of ICARDA germplasm is not mentioned in the agreement.²⁸

- In the event that IASA finds that an advanced line of malting barley provided by ICARDA is suitable “for registration,” IASA will notify ICARDA in writing. The research agreement states: “At that moment ICARDA should refrain from transferring that particular germplasm to a third party within Mexican territory.”²⁹ IASA would then begin the procedure to obtain plant breeders’ rights in Mexico for the malting barley variety. **This means that, in advance of legal acceptance of intellectual property rights in Mexico, ICARDA is agreeing to restrict access to materials developed with ICARDA germplasm to all other users in Mexico.** This example illustrates that breeders’ rights can potentially restrict access to Treaty germplasm, although the seed industry has argued otherwise.
- The parties agree that in the event the test performed by IASA approves “the genetic material” suitable as a malting variety, ICARDA shall grant exclusive rights to “the industry” for development, exploitation, registration, production, reproduction, seed selling and any commercial purpose within Mexico.³⁰

Strange brew or business as usual? Despite its mandate to serve resource-poor farmers, the provisions outlined above that enable private sector exclusive ownership and control of ICARDA’s advanced barley lines appear to be sanctioned by ICARDA’s Policy on Intellectual Assets (adopted by the ICARDA board in November 2009). According to ICARDA’s policy, *“When it is indispensable for the effective utilization or further improvement of Centres’ intellectual assets, the Centres may grant limited exclusivity for commercialization in a defined market segment, for a limited period of time, provided they continue to make the intellectual asset available, for research and development in developing countries as well as for ARIs in support of the CGIAR mission.”*

But who determines what is considered “indispensable” for the utilization or further improvement of Centre’s germplasm, and for whose benefit? In ETC Group’s view, ICARDA’s interpretation demonstrates that its intellectual property policy offers a giant loophole that dangerously distorts CGIAR’s mission and opens the door to claims of exclusive monopoly on public sector germplasm.

For ICARDA, the research agreement (with IASA and brewers) is not unlike the frothy head on a cold beer – in public plant breeding circles it’s known as “international public goods spill-over.”³¹ In other words, ICARDA justifies the deal by making the case that the research agreement is helping farming communities – somewhere – and therefore the agreement is acceptable. Although ICARDA’s mandate focuses on resource poor farmers in dry areas, the barley varieties being developed by ICARDA’s barley program in Mexico are described as suitable for “favorable” and “high-input” conditions – far from the realities faced by the world’s peasant farmers. Barley is typically grown in marginal farm environments.³² ICARDA claims that the barley varieties being tested in Mexico have already proved useful for barley growers in India, and will hopefully offer benefits for other countries “with similar high rainfall and irrigated conditions.”³³ ICARDA also points out: “The development of barley suited for malting and brewing is one objective of ICARDA’s global Barley Improvement Program. Malting barley can improve nutrition in areas where barley is consumed as food, and production of malting barley (often under contract to breweries) can provide an important income source for small

farmers in low potential areas (an example is Ethiopia).”³⁴ In our view, ICARDA’s agreement to develop high-input barley lines for two of the world’s largest brewers is an egregious distortion of ICARDA’s historic mandate and a distraction from the urgent work of public sector plant breeders, particularly in the face of climate change.

It is not entirely clear if the ICARDA-IASA research agreement is a breach of ICARDA’s obligation under the International Seed Treaty³⁵ or the Standard Material Transfer Agreement (SMTA) that, since 1 January 2007, must accompany all germplasm transferred from international breeding centers to third parties. In communications with ETC Group, ICARDA readily admits that its barley germplasm was not transferred with the required SMTA. According to ICARDA:

The ICARDA-IASA research agreement is not a breach of ICARDA’s obligation under the International Treaty on Plant Genetic Resources for Food and Agriculture (ITPGRFA). NO SMTAs were provided with the material provided to IASA, because the SMTA requirements are documented in the agreement. The agreement between ICARDA and IASA substitutes the need for an SMTA as it covers research, breeding and commercialization of the material within Mexico.³⁶

ETC Group finds no reference to the International Treaty or the SMTA in the signed research agreement between ICARDA and IASA and the beer industry (dated 2 November 2009). Although the research agreement contains numerous references to intellectual property laws we are not aware of SMTA requirements that are documented in the agreement.³⁷ In contrast to the statement by ICARDA about the absence of SMTAs, the Director-General of CIMMYT, in comments to ETC Group, explains that ICARDA barley germplasm held at CIMMYT was transferred at the request of ICARDA to IASA with the required SMTAs.³⁸

In ETC Group’s view, ICARDA’s agreement to withhold distribution of barley germplasm to a third party in Mexico at the request of private sector partners who anticipate applying for exclusive intellectual property appears to be a violation of the spirit of the International Treaty and the SMTA – if not a breach of ICARDA’s obligations under the International Treaty. In communications with ETC Group, ICARDA defends its actions:

The exclusive rights are granted for a limited market segment (in this case the malting industry in Mexico) and for a limited period (the agreement is valid for three years). The agreement with IASA does not affect the availability of the material for research and development in other developing countries or by ARIs in support of the CGIAR mission.³⁹

ICARDA also states: “The material generated within this collaboration is available to all NARS worldwide for all uses and to farmers in Mexico as well.”⁴⁰ According to ETC Group’s reading of the agreement, ICARDA – if requested by industry partners – agrees to “refrain from transferring that particular germplasm to a third party within Mexican territory”⁴¹ – which would include Mexican farmers and researchers.

ICARDA also has a different interpretation on the limits of exclusive rights. In comments to ETC Group, ICARDA insists that exclusive rights would be limited to a three-year period, but it fails to acknowledge that exclusive monopoly on barley varieties under Plant Breeders' Rights or patents – if granted to the Mexican brewers under national laws – would extend to a 20-year period.

ICARDA and CIMMYT (the International Maize and Wheat Improvement Center)⁴² have previously entered collaborative research agreements with Busch Agricultural Research Inc. (now a subsidiary of Anheuser-Busch InBev, the leading global brewer) for malting barley varieties. ICARDA has also entered agreements with Syria's state-owned brewery, Al-Shark Company.⁴³ However, ICARDA's 2000 agreement with Busch specifically states that it "does not cover exclusivity on the germplasm; it is freely available to all barley community, especially to the developing countries which we collaborate."⁴⁴

The Plot Thickens: ICARDA's agreement to put public sector breeders, germplasm and knowledge in the service of the transnational beer industry is disturbing. The agreement to restrict germplasm access at the request of private sector partners in anticipation of the private sector's claim on intellectual property may be a serious violation of the Treaty. Beyond the terms of the research agreements, however, there appears to be *a conflict-of-interest surrounding ICARDA's barley program in Mexico and the transfer of ICARDA germplasm to a Mexican seed company owned by a consultant to the office of ICARDA's Director-General.*

Dr. Sanjaya Rajaram is an internationally known wheat breeder who began his career at CIMMYT in 1969. He served as head of CIMMYT's Bread Wheat Breeding Team from 1973-1995 and as Director of CIMMYT's Global Wheat Program from 1996–2002. After leaving CIMMYT, Rajaram joined ICARDA in January 2005 as Director of the Integrated Gene Management: Conservation, Enhancement and Sustainable Use of Agrobiodiversity in Dry Areas Mega-Project (BIGM).⁴⁵ In November 2008 Rajaram became a consultant to the office of ICARDA's Director General, Dr. Mahmoud Solh. Among other duties Rajaram also serves as supervisor of the Institute's spring barley program.⁴⁶ Dr. Rajaram is also the owner and director of R&D for Resource Seed Mexicana (RSM), a company he founded in 2003 that is devoted to the commercial development and promotion of wheat varieties in Mexico, India, Egypt and Australia.

According to anonymous sources, while serving as a consultant to the office of ICARDA's Director-General, Dr. Rajaram was directly involved in negotiations on the November 2009 3-year research agreement between ICARDA and IASA for the transfer of improved barley varieties to the beer industry in Mexico (discussed above). In June 2010 ICARDA entered a subsequent research agreement with Resource Seed Mexicana (RSM), the seed company owned by Dr. Rajaram in Mexico. The agreement provides that Rajaram's company, RSM, will act as a sub-contractor to screen ICARDA barley germplasm in Mexico for IASA and the beer industry.

The research agreement between ICARDA and Resource Seed Mexicana (RSM), implemented in mid-June 2010, is closely connected to ICARDA's 2009 agreement with IASA and the beer industry. The ICARDA research agreement with RSM states: *To facilitate IASA requirements of relevant well adapted barley germplasm, ICARDA needs to carry out research and development*

in Mexico. ICARDA thus decided “to subcontract RSM facilities and personnel to engage in barley screening activities in Mexico.”

As a sub-contractor, Dr. Rajaram’s Mexico-based seed company is benefiting directly from the terms of an agreement that was negotiated while Rajaram was also employed as a consultant to the office of ICARDA’s Director-General and supervisor of the Institute’s spring barley program. Presumably, the ICARDA funds being paid to Rajaram’s seed company are being funnelled from the \$300,000 annual payment received by ICARDA from IASA. We do not know the financial terms of the agreement between ICARDA and RSM. The RSM project budget for the research agreement with ICARDA in Mexico indicates a total budget of \$366,200 for the period 2010-12.⁴⁷ However, we do not have confirmation that this is the final agreed budget and we do not have information about how much money has been received by Rajaram’s company, RSM.

The research agreement states clearly that ICARDA’s contract with RSM is to support barley research at ICARDA headquarters “primarily to identify germplasm adapted to favorable, high-input, disease-prone environments” (emphasis added). Again, we believe that the development of high-input barley germplasm for industry is a distortion of ICARDA’s mission to serve peasant farmers in low-input environments.

Box #3: Resource Seed Mexicana

Resource Seed Mexicana was founded in 2003 by Dr. Rajaram. The company is in the process of applying for breeders’ rights on at least six wheat varieties in Mexico: The three most well known wheat varieties are “Chapultepec,” “Imperial” and “Norman” (named in honor of Norman Borlaug).⁴⁸ All three varieties are the result of crosses using CIMMYT wheat germplasm – likely lines developed by Rajaram and his colleagues while he worked at CIMMYT. As one Mexican journalist points out: “It is worth mentioning that these three varieties resulted from original CIMMYT germplasm, which speaks to the good coordination that exists between RSM-CAWE and CIMMYT” [translated from the Spanish].⁴⁹ According to a company spokesman, Resource Seed does not have subsidiaries in any other countries, but exports seeds to Australia, Syria and USA. The company focuses on small grains, but is devoted primarily to wheat. Because it is a small company, Resource Seed often contracts to use the facilities of larger firms, including Bimbo (multinational baker) and CIMMYT. **Note:** In 2011 Resource Seed Mexicana (RSM) changed its name to Resource Seed International. In this *Communiqué* we use the original name, RSM, as used in the research agreement.

ETC Group has been told that the barley germplasm (advanced lines) that are being transferred to Resource Seed Mexicana (RSM) are held at CIMMYT facilities in Mexico, rather than ICARDA. This is because CIMMYT previously hosted a joint barley breeding program with ICARDA – based in Mexico – to develop barley breeding material adapted for Latin America and globally. At the end of 2007, ICARDA terminated its barley breeding program in Mexico. Dr. Flavio Capettini, a barley breeder at ICARDA who previously worked at CIMMYT with Dr. Rajaram, was placed in charge of ICARDA’s barley research agreement with IASA. Although duplicate samples were sent to ICARDA, all of the breeding material of the ICARDA-CIMMYT barley breeding program remained also available at CIMMYT. According to anonymous sources at CIMMYT, barley lines were removed from CIMMYT’s Toluca facility (not CIMMYT’s gene

bank) and made available to RSM – without the required SMTA. We have no independent confirmation that this has occurred. In comments to ETC Group, neither the DG of CIMMYT nor the DG of ICARDA responded to this issue.

Bottom Line: There are many outstanding questions. ETC Group does not know for sure if ICARDA's improved barley lines were transferred by ICARDA or by CIMMYT to RSM under the required Standard Material Transfer Agreement (SMTA). Although CIMMYT unequivocally states that barley lines sent to IASA at the request of ICARDA were transferred with the required SMTA, anonymous sources at CIMMYT indicate that CIMMYT barley germplasm held in Toluca, Mexico (not CIMMYT's gene bank) was transferred to RSM operations (in Mexico) without the mandatory SMTA. We do not have independent confirmation. According to ICARDA, as of 10 January 2012, neither IASA nor the beer industry partners have notified ICARDA of the intent to claim monopoly breeders' rights or patents on ICARDA/CIMMYT barley germplasm transferred under the research agreement.

Regardless of whether some of these activities are permitted under ICARDA's own policies, or the access and benefit-sharing rules governed by the International Seed Treaty, ICARDA's research agreements illustrate a controversial reality: such agreements allow centers like ICARDA to become offshore plant breeding laboratories whose employees are literally working in the service of agribusiness. ICARDA's research agreements with the private sector bring to light enormous ambiguities and "grey areas" in the interpretation of the International Treaty provisions and the intellectual property policies adopted by CGIAR Centers.⁵⁰ These ambiguities are enabling exclusive monopoly rights on, and restrictions on access to, public sector germplasm. Is it the role of any public plant breeding institute to grant the right to seek exclusive monopoly on varieties that are developed from plant germplasm held in trust for the world community? If other CGIAR Centers are following ICARDA's business model and entering into similar R&D agreements, CGIAR is in danger of abandoning its uniquely public role. How can donors continue to support IARCs that are engaging in non-transparent private sector deals while claiming to help the world's poor and hungry?

ETC Group acknowledges that there are many dedicated and well-meaning plant breeders and other personnel employed by the international plant breeding institutes who would find ICARDA's conflict-of-interest and the cozy connections with agribusiness unacceptable. Some CGIAR insiders who know about the situation are scandalized by these findings. But this case demonstrates that some of the international centers have not done due diligence to insure that their public sector mandate is upheld and not distorted by private sector deals, and that employees abide by codes of conduct that prohibit conflicts of interest.

Annex #3

ICRISAT – Cat among the Pigeonpeas?

On 7 November 2011 the International Crops Research Institute for the Semi-Arid Tropics (ICRISAT) based in Hyderabad, India – one of the 15 research centers associated with the CGIAR – announced to the world that an international team led by ICRISAT had completed the sequencing of the pigeonpea genome (*Cajanus cajan*). Pigeonpea or red gram (‘Arhar’ or ‘Tur’) is a protein-rich grain legume cultivated by peasant farmers in parts of Asia, sub-Saharan Africa and Latin America. About 85% of the world’s pigeonpea crop is produced and consumed in India. Pigeonpea is the first poor peoples’ crop genome to be sequenced.

The leader of ICRISAT’s genome sequencing effort, Dr. Rajeev Varshney, proudly asserts on this [You Tube video](#) (posted 6 November): “*And indeed, this is the first time that any CGIAR Center, or any institute located in India, has led the genome sequencing of a major food crop.*”⁵¹ Varshney continues: “*India is home to the pigeonpea crop and therefore genome sequence coming from ICRISAT located in India is of great significance.*”⁵²

What’s wrong with this picture? When Varshney made this statement, he should have known that ICRISAT was *not* the first – nor the only – institute in India to sequence the pigeonpea genome. A consortium of Indian scientists, led by the Indian Council of Agricultural Research (ICAR), earned that distinction days ahead of ICRISAT. On 2 November 2011, 5 days before ICRISAT’s news release, a group of thirty-one Indian scientists from the Indian Council of Agricultural Research (ICAR), State agricultural universities and Banaras Hindu University, led by Prof. Nagendra Kumar Singh from ICAR’s National Research Centre on Plant Biotechnology (New Delhi), announced that they had decoded the pigeonpea genome.⁵³

What’s more, ICRISAT scientists were *not* the first to publish a draft genome sequence of pigeonpeas. The ICRISAT-led team published its paper in *Nature Biotechnology* on 6 November 2011.⁵⁴ An article by India’s ICAR-led group, “The First Draft of the pigeonpea genome sequence,” was published 12 days earlier, 25 October 2011, in the *Journal of Plant Biochemistry and Biotechnology*.⁵⁵

Instead of working with India’s national scientists, ICRISAT partnered with private sector collaborators including Beijing Genomics Institute and Monsanto, as well as U.S. and European universities and the U.S. governments’ National Center for Genome Resources.

An article by journalist Subhra Priyadarshini on the website of *Nature India* investigates the controversy over the competing efforts to sequence the pigeonpea genome in India.⁵⁶ Singh, the leader of the ICAR team, told *Nature India*: “It is not a case of two parallel sequencing projects. ICAR started the Pigeonpea Genomics Initiative (PGI) coordinated by me under the Indo-US Agricultural Knowledge Initiative (AKI) about five years back when there was absolutely no genomic information on pigeonpea.”⁵⁷

An explanatory note on ICAR’s website attempts to clarify the role of ICRISAT and US-based

partners in ICAR's project to sequence the pigeonpea genome:

“Dr. R.K. Varshney from ICRISAT Hyderabad supported by ICAR and GCP projects and Prof. Dough Cook from University of California, Davis USA, supported by an NSF grant were involved in the first phase of the Indo-US AKI project in generating EST resources and BAC-end sequences and SSR markers but after the conclusion of Indo-US AKI in 2009-10, they have not been associated with the Indian Arhar [pigeonpea] genome sequencing network.”⁵⁸

ICRISAT's team leader, Rajeev Varshney, offers a different interpretation. He told *Nature India*, “The AKI project was aimed at developing genomic resources and no genome sequencing was done. After the project ended, we and our global collaborators started to move towards sequencing the ‘Asha’ genotype of pigeonpea that was developed and released by ICRISAT. This work was funded by Washington-based Consultative Group on International Agricultural Research (CGIAR) Generation Challenge Programme and supported by the Chinese genome firm BGI-Shenzhen, ICRISAT and collaborating US and UK institutes.” Varshney also claims that ICAR's N. K. Singh was invited by ICRISAT to join the list of authors on the pigeonpea genome sequencing paper, but Singh declined.

ICAR's Singh claims that he received a negative response from ICRISAT when Singh proposed that the two teams merge their genome sequence assemblies to gain more complete coverage of pigeonpea before rushing to publish results. Varshney told *Nature India* that he believed it was too late to merge the data and re-do the analysis. In correspondence with ETC Group, ICRISAT asserts that “the Indian partners kept us in the dark” and ICRISAT didn't know until 15 June 2011 about the parallel efforts of the 31 Indian scientists who were sequencing the pigeonpea genome.⁵⁹ The lack of communication between ICRISAT and national-level scientific partners is disconcerting.

In the end, both research groups reportedly turned over their sequencing data to the US-based National Center for Biotechnology Information (NCBI) Genbank, an open access collection of all publicly available nucleotide sequences and their protein translations.

The full text of the *Nature India* article is available here:

<http://www.nature.com/nindia/2011/111107/full/nindia.2011.160.html>

The bottom line: The controversy between two teams of agricultural researchers to sequence the genome of an important poor-people's crop is much more than an unfriendly competition between two scientific teams clamouring for international recognition. CGIAR's historic mandate is to support the efforts of national agricultural researchers. Even the “new” CGIAR pledges: “The New CGIAR will foster stronger and more dynamic partnerships, which generate high-quality research outputs while strengthening national research institutions.”⁶⁰

Rather than collaborate with and strengthen its national research partner, ICRISAT emerges as a competitor – not a collaborator – that fails to fairly acknowledge the achievement and contribution of India-based agricultural researchers funded by the Indian government.⁶¹ Even more disturbing, ICRISAT's Center of Excellence in Genomics (CEG) – a facility that is unique to the CGIAR research institutes – established in 2006, was made possible with financial support

from the Indian government. According to ICRISAT: “The vision of the CEG is to make it possible for agricultural breeding and research programs initially in India but ultimately in many other parts of the world, to fully utilize modern genome analysis methods.”⁶² According to CGIAR insiders, the expectation was that ICRISAT’s genomics facilities would serve the needs of Indian universities and institutes. However, instead of partnering with a distinguished scientific team of Indian institutes/academics to map the pigeonpea genome, ICRISAT chose to partner with Beijing Genomics Institute-Shenzhen (the world’s largest gene sequencing facility), scientists from U.S. and European institutes, as well as Monsanto. The public squabbling over the race to sequence the pigeonpea genome is unfortunate. Far worse is the unnecessary duplication of efforts and the waste of scarce resources.

Box #4: Indian national research institutions involved with the ICAR-led effort to map the pigeonpea genome:

National Research Centre on Plant Biotechnology (ICAR), New Delhi
Indian Agricultural Research Institute (ICAR), New Delhi
Indian Institute of Pulse Research (ICAR), Kanpur, UP
Banaras Hindu University, Varanasi, UP
Panjabrao Deshmukh Krishi Vidyapeeth, Akola, Maharashtra
University of Agricultural Sciences, Dharwad, Karnataka

ICRISAT-led team to map the pigeonpea genome:

ICRISAT (India)
CIMMYT (Mexico)
Beijing Genomics Institute (China)
University of Georgia, Athens (USA)
National Center for Genome Resources (USA)
University of North Carolina, Charlotte (USA)
National University of Ireland, Galway (Ireland)
University of California, Davis (USA)
Monsanto Company
Cold Spring Harbor Laboratory (USA)
University of Copenhagen (Denmark)

ENDNOTES

- ¹ Leslie Kaufman, “Stone-Washed Blue Jeans (Minus the Washed),” *New York Times*, November 1, 2011.
- ² Louise Lucas, “A new kind of benevolence,” *Financial Times* electronic edition, October 24, 2011: <http://www.ft.com/cms/s/0/cc8a5464-fb08-11e0-bebe-00144feab49a.html#axzz1gYOKu8Bd>.
- ³ IGD news release, “Walmart set to reach \$0.5trillion by 2014 – Tesco’s global growth to outpace rivals,” 17 February 2011: www.igd.com.
- ⁴ ICARDA’s Director General indicates that a full-time spring barley supervisor will be hired by March 2012.
- ⁵ According to ETC Group’s reading of the short biographical sketches on CIMMYT’s website, the 8 members who are from the private sector or who have close ties to the private sector are Sara Boettiger, Andrew Barr, Dr. Usha Barwale Zehr, Pedro Brajcich Gallegos, Dr. Alfonso Cebreros Murillo, Cornelis Broekhuijse, Prof. Dr. Matin Qaim, and Lindiwe Majele Sibanda.
- ⁶ See details in RAFI news release, “Recent Australian Claims to Indian and Iranian Chickpeas Countered by NGOs and ICRISAT,” 6 January 1998: <http://www.etcgroup.org/en/node/428>, and “International Research Centre (ICARDA) Breaks Trust,” 2 February 1998: <http://www.etcgroup.org/en/node/422>.
- ⁷ A complete list of participants is available here: http://www.fao.org/fileadmin/user_upload/sustainability/pdf/11_12_2_FAO-OECD_Paris_summary_report.pdf.
- ⁸ The synthesis document offered to the Paris meeting was “FAO/OECD Expert Meeting on Greening the Economy with Agriculture,” GEA 5/2011, 5 -7 September 2011, originally available at the website FAO@Rio+20.org.
- ⁹ E-mail from Luc Maene, Director General, International Fertilizer Industry Association (IFA) to Ann Tutwiler, Deputy Director General for Knowledge, FAO, *Comments from The International Fertilizer Industry Association on the GEA reports*, dated Friday, October 7, 2011 at 16:25 anonymously forwarded to ETC Group.
- ¹⁰ E-mail from Ann Tutwiler to Alexander Mueller, Assistant-Director General for Natural Resources Management and Environment Department, FAO, *RE: GEA Synthesis Document*, dated Sunday, October 9, 2011 at 12:59 anonymously forwarded to ETC Group.
- ¹¹ E-mail from Ann Tutwiler to Alexander Mueller, *RE: GEA Synthesis Document*, dated Sunday, October 9, 2011 at 16:52 anonymously forwarded to ETC Group.
- ¹² Letter signed by Bruce Wills, National President, Federation of Farmers of New Zealand and sent by e-mail to Ann Tutwiler on Wednesday, October 12, 2011 as anonymously forwarded to ETC Group.
- ¹³ Letter signed by Robert Carlson, President, World Farmers’ Organization and sent to Ann Tutwiler, *Letter from Robert Carlson*, on Thursday, October 13, 2011 as anonymously forwarded to ETC Group.
- ¹⁴ E-mail from Carlo Scaramella, Chief Emergency Preparedness and Response Unit, World Food Program to Alexander Mueller, *Re: RBA Rio+20 Statement*, dated Thursday, November 3, 2011 at 16:46 as anonymously forwarded to ETC Group.
- ¹⁵ E-mail from Carlos Seré, Chief Development Strategist, Office of Strategy and Knowledge, IFAD to a long list of RBA (including FAO) colleagues, *Re: RBA Rio+20 Statement*, dated Thursday, November 3, 2011 at 17:34 as anonymously forwarded to ETC Group.
- ¹⁶ E-mail from Ann Tutwiler to numerous RBA colleagues, *Rio Common Statement*, dated Friday, November 4, 2011 at 18:02 as anonymously forwarded to ETC Group.
- ¹⁷ E-mail from Ann Tutwiler to Howard Minigh, President and CEO, CropLife International, *GEA comments*, dated Friday, November 11, 2011 at 20:06 anonymously forwarded to ETC Group.
- ¹⁸ E-mail from Isabelle Coche, Manager, Stakeholder Relations, CropLife International to Ann Tutwiler, *FW: GEA comments*, dated Saturday, November 12, 2011 at 3:44 anonymously forwarded to ETC Group.
- ¹⁹ Comment by Ann Tutwiler concerning the RBA synthesis text, made October 7, 2011: “Sorry—why would we want to shift to more labour intensive practices. It seems to me that we want to reduce the labour intensity of farming and shift labour to more productive uses in the agrifood systems, science, etc. Farming needs to be more knowledge intensive and more capital (including natural capital) intensive, but we need to ultimately move people out of farming.”
- ²⁰ E-mail from Laurent Thomas, Assistant Director-General, Technical Cooperation Department, FAO, to David Nabarro, Coordinator of the High-Level Task Force on the Global Food Security Crisis, *HTML Messages Paper for Rio+20*, dated Wednesday, November 30, 2011 at 11:56, as anonymously forwarded to ETC Group.
- ²¹ Re: Chamberlains: The post of FAO’s DDG has been filled by an American for about 40 of the 50+ years the post has existed. When it’s not an American, it has been either a Brit or an Irishman (except for one brief year in the 1950s when the post was held by a Swiss citizen). There began a trend, in 1992, to divide the DDG post between someone “operational” and someone more policy-oriented. The operational job has gone South. Ann Tutwiler, as

DDG for Knowledge, has responsibility for policy. In practice, the USA offers the DG one, or, at best, a short list of candidates – all US citizens – from which the DDG can be selected. It would not be surprising to many if US-selected DDGs were close to US agribusiness. In fact, however, almost all past DDGs have had a long history of public service with few – or no – corporate connections. Ann Tutwiler, on the contrary, has a history with private agricultural export companies and the fertilizer industry. She has also served in key US government agricultural aid/trade portfolios. US officials close to the scene have told ETC Group that Tutwiler was not on the original list of nominees put forward to the US Secretary of Agriculture for Rome’s consideration. The sources say that Tutwiler’s name was brought forward by agribusiness at a later point. The sources also insist that Tutwiler’s appointment does not reflect an intentional change in the US policy. This is what industry might prefer to call a “confluence of interests.” With the retiring DG on “cruise control” and the incoming DG still barred from office, agribusiness had unusual freedom to promote its interests.

²² As of the ECOSOC website on September 1, 2011 the World Farmers’ Organization was not identified as having observer status.

²³ From CGIAR website: “Who We Are: Structure and Governance.”

<http://www.cgiar.org/who/structure/index.html>.

²⁴ The research agreement is between ICARDA and Impulsora Agricola, S.A. de C.V. (IASA) as intermediary for three Mexican brewers: Cervecería Cuauhtémoc Moctezuma, S.A., Extractos y Maltas, S.A. de C.V. and Cebadas y Maltas S.A. de C.V.

²⁵ “Research Agreement on Genetic Improvement of Barley Between Impulsora Agricola, S.A. de C.V., Hereafter Referred as ‘IASA’ and the International Center for Agricultural Research in the Dry Areas, Hereinafter Referred as ‘ICARDA.’” Signed by ICARDA (Dr. Mahmoud Solh) and IASA and three industry partners, dated 2 November 2009.

²⁶ ICARDA’s other two brewery partners are: Extractos y Maltas, S.A. de C.V. and Cebadas y Maltas S.A. de C.V., both owned by Grupo Modelo.

²⁷ ICARDA’s 2010 Annual Report, Statement of Grant Revenues, 2010:

http://www.icarda.org/Publications/AnnualReport/ICARDA_AR2010.pdf.

²⁸ Article 12.3e of the Treaty provides that “Access to plant genetic resources for food and agriculture under development, including material being developed by farmers, shall be at the discretion of its developer, during the period of its development”, it only gives the provider the discretion to transfer or not to transfer while the material is still under development. However, if the provider decides to transfer the material, Article 6.5 (a) of the SMTA is unequivocal that such a transfer must be under the terms and conditions of the SMTA, with the possibility of additional conditions, as specified under Article 6.6 of the SMTA). Article 6.6 states: “Entering into a material transfer agreement under paragraph 6.5 shall be without prejudice to the right of the parties to attach additional conditions, relating to further product development, including, as appropriate, the payment of monetary consideration.”

²⁹ “Research Agreement on Genetic Improvement of Barley Between Impulsora Agricola, S.A. de C.V., Hereafter Referred as ‘IASA’ and the International Center for Agricultural Research in the Dry Areas, Hereinafter Referred as ‘ICARDA.’” Signed by ICARDA (Dr. Mahmoud Solh) and IASA and three industry partners, dated 2 November 2009.

³⁰ The agreement specifies that 50% of the exclusive rights will be split among the 3 brewers: 50% to Cervecería Cuauhtémoc Moctezuma (now owned by Heineken); 25% to Cebadas y Maltas and 25% to Extractos y Maltas (both owned by Grupo Modelo).

³¹ News item on ICARDA’s website: “Breeding activities of the ICARDA Barley Program in Mexico,” September 30, 2011. <http://tinyurl.com/cpkkee7>.

³² Abdel-Ghani *et al.*, 2004. Theor Appl Genet 109: 588–595. <http://www.pnas.org/content/104/8/2773.full.pdf>

³³ News item on ICARDA’s website: “Breeding activities of the ICARDA Barley Program in Mexico,” September 30, 2011. <http://tinyurl.com/cpkkee7>.

³⁴ E-mail communication from Mahmoud Solh, ICARDA’s Director General, January 11, 2012.

³⁵ International Treaty on Plant Genetic Resources for Food & Agriculture, texts of the Treaty and SMTA available here: <http://www.planttreaty.org/>.

³⁶ E-mail communication from Mahmoud Solh, ICARDA’s Director General, January 11, 2012.

³⁷ According to Bioversity International’s *Guide for the CGIAR Centres’ Use of the Standard Material Transfer Agreement*, the transfer of PGRFA samples to research laboratories purely for the purpose of testing, as a service contracted by a Centre, would not require an SMTA, provided that the research laboratory is not given any rights to use the samples for its own research or breeding programmes. We do not know if the DG of ICARDA is making

reference to this kind of research exemption. However, the Guide also recommends: “To make such situations clear, it is suggested that any transmission of samples for purposes other than facilitated access should carry the following wording: “*The transmission of the enclosed samples does not confer any right on the Recipient to use the samples in its own research or breeding programme or to transfer the samples to another entity for those purposes. Once the samples have been used for the purpose for which they have been transmitted, they should be returned to [the Centre] or destroyed.*” If Centres have any doubts as to whether or not the SMTA should be used, we suggest you use it!” SGRP. 2009. *Guide for the CGIAR Centres’ Use of the Standard Material Transfer Agreement*. Bioversity International, Rome, Italy.

³⁸ E-mail communication from Thomas A. Lumpkin, Director General, CIMMYT, January 10, 2012. According to Lumpkin: “On 8 February 2010, CIMMYT received a letter from Dr. Mahmoud Solh (DG, ICARDA), formally requesting the transfer of ICARDA barley germplasm held at CIMMYT, to Dr. Flavio Capettini (Barley Breeder, ICARDA). On 6 April 2010, Dr. Capettini provided CIMMYT with two itemized lists of the ICARDA germplasm held by CIMMYT, indicating that these materials should be sent to Dr. Marcos Peñalva, Technology Manager, Impulsora Agrícola SA. The germplasm was sent using shrink-wrap SMTA stickers on all boxes, as is our policy for all of our germplasm transfers.”

³⁹ E-mail communication from Mahmoud Solh, ICARDA’s Director General, January 11, 2012.

⁴⁰ *Ibid.*

⁴¹ *Ibid.*

⁴² El Centro Internacional de Mejoramiento de Maíz y Trigo, one of CGIAR’s flagship international agricultural research centers, is located in Mexico.

⁴³ “ICARDA and the Private Sector:” http://www.icarda.org/PDFs/Intl_Cooperation/PrivateSector.pdf.

⁴⁴ ICARDA website: http://www.icarda.org/PDFs/Intl_Cooperation/PrivateSector.pdf.

⁴⁵ ICARDA News Release. www.icarda.org/News/2005News/28Apr05.htm.

⁴⁶ ICARDA’s Director General indicates that Rajaram holds this position until a full-time spring barley supervisor is hired, by March 2012.

⁴⁷ ETC Group obtained a copy of the budget for ICARDA Mexico activities with RSM, but we do not know if it is the final or agreed budget for the project.

⁴⁸ Secretaría de Agricultura, Ganadería, Desarrollo Rural, Pesca y Alimentación, Catálogo Nacional de Variedades Vegetales, CNVV. Official Register Numbers for three wheat varieties held by Resource Seed Mexicana: RSM-NORMAN F2008 114-240209; RSM-IMPERIAL 112-240209; RSM-MONARCHA 113-240209.

⁴⁹ 3 March 2009. http://159.16.239.33/sonora/mun_26066_URES/portal/noticias.php?id_noticia=299.

⁵⁰ It appears, for example, that the Centers have wide latitude to determine what they consider genetic resources “under development” and whether these materials must be accompanied by SMTA. Access to germplasm under development, and whether it is subject to additional conditions, is at the discretion of the Center that is developing it. As recently as 2009, Bioversity observed, “The vast majority of materials distributed by the Centres as PGRFA under Development since January 1, 2007 has not been subject to additional conditions...” In 2009, in regard to the practice of the transfer of genetic resources under development, the CGIAR’s Genetic Resources Policy Committee (now defunct) “discouraged Centres from exercising the option to include additional terms that restrict availability.”

⁵¹ http://www.youtube.com/watch?v=6cAcVv_rGf4. Accessed on 12 December 2011.

⁵² *Ibid.*

⁵³ <http://www.icar.org.in/en/node/3814>.

⁵⁴ Varshney, R. K. *et al.* Draft genome sequence of pigeonpea (*Cajanus cajan*), an orphan legume crop of resource-poor farmers. *Nat. Biotechnol.* doi: [10.1038/nbt.2022](https://doi.org/10.1038/nbt.2022) (2011).

⁵⁵ Singh, N. K. *et al.* The first draft of the pigeonpea genome sequence. *J. Plant Biochem. Biot.* doi: [10.1007/s13562-011-0088-8](https://doi.org/10.1007/s13562-011-0088-8) (2011).

⁵⁶ Subhra Priyadarshini, Controversy over pigeonpea genome, *Nature India*, Published online 7 November 2011: <http://www.nature.com/nindia/2011/111107/full/nindia.2011.160.html>.

⁵⁷ *Ibid.*

⁵⁸ <http://www.icar.org.in/en/node/3815>.

⁵⁹ E-mail communication from C. L. Laxmipathi Gowda, Director, Grain Legumes Program, ICRISAT, January 10, 2012.

⁶⁰ CGIAR website, “A New CGIAR.” <http://www.cgiar.org/who/index.html>.

⁶¹ http://www.icrisat.org/journal/mpii/v3i1/news/news_item%204.pdf.

⁶² *Ibid.*