

DSI Working Group Highlights:

Monday, 12 August 2024

On the first day of the Working Group, delegates entered swiftly into substantive discussions on the modalities of the multilateral mechanism for benefit-sharing from the use of digital sequence information (DSI) on genetic resources. Opening statements emphasized establishment of the mechanism as a major achievement of the 15th meeting of the Conference of the Parties (COP 15) and called for commitment and consensus-building towards the mechanism's full operationalization by COP 16. The ensuing discussion highlighted divergent views with regard to contributors to the fund, disbursement of funds, and potential beneficiaries.

Opening of the Meeting

Working Group Chair Ning Liu (China) opened the meeting on behalf of Huang Runqiu, Minister of Ecology and Environment, China, COP 15 President. Charles Patton, Mohawk Nation, welcomed delegates to Mohawk traditional territory and conducted a ceremonial opening, reminding delegates to consider all of creation before taking important decisions.

Chair Ning Liu emphasized that the historic adoption of the Kunming-Montreal Global Biodiversity Framework (GBF) was a triumph of environmental multilateralism, adding that the DSI Working Group promises delivering another important result. He underscored that the first meeting of the Working Group paved the way for a potential breakthrough at COP 16. He outlined results of intersessional work, stressing that with cooperation and commitment a new era for nature and humans may begin.

Astrid Schomaker, CBD Executive Secretary, emphasized that DSI brings together scientific analysis, normative work, social justice, environmental governance, sustainable development, and cutting-edge science and technology. She stressed that establishment of the multilateral benefit-sharing mechanism at COP 15 was a watershed moment, adding that a game changer is emerging for biodiversity conservation through the operationalization of a cost-effective, efficient, and simple multilateral mechanism.

Organizational Matters

Delegates adopted the agenda ([CBD/WGDSI/2/1](#) and [Add.1](#)). Angela Lozan (Moldova) was elected rapporteur of the meeting. Delegates then established a Committee of the Whole (CoW), co-chaired by Martha Mphatso Kalemba (Malawi) and William Lockhart (UK).

Further Development of the Multilateral Mechanism

CoW Co-Chair Kalemba drew attention to intersessional work, including by the informal advisory group, and noted that participants to informal discussions held in May 2024 in Nairobi indicated readiness to move towards operationalizing the multilateral mechanism. She presented the Co-Chairs' reflections on the possible elements identified by the Working Group at its first meeting ([CBD/WGDSI/2/2/Add.1](#)), calling for signals of good will and a spirit of compromise.

The Secretariat introduced relevant documents, including a synthesis of information for the mechanism's further development and commissioned studies ([CBD/WGDSI/2/2, Add.1, Add.2/Rev.1, INF/1, and INF/2](#)).

General Statements: CoW Co-Chair Lockhart called on delegates to provide general comments on the synthesis of information ([CBD/WGDSI/2/2](#)), urging a focus on consensus building and solutions.

Senegal, for the AFRICAN GROUP, highlighted the need for the multilateral mechanism to be based on a robust, legally-binding system, aligned with Article 10 of the Nagoya Protocol (global multilateral benefit-sharing mechanism). They supported a global fund, with contributions including a 1% retail levy on products derived from DSI; and favored technology transfer, capacity building, and knowledge sharing as non-monetary benefits. They underlined the need to protect traditional knowledge linked to genetic resources, and stressed that access must be subject to the prior informed consent (PIC) of Indigenous Peoples and local communities (IPLCs).

Fiji, for ASIA PACIFIC, preferred a project-based allocation methodology for disbursing funds under the global fund, and underlined that the process towards a multilateral mechanism should be conducted in a transparent manner to address the needs of developing countries.

Switzerland, also for Japan, the US, the UK, Canada, Australia, Norway, and New Zealand (JUSCANNZ), supported open-access, public DSI databases. They further called for the mechanism to be compatible with existing benefit-sharing mechanisms and provide benefits for IPLCs. They urged discussions to be grounded in Decision 15/9, underscored that the multilateral mechanism should not require a track-and-trace system, and noted that all users should contribute to the global fund.

Cuba, for the LATIN AMERICAN AND CARIBBEAN GROUP (GRULAC), emphasized the importance of a comprehensive understanding of how the multilateral mechanism will work before going into the details, noting that alternative proposals may need to be considered. Pointing to Decision 15/9 as the cornerstone of a future multilateral system, they noted the need to ensure compatibility with relevant national legislation and international agreements. They underscored the different responsibilities between developed and developing countries in relation to trigger points and technology transfer.

The EU acknowledged progress but stressed that further work remains, in particular on the triggers and DSI-related sectors. They highlighted the need for a level-playing field for all DSI users, and a meaningful, fair, and predictable mechanism for fund disbursements, including direct access for IPLCs. They called for: avoiding a proliferation of funds and clarifying the role of the Global Environment Facility (GEF); refraining from a proliferation of national measures that could undermine the multilateral mechanism; and developing specific modalities for monetary benefit-sharing, including users' self-identification.

Many delegates noted that the document provides a good basis for further work and called for mutual supportiveness with relevant existing instruments and frameworks. Several further supported simple modalities offering legal certainty and clarity

and not affecting open access to data. CHINA noted that the digital economy has far-reaching impacts on the global economy, underlining that DSI is reshaping biodiversity governance.

SWITZERLAND, JAPAN, and CANADA stressed that a COP decision is not legally binding and cannot introduce legal obligations, calling for strong incentives to promote legal certainty and broad participation. YEMEN and others urged developing a legally binding instrument.

AUSTRALIA, CHILE, and GEORGIA called for a transparent, accountable, and simple mechanism that is open to contributions from all sources and does not hinder science and innovation. EGYPT suggested the development of a centralized database as part of the Clearing-house Mechanism; distinguishing between DSI on genetic resources and DSI associated with traditional knowledge; and creating an inclusive finance mechanism reporting directly to the COP. The DEMOCRATIC REPUBLIC OF THE CONGO supported a CBD-managed DSI database.

SERBIA noted that benefit-sharing obligations should apply to all DSI users and suggested using the GBF Fund. Stressing that the DSI fund should be based on performance criteria, NORWAY noted that the GBF Fund could include a DSI-related window on a pilot basis. SWITZERLAND urged fully decoupling benefit-sharing from access and use of DSI, and proposed a process of self-identification rather than linking users to specific products. UNITED ARAB EMIRATES called for fair and equitable contributions to the DSI fund, without additional burdens to small- and medium-sized users.

BRAZIL and others highlighted products' commercialization as the most desirable trigger, and added that services should also be considered. PERU called for defining triggers to ensure a predictable increase of monetary benefit-sharing, and for closing gaps through increased technology transfer and capacity building. JAPAN cautioned that revenue-based contributions do not consider profitability, added that the payments levels need to be flexible as DSI contributions differ from product to product, and urged excluding databases and academic institutions from contributions to the DSI fund.

Regarding disbursement of funds, SWITZERLAND, JAPAN, and CANADA called for a project-based approach, enhancing synergies among existing institutions according to the principles of transparency and accountability. ARGENTINA, BRAZIL, URUGUAY, MALAWI, and COLOMBIA supported direct allocation to countries according to a predetermined formula. CHILE favored a combination of both approaches. UGANDA indicated flexibility regarding whether contributions should be directed to competent national authorities, subject to stringent oversight; and, with CUBA, urged future-proofing any mechanism including regarding artificial intelligence.

Many stressed that Indigenous Peoples should be included in benefit-sharing. CANADA emphasized that the fund should be accessible to Indigenous Peoples from all countries. SOUTH AFRICA called for clear guidelines for monitoring and reporting of DSI use, and protection of IPLC rights through PIC and mutually agreed terms (MAT).

ARGENTINA, BRAZIL, and CHILE underscored the need to harmonize the multilateral mechanism with national access and benefit-sharing (ABS) systems, and added, with CUBA, that benefit-sharing requirements should not dilute responsibilities of developing country parties under CBD Articles 20 (financial resources) and 21 (financial mechanism). COLOMBIA underlined that monetary and non-monetary benefit-sharing should not be counted as official development assistance. GEORGIA cautioned against setting national regulations and participating in different platforms while also participating in the multilateral mechanism. The US stressed the need for incentives to encourage voluntary contributions to the DSI fund, noting that they could not commit to mandate US-based users to contribute.

CGIAR preferred that companies highly dependent on DSI contribute to the fund, noting that this would provide a broader payment base, and underlined that open access should be preserved for those contributing to the mechanism and its fund.

The INTERNATIONAL INDIGENOUS FORUM ON BIODIVERSITY (IIFB) called for sufficient funding to address the needs of IPLCs as biodiversity stewards, and stressed that genetic resources from Indigenous territories should never be collected or sequenced without the free PIC of IPLCs, noting that IPLCs should be part of the multilateral mechanism's governance structure. CBD WOMEN'S CAUCUS highlighted a whole-of-society approach as well as a human-rights approach to ensure a robust multilateral mechanism, and stressed the need to provide access to funding to women, youth, and IPLCs. Emphasizing that benefit-sharing should not be confused with charity, THIRD WORLD NETWORK raised concerns about the availability, accessibility, and suitability of national DSI databases, calling for, among others, a database system that assists countries that wish to share their DSI.

The INTERNATIONAL CHAMBER OF COMMERCE called for: a "fully multilateral approach" including full license to operate without additional obligations; the system to also apply to benefit-sharing from use of physical genetic resources; and broader payment base for the DSI fund. JAPAN BIO-INDUSTRY ASSOCIATION expressed concerns about imposing obligations on specific sectors without a true reflection of business interests, and highlighted that levies could disincentivize these entities' participation.

The INTERNATIONAL TREATY ON PLANT GENETIC RESOURCES FOR FOOD AND AGRICULTURE (ITPGRFA) provided updates from the Treaty's Governing Body, including a call for a specialized approach for DSI for plant genetic resources, and welcomed further discussions on the relationship with existing instruments, agreements, and bodies. The WORLD INTELLECTUAL PROPERTY ORGANIZATION (WIPO) reported on adoption of its Treaty on Intellectual Property, Genetic Resources and Associated Traditional Knowledge in May 2024; and its work on a WIPO Toolkit for Rights Management regarding genetic resources.

The DSI SCIENTIFIC NETWORK supported the proposal for a downstream benefit-sharing trigger; pointed to examples of non-monetary benefits covered under other international agreements; and urged mutual compatibility. The INTERNATIONAL FEDERATION OF PHARMACEUTICAL MANUFACTURERS AND ASSOCIATIONS expressed disappointment with the studies presented and urged avoiding obligation stacking. ECOROPA called for ensuring that users share benefits immediately, and for guidelines for using existing databases.

CoW Co-Chair Lockhart summarized deliberations and said a non-paper will be developed for discussions on Tuesday morning. Noting diverging views on contributions to the fund and disbursement of funds, he announced establishment of two contact groups to meet on Tuesday.

In the Corridors

"We are at the cusp of a historic breakthrough, and we need to demonstrate how environmental multilateralism can deliver for people and nature." The opening remarks of the new CBD Executive Secretary Astrid Schomaker did not shy away from the expectations around, and potential of, operationalizing the multilateral benefit-sharing mechanism from the use of DSI on genetic resources. Cognizant of the meeting's importance and determined to maintain the positive momentum, delegates exchanged general views, setting the stage for a week of difficult but fundamental negotiations to start addressing the financing gap and ensure long-term objectives on biodiversity conservation, sustainable use, and benefit-sharing.

Working quickly through the first day's agenda, views diverged on the contributors to and potential recipients of the global fund. On the former, there were calls for "all users" to contribute to the fund from some quarters, with others preferring that only big profit-making entities contribute, sparing small- and medium-sized entities from having to pay. "We will need to focus on the 'big money,'" one participant noted, pointing to the global forecast of the financial needs for biodiversity worldwide now running into the hundreds of billions of dollars.