



STATEMENT

Opening statement at COP 16: Multilateral mechanism (MLM) for digital sequence information (DSI)

21 OCTOBER 2024, CALI, COLOMBIA – The International Federation of Pharmaceutical Manufacturers & Associations (IFPMA) supports the conservation objectives of the Convention on Biological Diversity (CBD). We recognize the growing role that digital sequence information (DSI) plays in scientific research and innovation, which is critical to tackling various challenges facing society, including climate change, food security, and global health challenges. We are committed to sustainable use of biodiversity and already share various benefits with society through the innovations our member companies deliver, which allows societies to be healthier and more productive.

However, we have serious concerns about the current proposals for a tax-based Multilateral Mechanism (MLM) for DSI under the CBD. These proposals could undermine the objectives they aim to support by introducing regulatory and financial barriers that would stifle innovation, delay R&D, and complicate compliance. A tax-based MLM would increase costs across the board, disproportionately impacting cutting-edge sectors that may rely on efficient access to DSI to drive innovation.

The proposed mechanism risks creating legal uncertainties by enforcing requirements on a framework that lacks a clear and universally accepted definition of DSI. This could result in fragmented national regulations, creating a patchwork of rules that will be detrimental to innovation. Moreover, the proposed system will not necessarily ensure freedom to operate, as national access and benefit-sharing (ABS) laws would still apply, further complicating the landscape for researchers and innovators.

It is crucial to emphasize that industry already engages in substantial benefit-sharing through voluntary initiatives, which include capacity building, technology transfer, and preferential pricing. The proposed MLM does not adequately recognize these, as well as various existing contributions by various industrial sectors that are already delivering tangible benefits.

IFPMA calls for a more efficient, feasible, and practical approach that adheres to the criteria established by CBD negotiators themselves under COP15/9. This includes ensuring any mechanism provides certainty and legal clarity for both providers and users, supports open access to data, and does not hinder R&D. We also maintain that human and pathogenic DSI must be excluded from the

scope of any proposed mechanism, given the critical need for rapid access to pathogen data in pandemic preparedness.

In conclusion, we urge negotiators to prioritize evidence-based solutions that genuinely support biodiversity without impeding progress in essential technological fields. IFPMA remains committed to working with all stakeholders to foster a framework that is aligned with the realities of scientific research and innovation, while upholding the goals of the CBD.