

Position Paper of the Japanese Bio-business for Submission to COP17

*Benefit-sharing from the Use of Digital Sequence Information (DSI) on Genetic Resources
under the Convention on Biological Diversity (CBD)*
Agenda Item 6 | Advance Statement | October 2026

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Japan Cosmetic Industry Association (JCIA)
Japan Health and Nutrition Food Association (JHNFA)
Japan Pharmaceutical Manufacturers Association (JPMA)
Japan Seed Trade Association (JASTA)
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Submitted by Japan Bioindustry Association (JBA) on behalf of the Industry DSI Committee, convened by JBA and comprising eleven companies together with the five industry associations named above, from the pharmaceutical, food, chemical and cosmetics, seed and breeding, and biotechnology sectors.

General Comments

The design of the multilateral mechanism (MLM) for the fair and equitable sharing of benefits from the use of digital sequence information (DSI) on genetic resources, including the Cali Fund, is a central agenda item at COP17. DSI has long been shared internationally through open-access databases and is an indispensable foundation for research and development in bio-manufacturing, health and medicine, and agriculture and food. It has also contributed directly to the conservation of biodiversity, including through the genetic preservation of endangered species and ecosystem monitoring using environmental DNA. The Japanese bio-business supports the objectives of the CBD and the purpose of the MLM, and intends to continue contributing to them through the growth of the bioeconomy.

Decision 16/2 established the design of the MLM, including the Cali Fund, and identified several matters to be further developed at COP17. This position paper, prepared through the Industry DSI Committee convened by JBA, sets out industry's views on these matters.

In our view, the sustainable MLM should rest on the following basic principles: contributions to the Cali Fund should remain non-mandatory; the level and method of contribution should be left to each entity's own discretion; the mechanism should not require tracking and tracing of all DSI on genetic resources, consistent with Decision 15/9; any risk of duplicative payment under national law or other international instruments should be legally avoided; the procedures for contributing and for obtaining a certificate of contribution should be simple and administratively efficient; funding from the Cali Fund should be allocated in a transparent and accountable manner; and contributions should be recognized in ways contributors can reflect in their own reporting and evaluation. These principles inform our comments on the specific matters below.

Comments on Matters for Further Development at COP17

1. Contribution rate: Decision 16/2, Annex, paragraph 3, sets an indicative rate of 1% of profit or 0.1% of revenue, and provides for COP17 to establish the rate in light of studies on its impact on revenue generation and economic competitiveness. Publicly available DSI does not in itself carry economic value; value is created through subsequent R&D, analytical technology, and commercialization, and the manner and extent of DSI use vary widely across products and processes. We ask that flexible contribution levels be permitted, rather than the rate becoming fixed or a lower limit.

2. Definition of "use of DSI": The definition of "use of DSI" is a key factor in determining the scope of contributions under the MLM and remains unsettled. Decision 15/9 provides that solutions on DSI must not hinder research and innovation and must be consistent with open access, and recognizes that ensuring tracking and tracing for all DSI is not practical. We therefore ask that "use of DSI" not be decided hastily at COP17, and that "indirect use" not be extended to entities that merely purchase, distribute, or incorporate products and services developed using DSI.

3. Thresholds and the treatment of SMEs and start-ups: In accordance with Decision 16/2, the thresholds will be established at COP17 and reviewed periodically. We ask that the thresholds remain indicative, that their setting be left to the discretion of each Party, and that small and medium-sized enterprises and start-ups lacking the capacity and resources to contribute be excluded from the scope of contributions.

4. Additional modalities for benefit-sharing: Decision 16/2, paragraph 3, provides for COP17 to explore possible additional modalities, including taking products and services into account, and views were subsequently invited from Parties and other stakeholders pursuant to notification 2024-114. We ask that they remain options that each entity may choose at its own discretion under the current MLM, including the Cali Fund, and not become mandatory under any condition. Decision 16/2 also provides for a review methodology to be established at COP17 and for the first effectiveness review of the MLM to take place at COP18. We consider that additional modalities should be examined in light of the issues identified in the review at COP18,

and that any intersessional work before then should not prejudice the outcome of the review at COP18 or any subsequent decisions on the adoption of additional modalities.

5. Avoidance of duplicative payments under national law and international access and benefit sharing (ABS) instruments: Decision 16/2, Annex, paragraph 1, provides that the benefit-sharing approach is without prejudice to national legislation and does not affect Parties' rights and obligations under existing international ABS instruments, and paragraphs 26 and 27 encourage avoidance of duplication of obligations. We ask that it be legally guaranteed that an entity contributing to the Cali Fund will not be required to make duplicative benefit-sharing payments under other ABS-related instruments or national laws, including through the certificate mechanism described in item 6 below.

6. Requirements for issuing certificates and how they are used: Decision 16/2 provides for a certificate to be issued to contributing entities. We ask that a single type of certificate be issued, regardless of contribution rate or amount, with equal legal effect in avoiding duplicative payments under national law and other international ABS instruments. The process of making a contribution and obtaining a certificate should be simple and efficient. Contributors should have the option not to disclose their individual contribution rates or amounts to third parties, as the rates or amounts may invite misleading comparisons without reflecting differences in the manner and extent of DSI use in their businesses.

7. Governance of the MLM and the review methodology: Decision 16/2 provides for the first effectiveness review of the MLM at COP18, with the Steering Committee to develop a review methodology for adoption at COP17. We ask that the methodology assess the Fund's substantive impact on biodiversity conservation, and not the rate or amount contributed alone, and that it supports contributors in accounting to their shareholders for their contribution. We also ask that the use and allocation of Cali Fund resources be made transparent and publicly reported, so that a contribution can be recognized as a positive contribution to biodiversity conservation reflected in each entity's own reporting and evaluation.

8. Methods of making DSI public in a manner that ensures transparency and accountability: Registration of DSI in public databases, such as the International Nucleotide Sequence Database Collaboration (INSDC), constitutes the most fundamental form of non-monetary benefit-sharing. We do not support the establishment of a new database under the CBD, as it could result in duplication, fragmentation, and additional administrative burdens. We ask that any measures be designed in a manner that is practical for database operators and users to implement, consistent with the principle set out in Decision 15/9 that a solution on DSI should not hinder research and innovation.

9. Pilot projects: The Steering Committee has discussed the possibility of pilot projects in connection with the MLM's design. We ask that any pilot projects be developed only after thorough examination by experts and fair, broad consultation with diverse stakeholders.

Closing Remarks

The Japanese bio-business believes that the advances in biotechnology can contribute both the conservation and sustainable use of biodiversity and economic growth, and that the transition toward a bioeconomy-based society is conducive to the objectives of the Convention. We expect the MLM, including the Cali Fund, will operate sustainably as an effective mechanism for biodiversity conservation. We submit this position paper in the hope that it will contribute to a successful and balanced outcome on Digital Sequence Information at COP17.