

Mr Shakeel Bhatti Secretary

International Treaty on Plant Genetic Resources for Food and Agriculture

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<u>Subject:</u> Notification NCP GB7-004 Working Group: Fifth Meeting of the *Ad Hoc* Open-Ended Working Group to Enhance the Functioning of the Multilateral System of Access and benefit-Sharing – Input from the European Seed Association regarding user and crop categories

Dear Mr Bhatti,

Dear Shakeel,

Following the notification dated February 15, 2016 and referred to in the subject of the present letter I would like to share with you hereby the input of ESA on the issues of crop and user categories.

In respect of <u>crop categories</u>, I refer to the <u>position</u> ESA submitted to the Treaty Secretariat on April 10, 2015 where ESA expressed the view that the matrix to calculate the subscription fee should take into consideration the different profitability levels of crops. ESA therefore is of the view that defining categories of crops, grouped according to their level of profitability could be a positive element to consider in the construction of the future subscription system.

We are of the opinion that enhancement of the MLS can only be achieved if the system is used, and use can be best enhanced if possibilities are offered to all types of users to easily access the system under simple and fair conditions that eventually can be expanded to all crops and uses, not just the Annex I crops for food and feed uses. In other words, the system has to offer attractive access mechanisms also to users working on low-margin crops. Without taking the element of difference in profitability into account there is a risk that the system will be overly expensive for users of low-margin crops which may result in less use instead of enhanced use of the system. This would not be a desirable outcome.

With regard to <u>user categories</u>, we believe that there is no need to define such categories within the subscription option but the same rules should apply to all types of users. We understand that the idea of introducing user categories mainly stems from the wish to make sure that public research institutes whose access and use of the system is very important are not disadvantaged. However, we believe that it is also very important to avoid that too many loopholes are created in the new system.

As expressed also in the position referred to above (that ESA submitted to the Treaty Secretariat in April 2015) ESA is of the opinion that the enhancement of the functioning of the MLS can only be completed in a successful way if there are multiple access mechanism established. We believe that such multiple access mechanisms should include at least a subscription model (via an amendment of article 6.11 of the sMTA) and an option of payment at commercialization (article 6.7 type of access model). If there are several pathways to access the system, including an article 6.7 type mechanism, we are of the view that the "problem" of public research institutes is addressed and there is no need to differentiate by user categories.

We hope that you find the above elements useful for the further discussions of the Working Group and that the Working Group will take due consideration of them.

I remain at your disposal for any question you may have regarding the above.

Sincerely yours,

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