

Brazilian Submission on the Outcomes of the 3rd Meeting of the Ad Hoc Open-Ended Working Group to Enhance the Functioning of the Multilateral System

Brazil supports the development of a Subscription Model as a viable alternative to enhance the functioning of the Multilateral System. Nonetheless, we are of the view that the idea of a Subscription Model should be dealt separately from an eventual revision of the Treaty or the establishment of a Protocol, which are measures more related to the expansion of the Annex I. Therefore, at the current stage, it would be advisable to discuss the development of a Subscription Model through the revision of the SMTA, mainly through the adaptation of Article 6.11 and 6.8. For Brazil, a possible expansion of the Annex I should only occur after ensuring that the MLS is working in its enhanced format.

Brazil is of the view that the lack of user-based payments to the Benefit-sharing Fund could be overcome to a great extent through the revision of the SMTA (e.g. adjusting the levels and modalities of payment under each option). Such approach would be a viable option to address many structural problems of the Multilateral System.

Regarding the appendix of the draft report of the 3rd Meeting of the OWG-EFMLS containing "elements that should be considered, in order to improve the SMTA, and make it more user-friendly", Brazil does not support the introduction of a minimum incorporation threshold. Such measure would be very difficult to implement and would increase enormously the costs of traceability and monitoring, without any justifiable benefit for the MLS. Moreover, it seems to be endorsed only by a few institutions and apparently lacks the support of Parties of the Treaty. On the other hand, Brazil is of the view that options related to a termination clause based in a time-bound period could be further explored and discussed.

Brazil recognizes that the contributions made by Contracting Parties may be important to keep the Multilateral System alive in the next few years, especially in a scenario of lack of user-based payments. Nonetheless, contributions by Parties should complement the funding strategy of the Benefit-Sharing Fund and not be envisaged as the main source of financial resources to the implementation of the Treaty. It is conceptually inappropriate to rely on pre-defined contributions of Country Parties to promote ABS. Benefit sharing is supposed to be provided on the basis of the economic profit derived from the access to the genetic resources, i.e. user-based payments. If the revision of the MLS is successful, the majority of financial resources will be provided by the Multilateral System itself. It is premature to create and define responsibilities to a donor council before assessing the enhanced MLS contribution to secure the implementation of the Treaty. In this regard, Brazil does not favor the establishment of a donor council or any similar body to support the implementation of the Treaty at this stage.