Informal Global Dialogue

on DSI and the Cali Fund

Hosted by the EU Commission DG Environment

10 - 12 March 2026, Leuven, Belgium

Report

Contents[1]

[1] Disclaimer: This report was prepared for the use and benefit of the participants of the *Informal Global Dialogue on DSI and the Cali Fund* in Leuven, Belgium, 10thto 12th March 2026, and it is provided for information purposes only. It contains a compilation of the participants' contributions and discussions. The report, however, does not purport to reproduce all debates and interventions in full. According to the Chatham House Rule, under which the informal retreat was held, the information provided is not attributed to the source. The presenters are, with their explicit permission, identified in the report. The statements in this report do not represent the views or opinions of the European Commission and the Government of Norway. The organizers, GeoMedia and Centro de Colaboración Cívica (CCC), do not assume any liability for the accuracy or completeness of the report.

Executive Summary and Key Messages compiled from the meeting

The three-day informal global dialogue on Digital Sequence Information (DSI) brought together some 40 representatives from governments, indigenous peoples and local communities (IPLCs), the private sector, academia, and international organisations to advance the operationalisation of the multilateral mechanism for benefit-sharing from the use of DSI (MLM), including the Cali Fund, established under CBD COP Decision 16/2.

Key Messages

1. From agreement to implementation

Participants underscored that, following the political milestone of COP16, the priority has shifted decisively toward **making the Cali Fund operational**. Throughout the meeting discussions revealed a strong willingness of all to engage in a constructive manner and acknowledging that it is time to deliver and boost benefit-sharing for the benefit of biodiversity.

While important progress has been achieved – particularly through the establishment of governance structures and ongoing technical work – significant uncertainties remain regarding practical modalities and lack of common understanding of several key concepts.

2. Trust as the central enabling factor

A central conclusion of the dialogue was that **trust is the critical foundation** for success. Despite improving collaboration within formal bodies such as the Steering Committee, broader trust – particularly involving industry and IPLCs – remains fragile. Rebuilding confidence during the runup to COP17 requires:

- Transparent and inclusive processes
- Delivery of tangible results
- Continued need for informal exchanges to build common understanding, trust and partnership

3. Balancing ethics, incentives, and legal certainty

Participants stressed that **ethical responsibility must guide behaviour beyond formal compliance**. At the same time, **greater legal clarity and predictability** are essential to incentivise private sector contributions and avoid regulatory fragmentation.

4. Key operational "construction sites"

Several priority areas requiring further work were identified:

- **Money IN (contributions):**
  - Reducing regulatory uncertainty and avoiding overlapping obligations
  - Creating incentives and ensuring a level playing field
  - Exploring mechanisms such as "one-stop-shop" payment systems
- **Money OUT (disbursement):**
  - Clarifying direct vs. indirect funding to IPLCs
  - Ensuring transparency, accountability, and measurable biodiversity impact
  - Designing flexible funding modalities adapted to national contexts
- **Non-monetary benefit-sharing (NMBS):**
  - Lack of common definitions and tracking systems

- Need for a **matchmaking platform** to connect needs and offers
- Strong demand for capacity building and development, particularly in bioinformatics

Outstanding issues:

- Clarification of key concepts (such as direct/indirect use) and trigger points
- Mutual supportiveness with other international frameworks
- Communication and awareness of the Cali Fund

5. Importance of practical testing through pilots

There was strong consensus on the need to move from conceptual discussions to **"learning by doing."** Six initial pilot concepts were developed, collectively covering:

- Financial flows (Money IN and OUT)
- Governance, transparency, and accountability
- Technical elements such as Cali Fund certificates

These pilots' ideas form a **complementary testing framework**, ranging from technical prototypes to full system validation, and could serve as basis for further discussions at COP17 and to generate evidence to further inform decisions at COP18.

6. Participants of the dialogue meeting and evolving stakeholder landscape

The majority of the 40 participants were representing Parties and the private sector complemented with some representatives of IPLCs, academia and international organisations. The Dialogue was held under the Chatham House Rule, where participants are free to use the information received, but neither reveal the identity nor the affiliation of the speaker(s), nor that of any other participant.

The dialogue reflected a **significant shift in participation**, with stronger engagement from the private sector, particularly from individual companies.

7. Roadmap for continued engagement

Participants appreciated the opportunity to have informal settings to continue discussions on DSI and the Cali Fund. Based on this, they supported an **informal, flexible roadmap** – promoted and supported by Norway and the EU – offering additional opportunities to:

- combine knowledge generation and continue dialogue on key unresolved issues and "construction sites",
- support and further feed into upcoming milestones of the formal process, particularly COP17, and
- offer support regarding the development of a pilot/testing phase.

A pilot initiative was identified as a key next step to generate implementation-oriented insights as well as a webinar to inform a broader audience and reflect on the outcomes of the dialogue meeting in Leuven. Additionally, two other informal in-person meetings before COP17 were welcomed by participants:

- one dedicated to IPLCs and industry, and
- a second Informal Global Dialogue as a follow-up to the Leuven meeting.

Overall Conclusion

The dialogue confirmed that **the foundations for the MLM and Cali Fund are in place**, but their success will depend on **practical implementation, trust-building, and stakeholder engagement**. Participants emphasised the need for a **simple, transparent, and coordinated system**, supported by clear incentives, measurable outcomes, and inclusive governance.

Moving forward, a **pragmatic and iterative approach – combining exchange, testing, and learning – will be key** to ensure that the mechanism delivers tangible biodiversity benefits while maintaining open access to DSI and fostering broad participation.

Official welcome and introduction

Monica Hencsey, Director for Green Diplomacy and Multilateralism, DG Environment, European Commission welcomed participants and thanked for their engagement despite the challenging global circumstances reflecting a shared commitment to advancing the international agenda on benefit-sharing from the use of DSI. She recalled that the aim of the Informal Global Dialogues is to provide a space for open and constructive exchanges among Parties and stakeholders to move forward with the implementation of Decision 16/2, and to further support the formal process under the Convention on Biological Diversity.

She recalled that the decision adopted by CBD COP16 establishing a multilateral mechanism for benefit-sharing from the use of DSI, including the Cali Fund, marked **an important milestone**. She emphasised that the priority now is to make the system operational and ensure it contributes effectively to addressing the biodiversity crisis and supporting the implementation of the Kunming–Montreal Global Biodiversity Framework.

Monica highlighted the important role of the private sector, noting that many companies rely on DSI for innovation across sectors such as pharmaceuticals, biotechnology, agriculture and cosmetics. Early engagement from companies would be key to building confidence in the new system.

She reaffirmed the European Union's commitment to supporting the implementation of the decision and noted that the EU is finalising internal consultations to join the "Friends of the Cali Fund," a coalition launched by the United Kingdom and Chile to build momentum and visibility for the Fund.

Looking ahead to COP17, Monica stressed the importance of continued dialogue among governments, stakeholders and users of DSI to ensure that this innovative mechanism can deliver on its promise. She stressed that success of the Cali Fund will depend on the **collective efforts** of governments, researchers, companies, Indigenous Peoples and local communities and civil society.

Charlotte Germain-Aubrey and Kirsty Bryant of the CBD Secretariat provided an update on the formal DSI process since COP16:

- SCBD workplan until SBI 7 and COP17 with syntheses, studies and the development of recommendations for COP.
- Summary of the first meeting of the AHTEG on the Allocation Methodology for the disbursement of funds in January 2026 and further work planned.
- Progress of work in the Steering Committee (SC) with one more in-person meeting in 2026, highlighting that the report of the SC to COP could include topics on disbursement to IPLCs, non-monetary benefit-sharing, and certificates.

For further details see the presentation in Annex 2. During the ensuing Q&A Charlotte and Kirsty highlighted that since COP16, group dynamics have improved, with growing trust and more open, constructive collaboration between Parties, IPLCs and stakeholders in the Steering Committee, even though the path to achieving objectives remains unclear. At the same time, there is recognition that trust now needs to extend beyond core bodies like the SC and AHTEG to the wider community. Industry participants are still questioning their role and whether they can meaningfully contribute as new partners. It was also clarified that the Cali Fund is not a formal CBD instrument but a multi-partner mechanism involving UNDP, the MPTF Office, and the CBD, designed to allow greater flexibility.

Setting the scene – 'vision' and 'construction sites'

A short podcast-like dialogue between two representatives of the organisers kicked off a discussion with the plenary about the bigger picture, framing the discussion about implementation of Decision 16/2 on the Multilateral Mechanism for benefit-sharing from the Use of DSI (MLM) and its Cali Fund.

The "Great Bargain" and shifting paradigm: The CBD discussions continue to revolve around the "Great Bargain" linking conservation with financing through access and benefit-sharing, but there is growing recognition that this is not only an economic or technical issue – it is also fundamentally ethical. Decision 16/2 represents a significant shift, redistributing responsibilities across governments, businesses, and IPLCs, and raising expectations for all stakeholders.

Trust as the central issue: Trust emerged as the core challenge. Despite decades of negotiations, unmet expectations and increasing regulation have weakened confidence. Participants emphasised that trust is built through relationships, informal dialogue, and delivering on commitments. Momentum has slowed since COP16 and needs to be rebuilt.

Ethics vs. legal behaviour: A key concern is that actors may follow the letter of the law while undermining its spirit. Open access to DSI is sometimes treated as free use for commercial purposes without responsibility, highlighting the need to reinforce ethical behaviour. Ultimately, all agreed that biodiversity conservation – not legal loopholes – must remain the guiding objective.

DSI complexity: communication and balance: DSI remains difficult to communicate, especially to non-experts and IPLCs. There is a delicate balance between maintaining open scientific access and protecting sensitive data and rights. Broader understanding and clarity are still needed.

Implementation as shared responsibility: There is a clear shift toward distributing responsibility across stakeholders rather than relying solely on global frameworks. Governments, industry, and IPLCs are all expected to be part of it. This reflects lessons learned from other global processes, such as climate governance.

Progress and guiding principles: Important progress has been made since CBD COP13 in Cancun, particularly with COP Decision 16/2 and the establishment of the Cali Fund. The Geneva Principles, established by COP Decision 15/9, serve as a shared foundation, though stakeholders prioritize them differently. The challenge now is to translate these agreements into workable systems.

Equity and IPLC considerations: For IPLCs, past decisions were seen as setbacks, but 16/2 marks progress, especially that 50% of the Cali Fund are to support the self-identified needs of IPLCs including through direct funding. At the same time, questions remain about implementing direct accessibility, equitable distribution and meaningful inclusion.

Financial expectations and realities: Expectations around the Cali Fund need to be managed carefully. Businesses remain concerned about the unclear scope of Decision 16/2 and governance of the multilateral mechanism and the Cali Fund, sometimes viewing the Fund as opaque. There is a need for clearer contribution thresholds, clarification of key concepts and trigger point for contribution, fair and transparent disbursement criteria that reflect biodiversity and national circumstances and impact assessment.

Changing stakeholder landscape: The negotiation landscape has evolved significantly, with stronger private sector engagement, particularly by individual companies, than in earlier processes, such as the negotiation of the Nagoya Protocol on ABS. This has improved the practicality of discussions but also introduced new complexities in balancing interests and expectations.

Key tensions to resolve: The discussion highlighted ongoing tensions between global coordination under a multilateral system and national ABS requirements, open access and data protection, speed and complexity, and flexibility versus legal certainty. Addressing these tensions will be critical for success.

Overall takeaway: While substantial progress has been made on the institutional structure, the next phase is about implementation. Success will depend on rebuilding trust, managing expectations, and ensuring that systems work in practice. Ultimately, the effectiveness of the process hinges on collaboration, relationships, and a shared commitment to act ethically.

Identification of key "construction sites" for operationalisation of Decision 16/2

The following discussion focused on **what is currently happening in the formal process and where challenges and gaps remain**. Work is underway on several fronts, including **on further incentives**, studies on **contribution rates** with peer review, and **allocation methodologies** being developed by the AHTEG based also on external experts' input. There are also ongoing efforts to ensure **mutual supportiveness** with other international processes, though these remain informal and uneven, with some countries like the UK coordinating internally while others rely on ad hoc exchanges.

A recurring concern was the **lack of clarity** – particularly around key concepts and definitions – which some participants see as a barrier to financial flows and implementation. Others argued that progress should not be blocked by this and suggested **focusing on practical solutions such as trigger points or pilot approaches**. **Awareness** is another major issue: surveys show that most stakeholders, including industry and universities, are still unfamiliar with the Cali Fund, although willingness to contribute increases when its purpose is better understood. This points to the need for communication, early pilot projects, or seed funding to demonstrate how the system could work in practice.

Discussions also touched on **broader systemic challenges**, including how to **avoid free riders while maintaining open access to DSI for research and innovation**, and **how benefit-sharing interacts across different international instruments**. There is ongoing work in other fora, such as the UNCLOS BBNJ, WHO Pandemic Agreement or FAO Plant Treaty, but progress on aligning and streamlining issues related to benefit sharing and DSI remains limited**. Questions were also raised about non-monetary benefit-sharing (NMBS)**, including how to measure baselines and whether more structured mechanisms, such as matchmaking platforms, are needed.

Overall, while multiple studies and discussions are progressing, the process is still characterized by limited awareness, lack of clarity, and the need for practical testing. Key issues identified for further work include incentives, legal certainty, mutual supportiveness, NMBS, and pilot initiatives to move from concept to implementation.

For more details refer to Annex 3.

Moving forward: Focus "Money IN" – Benefit-sharing obligations, and how to avoid overlapping obligations

Participants highlighted concerns about **overlapping benefit-sharing obligations** between national legislation and international mechanisms. Companies may face multiple requirements across different regimes (e.g. biodiversity, health, agriculture), creating **regulatory complexity and uncertainty**. The **risk of stacked obligations is widely perceived.**

Suggested solutions included:

- **Simplifying the system**, providing more flexibility and reducing compliance burdens.
- Developing a **"one-stop-shop" approach**, where the MLM/Cali Fund could function as a central payment mechanism also for other international fora and agreements.
- **Mutual recognition of payments** and compliance across national and international frameworks.

- Improved **coordination between international instruments and national policies**.
- Possible **technical tools**, such as registers or tracking systems to determine which rules apply as well as to record obligations and payments.

Different actors were seen as having distinct roles: international organisations should coordinate and harmonise systems; governments should align national legislations; companies should engage responsibly; and scientific communities should support integrated approaches (such as the **One Health model)**.

For more details refer to Annex 4.

Moving forward: Focus "Money OUT" – Direct/indirect allocation of funds, with IPLCs as beneficiaries of the Cali Fund

Short thought-provoking input triggering the subsequent plenary discussion.

The Cali Fund is administered through the **Multi-Partner Trust Fund Office (MPTFO)** following standard UN trust fund procedures. Participating organisations (UN organisations, non-UN organisations, or governments) must meet eligibility criteria, submit programmatic documents, and sign financing agreements before funds are transferred. A **separate ledger account** is maintained, and after disbursement **monitoring and reporting obligations** apply. The **Steering Committee (SC)** reviews programmatic documents for alignment with COP decisions and instructs the MPTFO on disbursement.

Two main **interpretations of how funds could reach IPLCs** are being discussed:

- **Direct allocation approach:** Funds may be disbursed directly to entities supporting IPLCs (e.g. UN or non-UN organisations). IPLCs could indicate their preferred implementing entity, while governments may also request specific channels for disbursement.
- **Indirect allocation approach:** Funds are first allocated to **government entities**, which would then ensure that a **share (e.g. 50%) is passed on to IPLCs**, with reporting requirements to demonstrate compliance.

Both approaches could potentially **coexist**, depending on national contexts. To avoid delays or conflicts – such as disagreements between governments and IPLCs – a **default implementing organisation** (e.g. a trusted international organisation) may be needed to receive and channel funds. The Cali Fund itself is **not intended to resolve internal national conflicts** over allocation.

The following discussion on fund disbursement focused on ensuring that **IPLCs** benefit from the Cali Fund while maintaining accountability.

Key points included:

- The need for **transparency and reporting**, but with realistic requirements that do not overburden local organisations.
- Support for **flexible funding models**, including a mix of **project-based funding and smaller grants**.
- Diverging views on **funding channels**:
    - Some favour **direct funding to IPLCs or their organisations**.
    - Others prefer **disbursement through governments or established institutions**.
- The importance of demonstrating **clear biodiversity impact**, including links to **National Biodiversity Strategies and Action Plans (NBSAPs)**.
- Recognition that **IPLC stewardship plays a key role in biodiversity conservation**.

- Broad support for **pilot initiatives and adaptive learning** to refine the system over time.

For more details refer to Annex 5.

Moving forward: Focus "Money IN" – Incentivising and de-risking contributions

Participants discussed how to **motivate industry to contribute** and address barriers to participation.

Key challenges identified:

- **Regulatory uncertainty**, particularly regarding scope and clarification of concepts and terms, such as “DSI” or “benefitting from direct and indirect use of DSI”, what would be covered under national legislation and under the multilateral mechanism as well as overlapping obligations.
- Concerns about **fairness and competitiveness**, including fears of an uneven playing field across industries or countries.
- Doubts about whether a **purely voluntary system** will generate sufficient funding.

Possible approaches included:

- Stronger incentives such as a **“comply or explain” model**[2].
- Integrating contributions into **existing corporate reporting frameworks**, such as the **Taskforce on Nature-related Financial Disclosures (TNFD)**[3].
- Improved **communication about biodiversity benefits and funding impacts**.
- Greater **legal clarity and risk framing** to reduce regulatory uncertainty.

For more details refer to Annex 6.

Moving forward: Focus "Money OUT" – Minimum criteria to trigger contributions

Participants stressed the need for **clear minimum conditions** to encourage contributions. Important elements included:

- **Reduced compliance complexity** and clearer scope of obligations.
- A **level playing field** across sectors and countries.
- Stronger transparency about **how funds are used and what impacts they generate**.
- A **stepwise implementation approach**, potentially starting with pilot initiatives and scaling up over time.
- Building **trust and partnership** between governments, industry, and other stakeholders.

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[2] The "comply or explain" model is a regulatory framework used in various sectors to ensure compliance with rules and regulations. It is particularly relevant in the context of corporate governance and the European banking sector. The model requires organizations to either comply with the rules or provide an explanation for any non-compliance.

[3] The recommendations and guidance of TNFD enable businesses and finance to integrate nature into decision making. The aim is to support a shift in global financial flows away from nature-negative outcomes and toward nature-positive outcomes, aligned with the Global Biodiversity Framework. (https://tnfd.global/about/)

Overall conclusion across discussions on both "Money IN" and "Money OUT"

Participants emphasised the need for a **simple, transparent, and coordinated system to share benefits**. Reducing regulatory uncertainty, demonstrating clear biodiversity outcomes, ensuring fairness across sectors, and adopting a **pragmatic "learn-by-doing" approach** were widely seen as key to making the Cali Fund operational and effective. Continued dialogue between governments, industry, and other stakeholders will be essential to refine the mechanism and build trust.

Moving forward TOGETHER – NMBS and Capacity Development in the MLM

Ways and means to operationalise Decision 16/2 paragraphs 6, 7, and 8.

The discussion highlighted that while NMBS is widely recognised as a critical pillar of the MLM, it remains **fragmented, poorly defined, and under-implemented**. Moving forward requires a shift toward a **more coordinated, transparent, and needs-driven system**.

Key challenges identified

- Multilateral NMBS approach very different from bilateral user – provider setup
- Lack of coordination
- Capacity gaps in bioinformatics, data analysis, and infrastructure
- Unclear definitions of what qualifies as NMBS vs. Capacity building vs. Tech transfer
- Limited visibility of NMBS
- Imbalanced partnerships
- Weak tracking and reporting of NMBS

Key solutions and priorities

- **Establish a matchmaking platform:** A central, passive platform to connect NMBS needs and offers is seen as essential to enable practical partnerships.
- **Strengthen capacity development:** Prioritise bioinformatics and data infrastructure through training, long-term partnerships, and bundled support (skills + tools).
- **Clarify NMBS scope:** Develop clearer definitions to support implementation, reporting, and shared understanding.
- **Leverage existing initiatives:** Recognise and build on ongoing collaborations rather than creating entirely new mechanisms.
- **Promote equitable partnerships:** Encourage long-term, mutually beneficial arrangements with fair access to results and value chains.
- **Improve monitoring and reporting:** Integrate NMBS into existing frameworks (e.g. national biodiversity strategies) and develop practical ways to track contributions.
- **Adopt a systemic approach:** Address broader enabling conditions such as education, infrastructure, and policy coherence to ensure lasting impact.

Overall takeaway

Ensuring effective NMBS within the DSI MLM will require **moving beyond ad hoc activities toward a structured system** built on **coordinated matchmaking**, targeted capacity development, clearer definitions, and stronger integration into existing frameworks such as NBSAPs. Multilateral NMBS is a chance for parties that so far not have benefitted from the bilateral approach to receive NMBS.

This transition is essential to unlock the full potential of NMBS as a **complementary and enabling component** of global benefit-sharing.

For more details refer to Annex 8.

Moving forward TOGETHER – Priorities and Pilots

During the discussions of the first two days of the meeting repeatedly participants highlighted the need to get started with the operationalisation of the MLM and the Cali Fund and to test what works and how to address the key points of the "construction sites". With a view to take up the energy in the room the organisers decided after consultations with the participants to initiate some work on how testing the MLM and the Cali Fund could take place. As a result, six Table Groups were tasked to develop and visualise one pilot each on boards and describe:

- What would that pilot test?
- How would it be implemented?

The pilots developed are presented in Annex 9.

Commonalities across all pilots

Overall purpose: All pilots aim to **test and refine the Cali Fund system before full implementation**, especially:

- Financial flows (**Money IN / Money OUT**)
- Governance, transparency, and accountability
- Practical feasibility of concepts under negotiation

Strong emphasis on learning & iteration showing a shared goal: *evidence-based decision-making before scaling.* Every pilot includes:

- **Testing + feedback loops**
- **Evaluation against KPIs or defined criteria**
- **Reporting outcomes to COP18** feeding into **COP18 evaluation and decisions**

Multi-stakeholder participation: Across pilots, there is consistent involvement of **Parties, IPLCs** and **private sector (companies, business associations)**. Some pilots vary emphasis, but all recognize the system must work for **all actor groups**.

Focus on both technical and political feasibility with common testing themes:

- **Transparency & accountability**
- **Legal certainty**
- **Reporting systems / KPIs**
- **Fair and effective benefit-sharing**

Use of experimental environments reflecting a shared understanding that **some elements are too complex for immediate real-world rollout**. Several pilots include or complement:

- A **"sandbox" / safe testing space** (Pilots 1 & 4)
- **Project-based experimentation** (Pilots 3 & 5)

Cali Fund Pilots – Comparative Matrix

Dimension	Pilot 1	Pilot 2	Pilot 3	Pilot 4	Pilot 5	Pilot 6
Key testing areas	Disbursement models, incentives, accountability	Scope, definitions, triggers	Definitions, rates, impact, delivery of NMBS	Disbursement models, compliance costs, reporting, accountability	Cost-benefit, monitoring, certificates	Impacts, legal certainty, efficiency
Money IN	Indirect (sandbox)	Not tested	Yes	Indirect (sandbox)	Not tested	Yes
Money OUT	Yes	Not tested	Yes	Yes	Limited	Yes
Focus and implementa-tion	Money IN sandbox for companies / Money OUT projects	Certificate (narrow, technical)	Money IN + OUT via selected projects	Full system tested with 2 countries (with & w/o ABS regulations)	Cost-benefit of MLM via small-scale projects	End-to-end system performance (KPIs, benefits)
Scope Type	System-wide (conceptual)	Technical prototype	Operational (projects)	Policy/system (countries)	Analytical (projects)	System-wide (performance)
Private Sector Role	Business-focused sandbox	Business-focused	Project partners	Less central / indirect	Project partners	Project partners
IPLC / Gov. Role	Project partners in pilots	Stakeholders	Project partners	Core (country comparison)	Project partners	Project partners
Funding Source	Donations	Voluntary contributions	Project-based	Contributions (Coalition of the Willing)	5M USD fund	Cali Fund / mixed
Outputs	System insights	Certificate model	Impact on actors	Country comparison results	Cost-benefit evidence	KPI-based evaluation

Regarding the **timeline for further development and implementation** of a pilot the groups did not provide consistent information, but there was broad agreement in the discussion that the results of a pilot should be **reported in advance to the SC** and be **available for COP18 in 2028**.

Moving forward TOGETHER – Roadmap: anchor points in the international agenda

After a presentation of a potential roadmap for the continuation of informal discussions participants discussed pro's and con's of various aspects. The following key points emerged:

Purpose and overall approach

- The roadmap is conceived as an **informal, flexible process** to support the formal DSI negotiations by enabling **exchanges, testing ideas, building trust and shared understanding**.
- It is not a fixed plan but a **"menu of options"**, evolving over time according to needs and funds' availability.

Role of knowledge and dialogue

- **Knowledge products** (studies, policy briefs) are seen as important to **inform discussions and address key gaps but** should be provided **in advance** to allow meetings to focus on **interactive exchange rather than presentations**.
- A combination of formats is needed:
    - **In-person meetings** for deeper dialogue and trust-building, such as **global multi-stakeholder meetings** (e.g. "The Hague" style) and **targeted meetings** (e.g. IPLC–industry dialogue)
    - **Virtual formats** for broader outreach, information sharing and awareness raising
- **Timing remains a trade-off** between maintaining momentum and ensuring meaningful participation:
    - Earlier global dialogue meetings (e.g. June) maintain momentum but risk low participation.
    - Later global dialogue meetings (e.g. September) allow better preparation but risk being too late for impact.

Link to the formal DSI process

- The informal process should be **clearly anchored in and feed into formal CBD negotiations**, with outputs designed to inform upcoming sessions. At the same time, there is caution to avoid creating **expectations that cannot be delivered formally**.
- A general sequencing is envisaged: **prepare inputs → discuss informally → feed results into the formal process**.

Priority topics for further work

- Further dialogue should focus on a limited number of **key unresolved issues**, including:
    - operational questions (e.g. stacking, edge cases, identifying users),
    - conceptual clarity (e.g. definitions of use),
    - and broader structural questions (e.g. IPLC contexts, links to other instruments).
- These "construction sites" would be addressed through **targeted knowledge products combined with discussion**.

Pilot as a practical next step

- There is strong interest in developing a **pilot initiative** to test ideas in practice and generate **implementation-oriented insights**. This would involve preparing **terms of reference, mobilising available resources** (e.g. reallocating meeting resources)**, and engaging relevant actors**, while ensuring alignment with the formal process.
- The pilot is seen as a way to **move beyond conceptual discussions and provide evidence for decision-making**.

Governance, coordination, and communication

- The process should be **partner-driven**, supported by a **small coordinating group** and linked to existing governance structures, including appropriate engagement with the Steering Committee.
- Clear communication is needed to emphasise that this is an **ongoing process with tangible progress**, helping to maintain engagement and manage expectations.

Overall Conclusion: The roadmap outlines an **iterative process combining knowledge generation, dialogue, and practical testing**, designed to **feed into the formal DSI negotiations while remaining flexible and inclusive**, with the pilot initiative as a key step toward concrete implementation.

The resulting indicative roadmap until COP17 is presented in Annex 10.

Closing Remarks

Mery Ciacci, DG Environment, European Commission highlighted appreciation for the open and constructive engagement of all participants, as well as for the efforts of organisers, hosts, and donors in creating a supportive environment despite challenging circumstances. There was a shared sense that the discussions had generated meaningful progress, including new ideas and a roadmap for continued dialogue, and a strong call to maintain this momentum and build on what was achieved.

She emphasised that the process and the current state of the fund should not be viewed as a failure, but as part of an ongoing effort with real potential for success. Participants were encouraged to communicate these positive developments more broadly and to continue working in a spirit of cooperation and partnership.

Industry representatives reaffirmed their commitment to ongoing engagement and collaboration, contributing to an overall positive and forward-looking conclusion.

Annex 1: Agenda

Tuesday, 10th March 2026: SETTING THE SCENE

from 9:30	**Registration**
10:30	**Welcome and introduction** • Official welcome by the European Commission, followed by technical opening • Update from the CBD Secretariat **International discussions on DSI** • Where do we stand: the broader picture and initial reflections
13:00	**Lunch**
14:30	**Identification of key 'construction sites' to operationalise Decision 16/2** • Joint collection of key 'construction sites'; initial reflections & exchanges
16:15	**Coffee/tea**
16:45	• Tentative clustering of 'construction sites', and how they have so far been addressed
18:30	**End of day's sessions**
19:00	**Reception by European Commission**

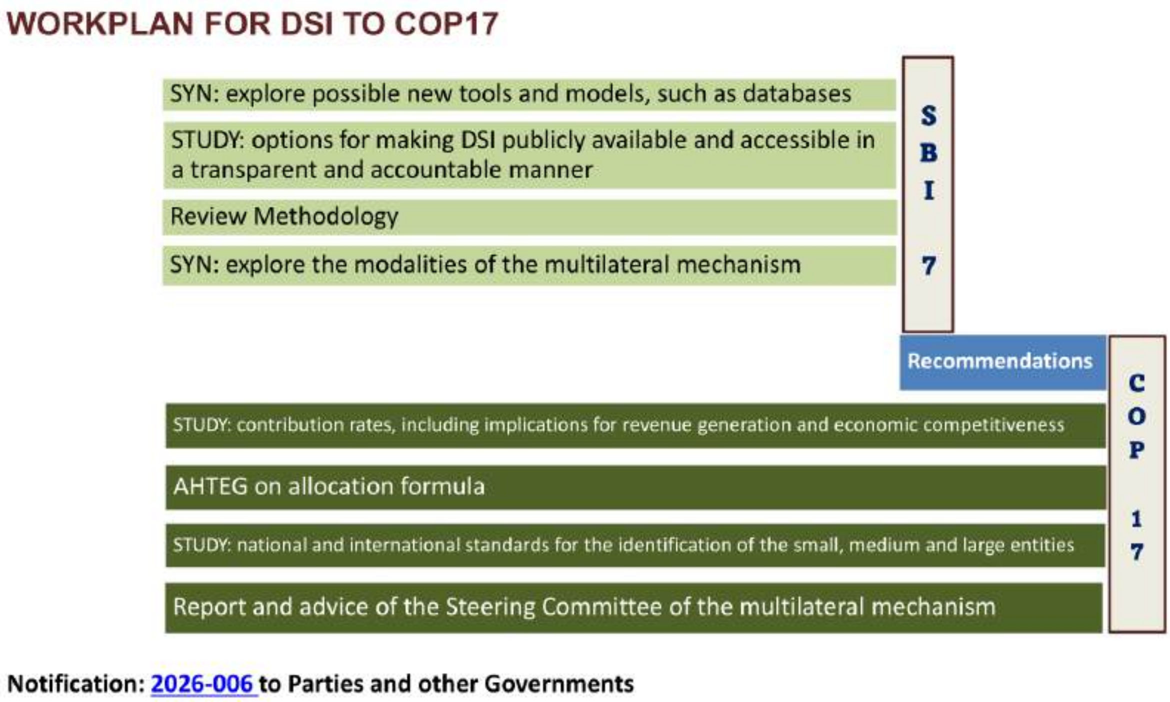
Wednesday, 11th March 2026: MOVING FORWARD

09:00	**Focus: "Money IN"** • Benefit-sharing obligations, and how to avoid overlapping obligations
10:30	**Coffee/tea**
11:00	**Focus: "Money OUT"** • Direct/indirect allocation of funds, with IPLCs as beneficiaries of the Cali Fund • Implications of different options, including accountability regarding the use of funds
12:30	**Lunch**
14:00	**Back to focus: "Money IN"** • Incentivising and de-risking contributions
15:30	**Coffee/tea**
16:00	**Back to focus: "Money OUT"** • Minimum criteria to trigger contributions
17:30	**End of day's sessions**
20:00	**Informal exchange of industry and CBD-Party representatives (hosted by International Chamber of Commerce, optional)**

Thursday, 12th March 2026: THE ROAD AHEAD

09:00	**Moving forward together** • NMBS and capacity development in the MLM: ways and means to operationalise Dec. 16/2
10:30	**Coffee/tea**
11:00	• Priorities and pilots: Taking off
12:30	**Lunch**
14:00	• Pilots continued • Roadmap: anchor points in the international agenda **Closure**
16:00	**End of d[illegible]gue with coffee/tea for good-byes**

Annex 2: Presentation "DSI formal process to date: SCBD update" by Charlotte Germain-Aubrey and Kirsty Bryant



DSI STUDIES

As detailed within Decision 16/2:

1) Commission a study to examine options for making digital sequence information on genetic resources publicly available and accessible in a transparent and accountable manner; => SBI7

2) Prepare a study on national and international standards for the identification of the small, medium and large entities referred to in paragraph 3 of the Annex of 16/2; => COP17

3) Commission a study on contribution rates, including implications for revenue generation and economic competitiveness; => COP17

SBI will make recommendations on:
➔ Possible tools and platforms, such as databases, for making digital sequence information on genetic resources available and accessible in a transparent and accountable manner. (para 7) –*study 1*
COP17 will:
➔ Establish thresholds and contribution rates and review them periodically thereafter (annex, para 4) –*study 2 and 3*

Kunming-Montreal GLOBAL BIODIVERSITY FRAMEWORK

UN environment programme | Convention on Biological Diversity

Ad-hoc Technical Expert Group

➔ AHTEG composition finalised in 2025 (notification 2025-073)

➔ The Ad Hoc Technical Expert Group on Allocation Methodology is to provide technical advice and guidance on remaining and unresolved issues relating to the disbursement of funds from the global fund, as established in paragraph 16 of decision 15/9, on the basis of paragraph 20 of the annex to the present decision. In particular, **the Group will develop an allocation methodology for disbursing funding from the global fund for consideration by the COP at its seventeenth meeting, on the basis of the criteria established in enclosure II (Enclosure III, para 1)**

➔ **Meeting 1: 27-29 January *(online)***
➔ **Meeting 2: 12-14 May, Montreal *(tentative)***

➔ ***COP17: A formula will be determined by the COP at its seventeenth meeting on the basis of the work of a group established with the terms of reference provided in enclosure III. (para 19)***

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Ad-hoc Technical Expert Group – Meeting Summary

➔Met online – 3-day meeting 27-29 January 2026

➔Heard 10+ presentations from external experts on data, data availability and options for the 3 indicative criterion listed in 16/2

➔Agreed framework and plan for intersessional work:
- ➔Includes guiding principles, data sets for each indicative criteria
- ➔Three intersessional meetings planned between first and the next meeting of the AHTEG in May

➔Draft report to be published shortly on meeting page here: cbd.int/meetings/DSI-AHTEG-2026-01

Steering Committee

➔Mandate to work on:
- ➔Provide oversight of the operations of the fund host, ensuring that the fund disburses monies according to the present modalities;
- ➔Guide the operations of the secretariat of the multilateral mechanism;
- ➔Report and provide advice to the COP;
- ➔Review methodology – to go to SBI7

➔Meetings: minutes are public (CBD and MPTFO):

➔Meeting 1 – (16-18 June 2025)
- ➔*Operative documents discussed*

➔Meeting 2 – (3-6 September 2025)
- ➔*Further operational documents agreed, substantive discussions began*

Meetings 3 and 4 in 2026

Areas of further consideration at COP

➔Third Meeting:
- ➔April meeting, agenda TBC
- ➔Draft report from the SC to report and provide advice to COP **could** include topics on (if the Steering Committee decide):
  - ➔Indigenous peoples and local communities disbursements
  - ➔Non-monetary benefit sharing
  - ➔Certificates

➔Rules of Procedure of Steering Committee-Rule 11 to COP
- ➔4 year term membership, with 50% of Committee rotating post COP17, serving a half term

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THANK YOU!

Q&A?

CALI FUND FOR OUR BIODIVERSE FUTURE

Visit the Cali Fund's new website:

https://thecalifund.org/

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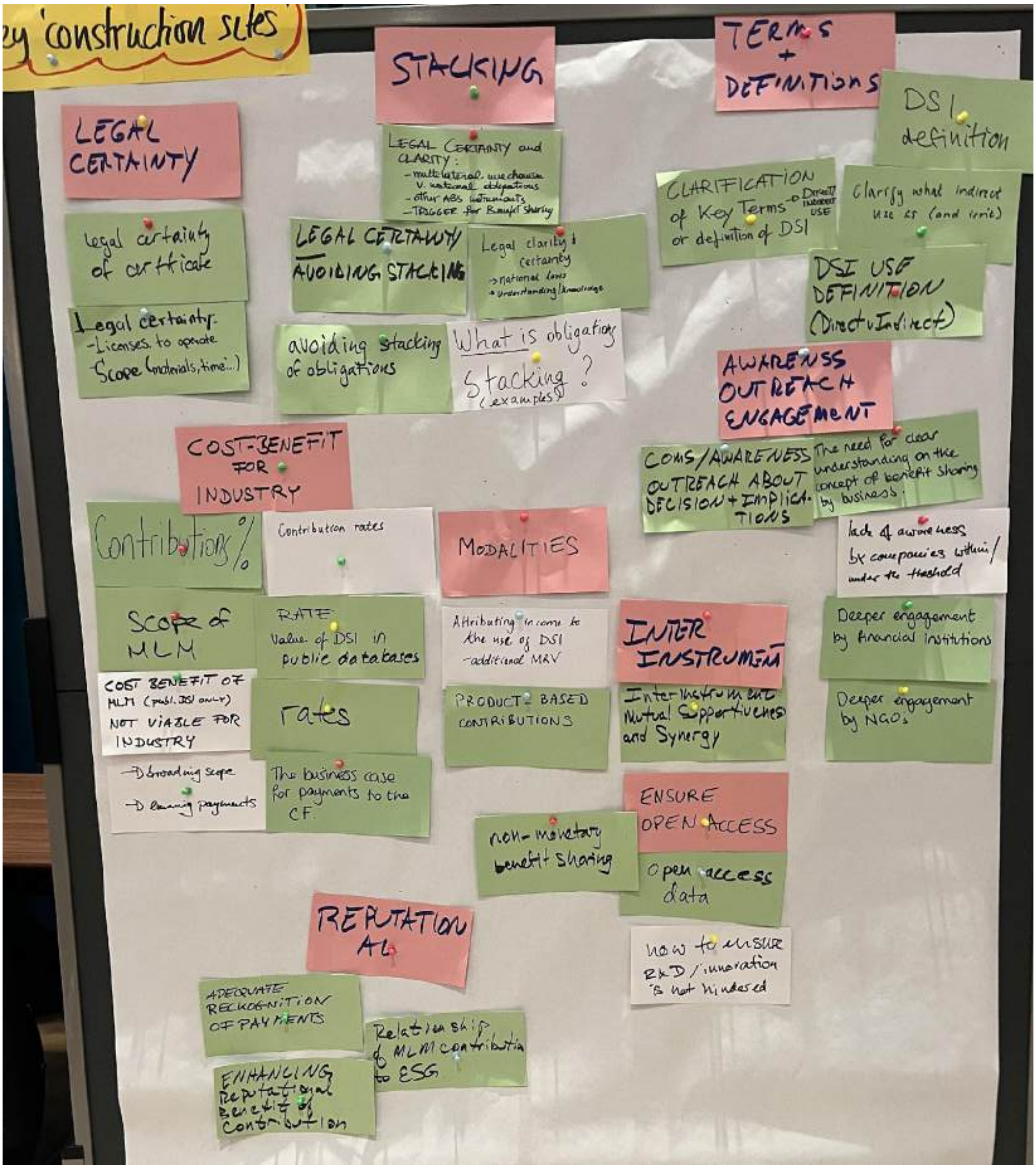
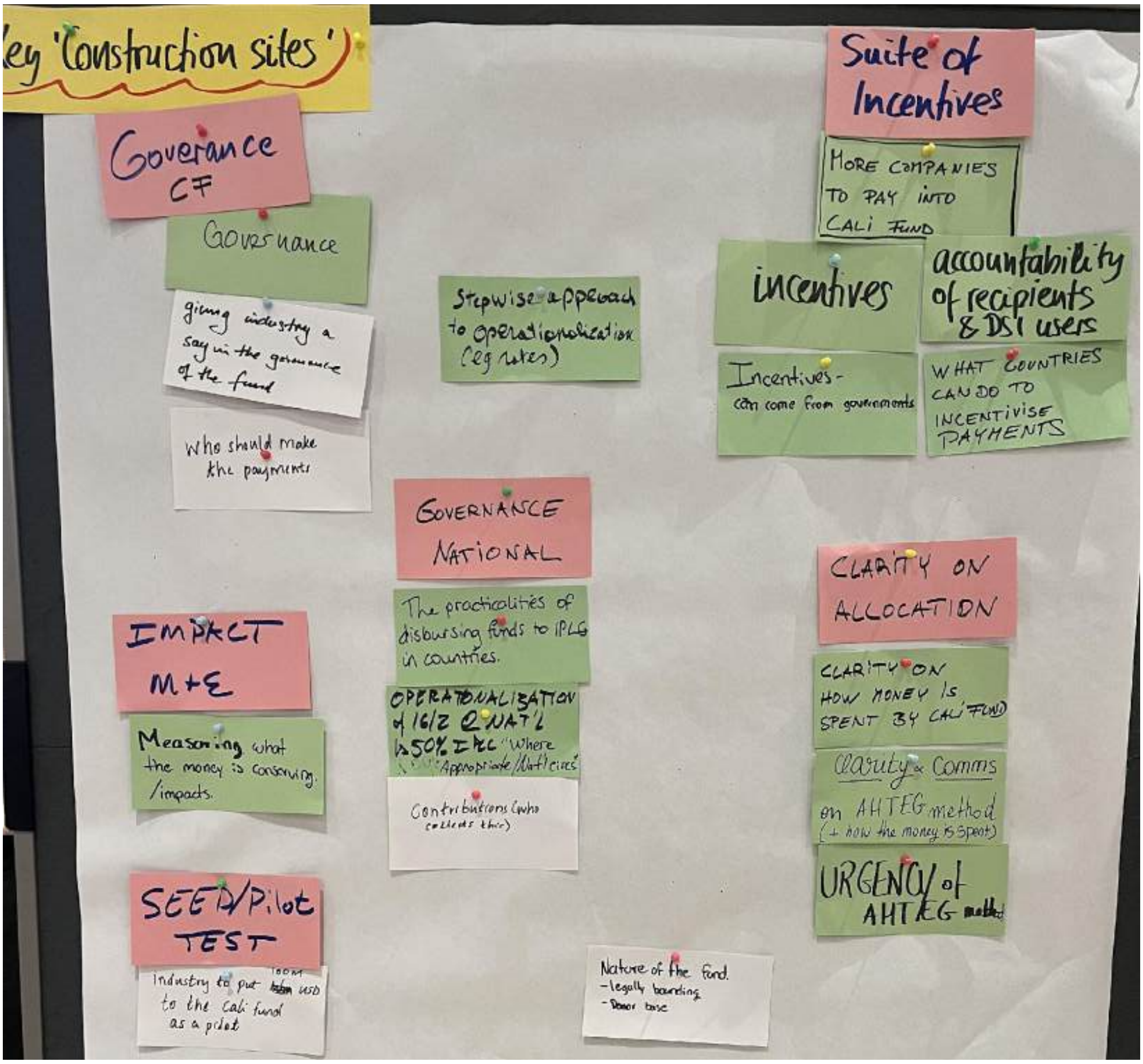
Annex 3: Key construction sites for operationalisation of Decision 16/2

Table groups discussed construction sites and documented results on cards for subsequent clustering (see photos of the 2 boards after the summary).

Summarised key points highlighting interrelation of some identified clusters:

- **Concepts, terms and definitions:** DSI, direct/indirect use
- **Awareness, outreach, engagement:** How to communicate most effectively to whom?
- **Inter-instrument, mutual supportiveness, interference**: Related to obligation stacking; Does interrelatedness hinder my ability to research and innovate?
- **Legal certainty and obligation stacking:** What I am getting in exchange?
    - Public DSI in MLM and private DSI under national ABS regulations
    - Marine GR/DSI in national and international waters
    - Pandemic GR/DSI under WHO and other pathogens under MLM or national ABS regulations
    - GR/DSI of PGRFA under MLS of Plant Treaty and MLM or national ABS regulations
- Relationship between **reputational recognition** and **cost-benefit for industry**: rates, value of DSI
- **Modalities**: What if only a few of my products use DSI? Does this limit my R&D capabilities?
- **Ensure open access**
- **Clarity on allocation**: Where does the money go? AHTEG method?
- **Impact M&E of contribution**
- **National governance**: What does "where appropriate and according to national circumstances" mean on the national level? Who collects? National institution first or directly to UNDP?
- **Suite of incentives**: positive and/or negative?
- **Seed / pilot test**: Invest a reasonable amount to test the operation of the MLM and build trust in the MLM this way.


construction sites
STACKING
TERMS + DEFINITIONS
DSI definition
LEGAL CERTAINTY
legal certainty of certificate
Legal certainty: - Licenses to operate Scope (materials, time...)
LEGAL CERTAINTY/ AVOIDING STACKING
Legal clarity + certainty
avoiding stacking of obligations
What is obligations stacking? (examples)
CLARIFICATION of Key Terms or definition of DSI
DSI USE DEFINITION (Direct v Indirect)
AWARENESS OUTREACH ENGAGEMENT
COST-BENEFIT FOR INDUSTRY
Contributions %
Contribution rates
MODALITIES
Scope of MLM
RATE Value of DSI in public databases
COST BENEFIT OF MLM NOT VIABLE FOR INDUSTRY
rates
The business case for payments to the CF.
PRODUCT BASED CONTRIBUTIONS
INTER INSTRUMENT
Inter instrument Mutual Supportiveness and Synergy
Deeper engagement by financial institutions
Deeper engagement by NGOs
ENSURE OPEN ACCESS
Open access data
non-monetary benefit sharing
REPUTATIONAL
ADEQUATE RECOGNITION OF PAYMENTS
Relationship of MLM contribution to ESG
ENHANCING Reputational Benefit of Contribution


ey 'Construction sites'
Goverance CF
Governance
giving industry a say in the governance of the fund
who should make the payments
Stepwise approach to operationalisation (eg rates)
GOVERNANCE NATIONAL
The practicalities of disbursing funds to IPLC in countries.
Contributions (who collects them)
IMPACT M+E
Measuring what the money is conserving. / impacts.
SEED/Pilot TEST
Industry to put 100M USD to the Cali fund as a pilot
Nature of the fund. - legally binding - Donor base
Suite of Incentives
MORE COMPANIES TO PAY INTO CALI FUND
incentives
accountability of recipients & DSI users
Incentives - can come from governments
WHAT COUNTRIES CAN DO TO INCENTIVISE PAYMENTS
CLARITY ON ALLOCATION
CLARITY ON HOW MONEY IS SPENT BY CALI FUND
Clarity & Comms on AHTEG method (+ how the money is spent)
URGENCY of AHTEG method

Annex 4: Moving forward: Focus "Money IN" – Benefit-sharing obligations, and how to avoid overlapping obligations

Table groups and plenary discussion of questions around

1. Which obligations potentially overlap?
2. How could overlap be minimised?
3. What roles should different actors play in the process?

1. Which obligations potentially overlap?

- **Domestic legislation vs international instruments**
  - Overlap between **national ABS/DSI laws** and **international mechanisms** (e.g. MLM/Cali Fund, other UN instruments).
  - Some countries already require **benefit-sharing or data submission under national law**, which may overlap with international obligations.
- **Different international regimes and use-based overlap**
  - Same **R&D activities or biological material** may fall under **multiple fora** (e.g. biodiversity, health, agriculture) triggering obligations in different systems.
  - Different **definitions and scopes** across instruments create uncertainty.
- **Compliance and traceability challenges**
  - Companies may need **track-and-trace systems** to determine which rules apply.
  - Debate over what constitutes an **"entity"** responsible for compliance (company vs business unit).
- **Special cases**
  - **Pathogens and human-associated microbiomes** raise questions about scope and sovereignty.
  - Past examples (e.g. COVID-19 discussions) show how sovereignty debates can **delay research**.
- **Reality check**
  - Although the **risk of stacked obligations is frequently mentioned**, there are **only few documented cases of companies paying twice**.

2. How could overlap be minimised?

- **Simplify the system**
  - Strong call for **clear and simple rules** to reduce compliance complexity.
- **One-stop-shop approach**
  - The **MLM / Cali Fund** could function as a **central payment mechanism**. Concept: **"one door, multiple windows"**—one payment granting compliance across instruments.
- **Mutual recognition between systems**
  - Different international instruments and national laws could **recognise payments made elsewhere**. Possible approach: **deduct payments made under other instruments** from Cali Fund contributions.

- **Better coordination between international instruments**
  - UN frameworks should **clarify their respective scopes** and avoid duplicative obligations. Collaboration needed if **DSI is divided across instruments**.
- **Coordination at the national level**
  - National policies and negotiators should ensure **alignment across different international negotiations**.
- **Transitional role of national legislation**
  - Countries may **retain national ABS laws as safeguards** until the MLM is fully functional.
- **Technical tools**
  - Possible **global register or simple tracking system** to record obligations and payments.

3. What roles should different actors play?

- **International organisations / UN instruments**
  - Coordinate and **clarify the scope of different regimes**.
  - Work toward **harmonisation and mutual recognition** of benefit-sharing mechanisms.
- **National governments**
  - Ensure **policy coherence across different international negotiations**.
  - Align **national legislation with international frameworks**.
  - Decide when and how national laws can transition toward reliance on the MLM.
- **Cali Fund / MLM**
  - Potentially serve as a **centralised mechanism for benefit-sharing contributions.**
  - Help **avoid duplicate obligations** but cannot resolve all issues created by national legislation.
- **Industry / companies**
  - Implement **responsible compliance and self-identification of obligations**.
  - Maintain **internal tracking systems** to understand how their activities relate to different regimes.
- **Scientific and policy communities**
  - Promote integrated approaches such as **One Health**, recognising links between human, animal, and environmental health.

Overall takeaway: Participants broadly agreed on the need for a **simpler, coordinated system**. While overlaps are widely perceived, it remains unclear **how often they occur in practice**, suggesting that some concerns may be more **hypothetical than real**.

Annex 5: Moving forward: Focus "Money OUT" – Direct/indirect allocation of funds, with IPLCs as beneficiaries of the Cali Fund

Key views on funding, accountability, and disbursement to IPLCs emanating from the plenary discussion:

1. Need for accountability, but with realistic requirements

- **Industry and financial institutions** stressed the importance of **transparency, accountability, and demonstrating biodiversity impact** to justify contributions.
- At the same time, many participants warned that **strict reporting requirements can overburden frontline organisations and IPLCs**, which often lack administrative capacity.
- Several speakers suggested **aggregated reporting at project or fund level**, rather than tracing the impact of each individual company contribution.

2. Preference for simple and flexible funding models

- Many participants supported a **two-track model**:
  - **Project-based funding** with stronger reporting requirements.
  - **Small grants** with lighter administrative requirements for community-level initiatives.
- Experiences from existing programmes showed that **small, flexible grants can often have greater impact** than large projects with complex procedures.

3. Different views on funding channels to IPLCs

- Some argued for **direct funding to IPLCs or organisations representing them**, giving communities more control.
- Others noted that **many governments may not accept direct disbursement**, favouring **project-based funding through governments or recognised institutions**.
- Intermediary organisations (e.g. NGOs, UN agencies, IPLC-led funds) could help **bridge the gap between global funds and local communities**.

4. Importance of demonstrating impact

- Contributors emphasised that companies and financial institutions need **clear narratives, project portfolios, and measurable impacts** to support internal decision-making.
- Developing **impact indicators or matrices** and linking projects to **National Biodiversity Strategies and Action Plans (NBSAPs)** could help demonstrate results.

5. Role of IPLCs in biodiversity conservation

- Participants highlighted strong evidence that **IPLC stewardship improves biodiversity conservation and livelihoods**.
- Funding could support **both conservation activities and community well-being**, especially in regions where basic needs remain unmet.

6. Pragmatic and adaptive approach

- Many stressed the need for **learning-by-doing**, including pilots and adapting procedures over time.
- Some encouraged applying an **"R&D mindset"** to the fund—accepting experimentation and occasional failure while focusing on overall impact.

7. Distinction between payment and donation streams

- It was suggested to distinguish between:

- **Mandatory payments for DSI use** (with compliance certificates), and
- **Voluntary contributions or donor-style funding**, which would require stronger reporting and recognition.

Overall participants broadly agreed on the need to **balance accountability with simplicity and accessibility**, ensuring that the Cali Fund can attract contributions while **effectively reaching IPLCs and generating real biodiversity outcomes**.

Annex 6: Moving forward: Focus "Money IN" – Incentivising and de-risking contributions

Written discussion around the following questions:

1. How could industry be motivated to contribute?
2. What prevents industry from contributing
3. How can different actors strengthen the system (e.g. governments, shareholders, NGO's, CBD/COP)?
4. How to streamline requirements on industry at domestic and at international level?

During the following plenary session key points on "Incentivising and De-risking Contributions to the Cali Fund" were discussed:

1. Overlapping obligations create uncertainty (see also points raised above in session "Moving forward: Focus "Money IN" – Benefit-sharing obligations, and how to avoid overlapping obligations"

- Lack of clarity on **scope and key concepts / definitions (e.g. what counts as direct/indirect DSI use)** is seen as a major barrier to contributions.

2. Concerns about fairness and competitiveness

- Some companies fear a **"no level playing field"**, where firms contributing to the Cali Fund face higher costs while competitors do not.
- This is particularly relevant for **bio-based industries**, which already compete with cheaper fossil-based alternatives.
- The voluntary nature of the system raises concerns that **companies may free-ride**.

3. Voluntary vs. mandatory contributions

- Several participants questioned whether a **purely voluntary system will generate sufficient funding**. Suggestions included:
    - A **"comply or explain" approach** (pay or justify why the mechanism does not apply).
    - Considering stronger incentives or enforcement mechanisms.
- Others warned that if voluntary mechanisms fail, pressure could grow for a **legally binding treaty**, which would take years to negotiate.

4. Need for clearer incentives and value proposition

    - Many companies ask: **Why should we pay?** and **Where is the value creation?**
- Contributors emphasised the need to clearly communicate:
    - The **biodiversity crisis and shared responsibility**
    - How contributions **support tangible conservation outcomes**

5. Transparency, reporting and financial integration

- Financial institutions and companies require **transparency and accountability**, but reporting should ideally align with **existing corporate disclosure frameworks**.
- Integrating Cali Fund contributions into standards such as the **Taskforce on Nature-related Financial Disclosures (TNFD)** could help companies justify participation.
- Banks and investors could also **factor biodiversity risks and benefit-sharing into financing decisions**, creating indirect incentives.

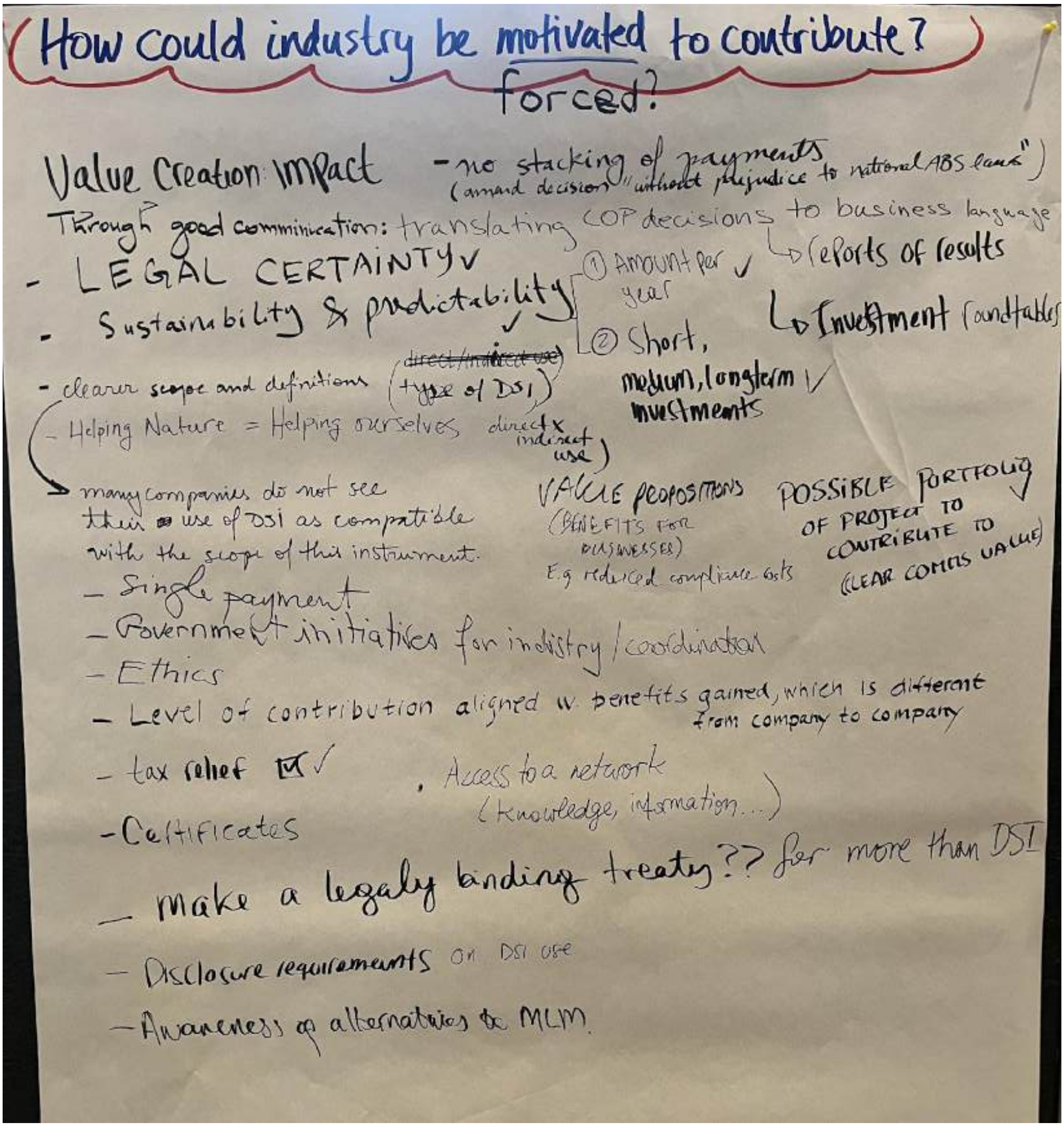
6. Importance of legal clarity and risk framing

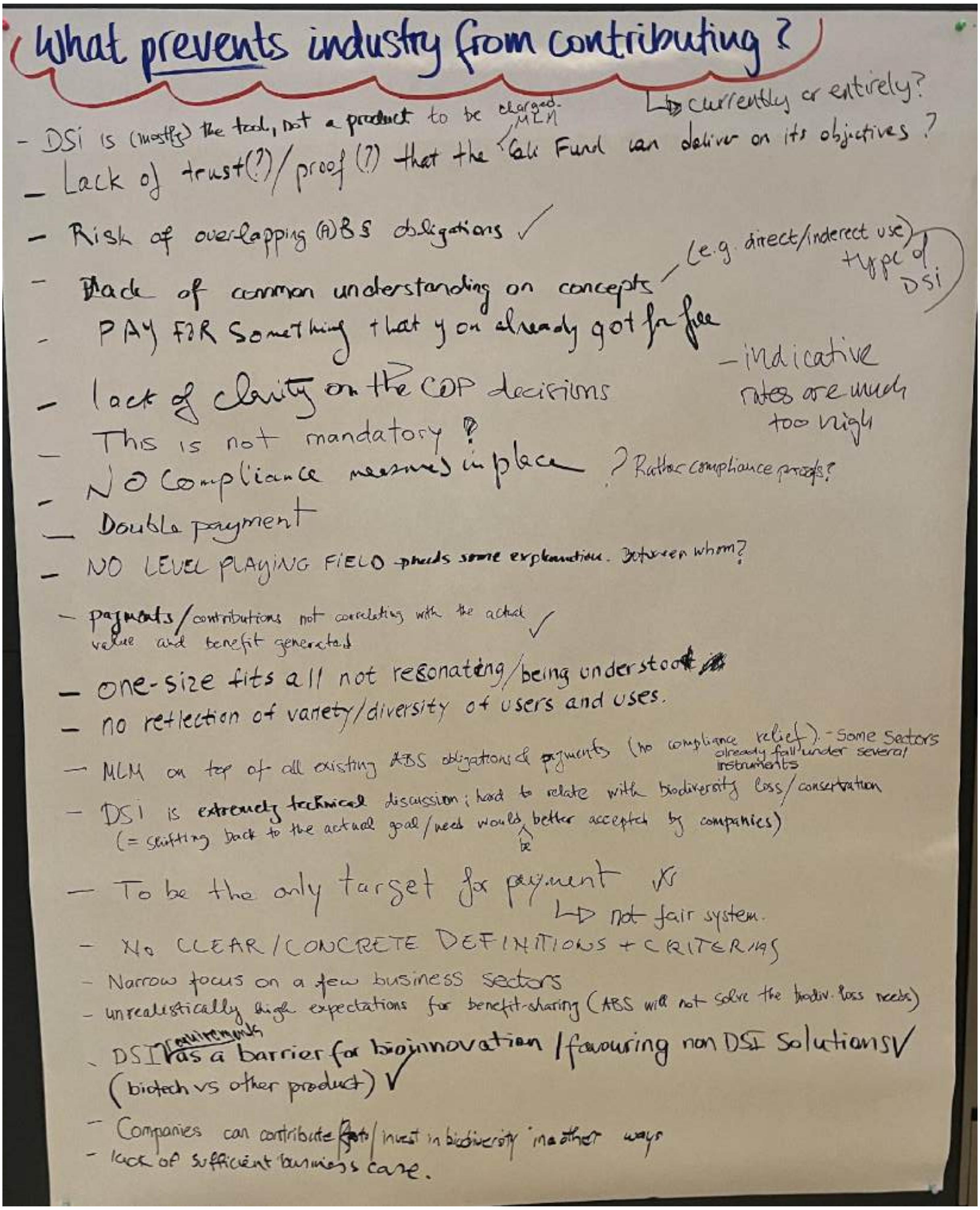
- Contributors emphasised that **legal certainty and clearer rules** would reduce perceived risks for companies.
- However, some noted that complete legal certainty is unrealistic; instead, the focus should be on **managing and communicating risks effectively**.

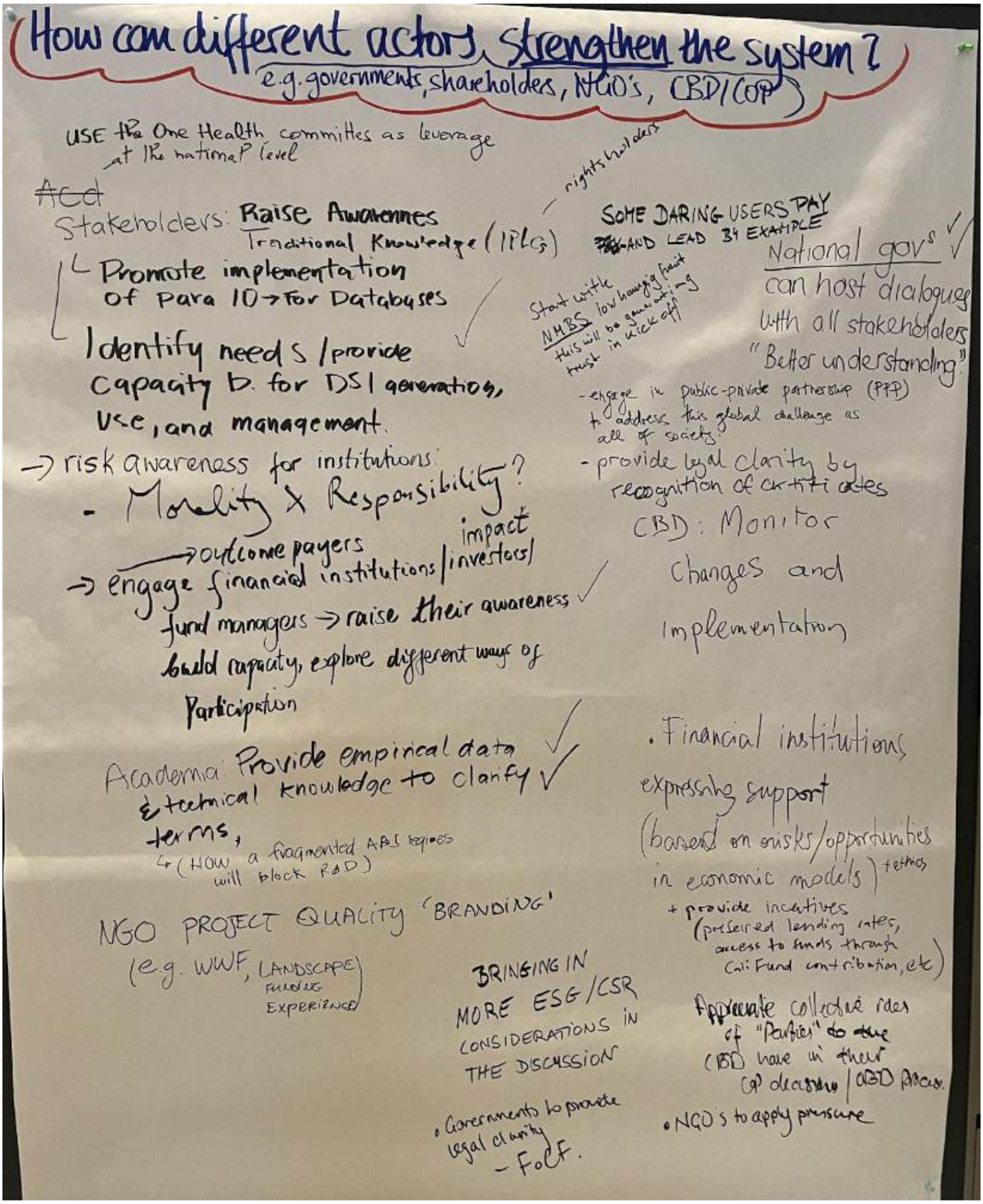
7. Communication and awareness

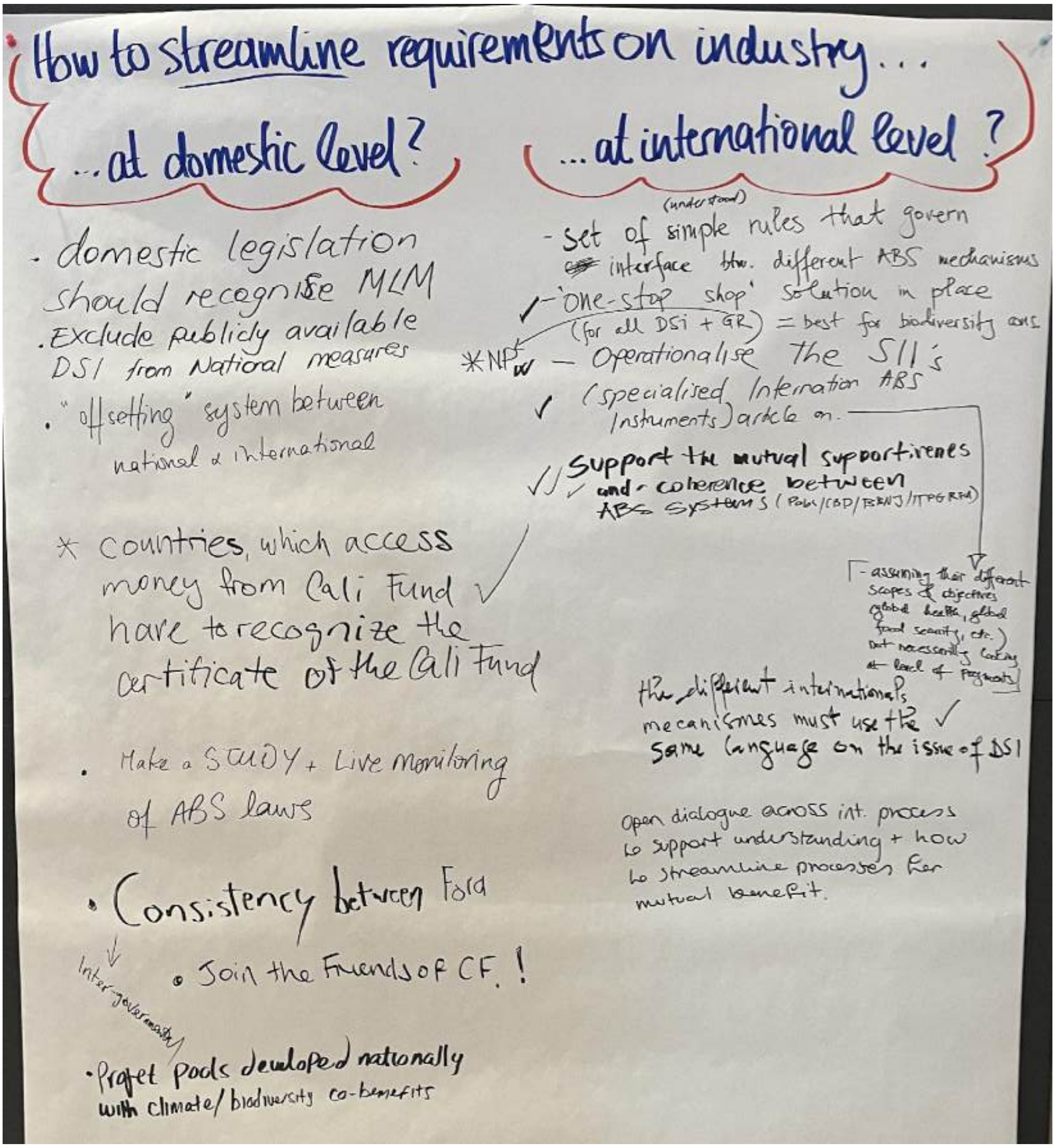
- Improved **communication, media engagement, and transparency about DSI use and funding impacts** could help build momentum and public expectations for contributions.

Overall takeaway: To incentivise contributions to the Cali Fund, participants highlighted the need to **reduce regulatory uncertainty, ensure fairness across industries, clarify the scope of obligations, integrate contributions into existing financial and reporting systems, and strengthen the overall value proposition for companies.**




What prevents industry from contributing ?
- DSI is (mostly) the tool, not a product to be charged.
MLM
↳ currently or entirely?
- Lack of trust(?)/ proof (?) that the Cali Fund can deliver on its objectives ?
- Risk of overlapping (A)BS obligations ✓
- Lack of common understanding on concepts (e.g. direct/inderect use) type of DSI
- PAY FOR Something that you already got for free
- lack of clarity on the COP decisions
- indicative rates are much too high
- This is not mandatory ?
- NO Compliance measures in place ? Rather compliance proofs?
- Double payment
- NO LEVEL PLAYING FIELD needs some explanation. Between whom?
- payments/contributions not correlating with the actual value and benefit generated ✓
- one-size fits all not resonating/being understood
- no reflection of variety/diversity of users and uses.
- MLM on top of all existing ABS obligations & payments (no compliance relief). - Some Sectors already fall under several instruments
- DSI is extremely technical discussion; hard to relate with biodiversity loss/conservation (= shifting back to the actual goal/need would be better accepted by companies)
- To be the only target for payment
↳ not fair system.
- No CLEAR/CONCRETE DEFINITIONS + CRITERIAS
- Narrow focus on a few business sectors
- unrealistically high expectations for benefit-sharing (ABS will not solve the biodiv. loss needs)
- DSI requirements as a barrier for bioinnovation / favouring non DSI solutions ✓ (biotech vs other product) ✓
- Companies can contribute / invest in biodiversity in other ways
- lack of sufficient business case.


How can different actors strengthen the system?
e.g. governments, shareholdes, NGO's, CBD/COP
USE the One Health committes as leverage at the national level
rightsholders
~~Acd~~
Stakeholders: Raise Awarennes
Traditional Knowledge (IPLCs)
Promote implementation of Para 10 → for Databases
Identify needs / provide capacity b. for DSI generation, use, and management.
→ risk awareness for institutions:
- Morality x Responsibility?
→ outcome payers
impact
→ engage financial institutions / investors / fund managers → raise their awareness
build capacity, explore different ways of participation
Academia: Provide empirical data & technical knowledge to clarify terms,
↳ (HOW a fragmented ABS regimes will block R&D)
NGO PROJECT QUALITY 'BRANDING'
(e.g. WWF, LANDSCAPE FUNDING EXPERIENCE)
SOME DARING USERS PAY AND LEAD BY EXAMPLE
Start with NMBS low hanging fruit
This will be generating trust in kick off
National gov's can host dialogues with all stakeholders
"Better understanding"
- engage in public-private partnership (PPP) to address this global challenge as all of society
- provide legal clarity by recognition of certificates
CBD: Monitor changes and implementation
. Financial institutions expressing support (based on risks/opportunities in economic models) + ethics
+ provide incentives (preferred lending rates, access to funds through Cali Fund contribution, etc)
BRINGING IN MORE ESG/CSR CONSIDERATIONS IN THE DISCUSSION
. Governments to provide legal clarity
- FoCF.
Appreciate collective roles of "Parties" to the CBD have in their COP decisions / CBD process
. NGO's to apply pressure


How to streamline requirements on industry…
…at domestic level?
…at international level?
. domestic legislation should recognise MLM
. Exclude publicly available DSI from National measures
. "offsetting" system between national & international
* countries, which access money from Cali Fund have to recognize the certificate of the Cali Fund
. Make a STUDY + Live Monitoring of ABS laws
. Consistency between Fora
Inter-governmentally
. Join the Friends of CF!
. Project pools developed nationally with climate/biodiversity co-benefits
- set of simple rules (understood) that govern interface btw. different ABS mechanisms
- 'one-stop shop' solution in place (for all DSI + GR) = best for biodiversity cons
*NP - Operationalise the SII's (specialised International ABS Instruments) article on.
Support the mutual supportiveness and coherence between ABS systems (PoW/CBD/BBNJ/ITPGRFA)
- assuming their different scopes & objectives (global health, global food security, etc.) not necessarily looking at level of payments
the different internationals mecanismes must use the same language on the issue of DSI
Open dialogue across int. process to support understanding + how to streamline processes for mutual benefit.

Annex 7: Moving forward: Focus "Money OUT" – Minimum criteria to trigger contributions

Panel with two industry and two Party representatives, and plenary discussion

Key Points on Triggers for Contributions and "Money Out"

1. Need for clarity and reduced compliance burden

- Industry stressed that **high compliance costs and regulatory complexity** are major barriers to contributions.
- The MLM should **simplify the system and replace fragmentation**, rather than adding another layer on top of existing national requirements.
- Greater **legal certainty, clear scope, and recognition of payments under national legislation** were seen as essential incentives.

2. Importance of fairness and level playing field

- Companies emphasised the need for **global consistency in rules** to avoid competitive disadvantages.
- Concerns were raised that **bio-based industries could be disproportionately affected**, while fossil-based alternatives remain cheaper.
- Broadening the scope of benefit-sharing or ensuring **equal rules across sectors and countries** could help create fairer conditions.

3. Link between "money in" and "money out"

- Participants stressed that **clear information on how funds will be used** is crucial to encourage contributions.
- Transparency about **biodiversity outcomes and projects funded** would strengthen the mechanism's credibility and motivate companies to participate.

4. Managing expectations and adopting a stepwise approach

- Several speakers highlighted the need to **start with a workable system, even if imperfect**, and improve it over time.
- A **pilot phase or small-scale implementation** was suggested to test the mechanism before scaling up.
- Expectations for rapid large-scale funding should be **managed realistically ahead of COP17 and COP18 reviews**.

5. Partnership and trust between stakeholders

- Industry participants emphasised that businesses should be treated as **partners in addressing the biodiversity crisis**, sharing both responsibilities and benefits.
- Governments stressed that **users of biodiversity should contribute**, as open access to DSI was granted in exchange for benefit-sharing.
- Building **trust through early actions and continued dialogue** was seen as essential.

6. Need for continued dialogue and engagement

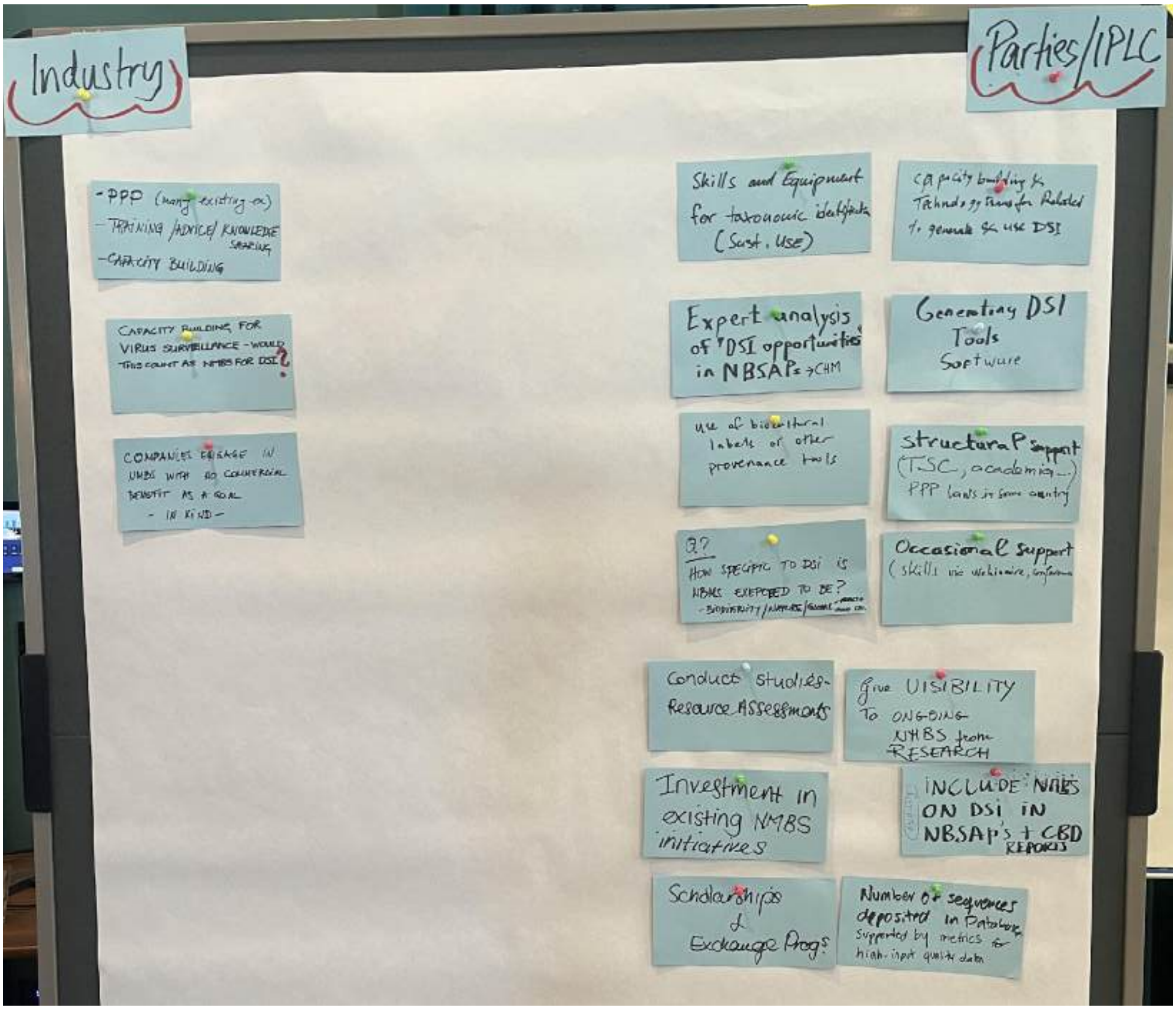
- Participants agreed that many technical questions remain unresolved (e.g. rates, scope, triggers, definitions).
- Existing forums (Steering Committee, AHTEG, Friends of the Cali Fund) should be used to **continue discussions and co-develop solutions**.

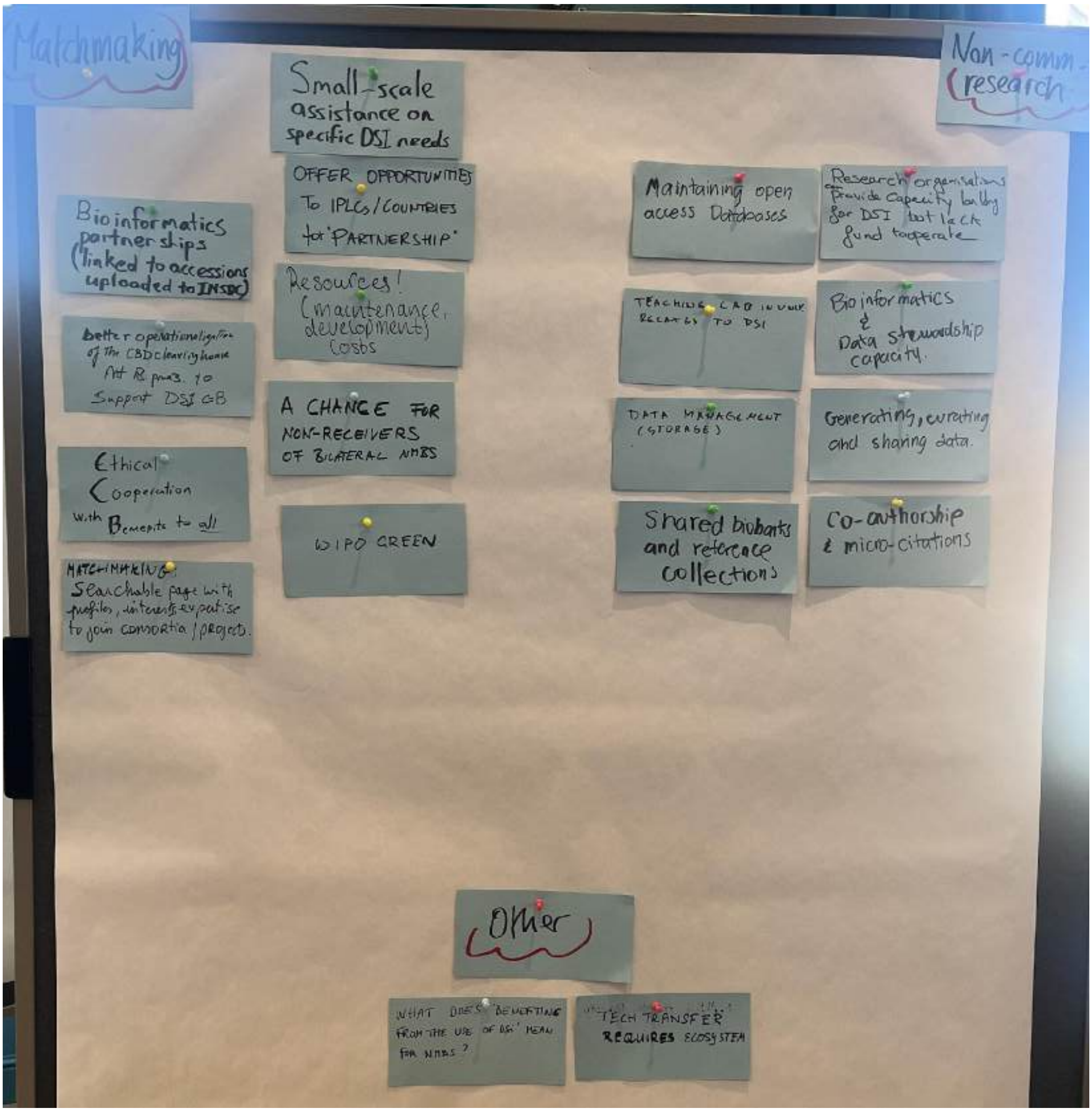
Overall takeaway: Participants broadly agreed that **clearer rules, reduced compliance complexity, transparent use of funds, and a gradual implementation approach** are key minimum conditions to incentivise contributions and make the Cali Fund operational. Continued cooperation between governments, industry, and other stakeholders will be essential to build trust and refine the mechanism over time.

Annex 8: How to ensure that NMBS in the MLM actually happens?

- @ Industry: What would be easiest for you to provide (e.g. equipment/software/skills)?
- @ Parties/IPLC: What of this would be most interesting for you/your stakeholders?
- @ All: What features does the CHM need to have to be able to bring the two sides together?

Participants were tasked to document their points on cards before making an intervention:





Summary of the resulting discussion:

1. **Create a functional matchmaking platform**
   - A central challenge is the **lack of coordination between NMBS needs and offers**. Existing mechanisms (e.g. clearing-house functions) are **not effectively facilitating exchanges**.
   - To enable **practical partnerships** between countries, IPLCs, researchers, and private actors a **matchmaking platform** is widely seen as essential. It should aggregate **needs and offers in one place** and act as a **passive gateway**, not as an active broker and could draw on existing models (e.g. funding portals or technology exchange platforms).
2. **Prioritise bioinformatics and data capacity**
   - The **main bottleneck** identified is limited capacity in bioinformatics, data analysis and stewardship, and access to tools and software
   - In many contexts, **lack of tools and infrastructure** is as critical as lack of skills.

- Suggested approaches include training and long-term institutional partnerships, bundled support (equipment + skills transfer) as well as targeted, smaller-scale interventions with immediate impact.

3. **Clarify what counts as NMBS**
   - There is **no shared understanding** of what qualifies as NMBS in the MLM. This lack of clarity makes **implementation and reporting difficult**.
   - **Key ambiguity**: Whether NMBS must be **directly linked to DSI/biodiversity** or **can include broader benefits**. Examples discussed range from technical capacity building (clear link), research infrastructure and training and broader development benefits (e.g. health, education), which are impactful but harder to classify.
4. **Leverage and recognise existing initiatives**
   - Many NMBS-relevant activities already exist such as academic collaborations, capacity-building programmes or public–private partnerships
   - However, they are **not labelled or recognised as NMBS under ABS frameworks**. Thus, their contribution remains **largely invisible**.
   - There is strong support for **building on existing efforts** and improving **visibility, coordination, and recognition.**
5. **Ensure fair and sustainable partnerships**
   - Concerns were raised about **imbalanced collaborations**, including unequal access to results and intellectual property, as short-term, project-based cooperation that ends without lasting impact.
   - Suggested improvements included promoting **long-term partnerships**, encouraging **mutually beneficial arrangements**, including capacity-building in exchange for access to DSI/genetic resources, and focusing on **equitable participation in value chains.**
6. **Improve tracking, visibility, and reporting**
   - There is currently **no clear picture of the scale or impact of NMBS**. Key issues are **fragmented and poorly documented** activities and underused or not aligned reporting systems.
     - Proposed actions included integrating NMBS into **national biodiversity strategies and reporting processes**, developing **mechanisms to capture and quantify NMBS contributions**, and using existing frameworks where possible rather than creating new ones.
7. **Adopt a broader, systemic approach**
   - Effective NMBS requires **supporting ecosystems**, including education, infrastructure, and job opportunities.
   - Capacity-building alone is insufficient without institutional frameworks, market access, and policy coherence
   - A more **holistic perspective** is needed, recognising that benefits not directly linked to biodiversity (e.g. health, livelihoods) may still be highly relevant for communities. Strengthening overall systems can enhance long-term NMBS outcomes.

Overall conclusion: Ensuring NMBS in the MLM requires moving from **fragmented, ad hoc activities** to a more **coordinated, transparent, and needs-driven system**, supported by:

- matchmaking structures,
- targeted capacity development,

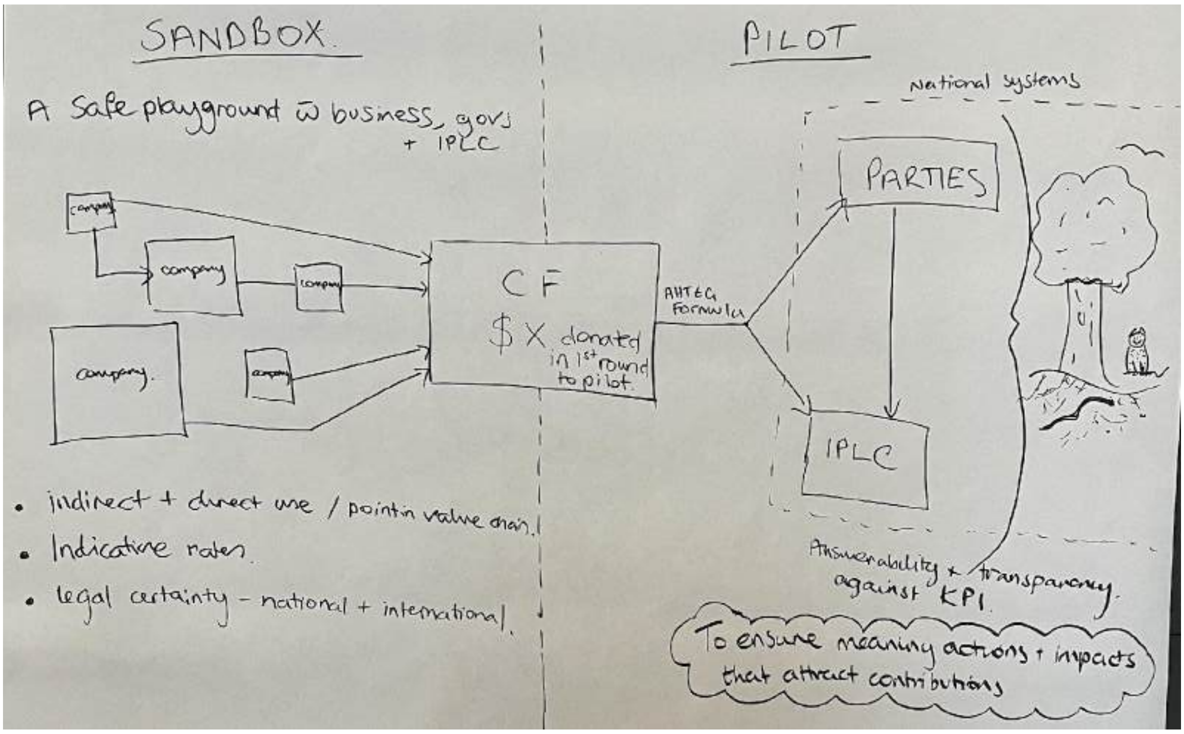
- clearer definitions,
- and stronger integration into existing frameworks.

Annex 9: Pilots

Six Table groups were tasked to develop and visualise one pilot on boards and describe:

- What would that pilot test?
- How would it be implemented?

Pilot 1:



Scope of pilot 1: The system as a whole. However, different parts of the system need different testing approaches, which could be tested at same time.

Money IN cannot be tested due to unclarity. Thus, funding needs to be based on donations.

Objective of pilot:

- How can we convince others to contribute to Cali Fund?
- How do we make the right-side work, to make the left side work as well?

Participants:

- In pilot: Parties and IPLCs
- In sandbox: companies

Testing in pilot:

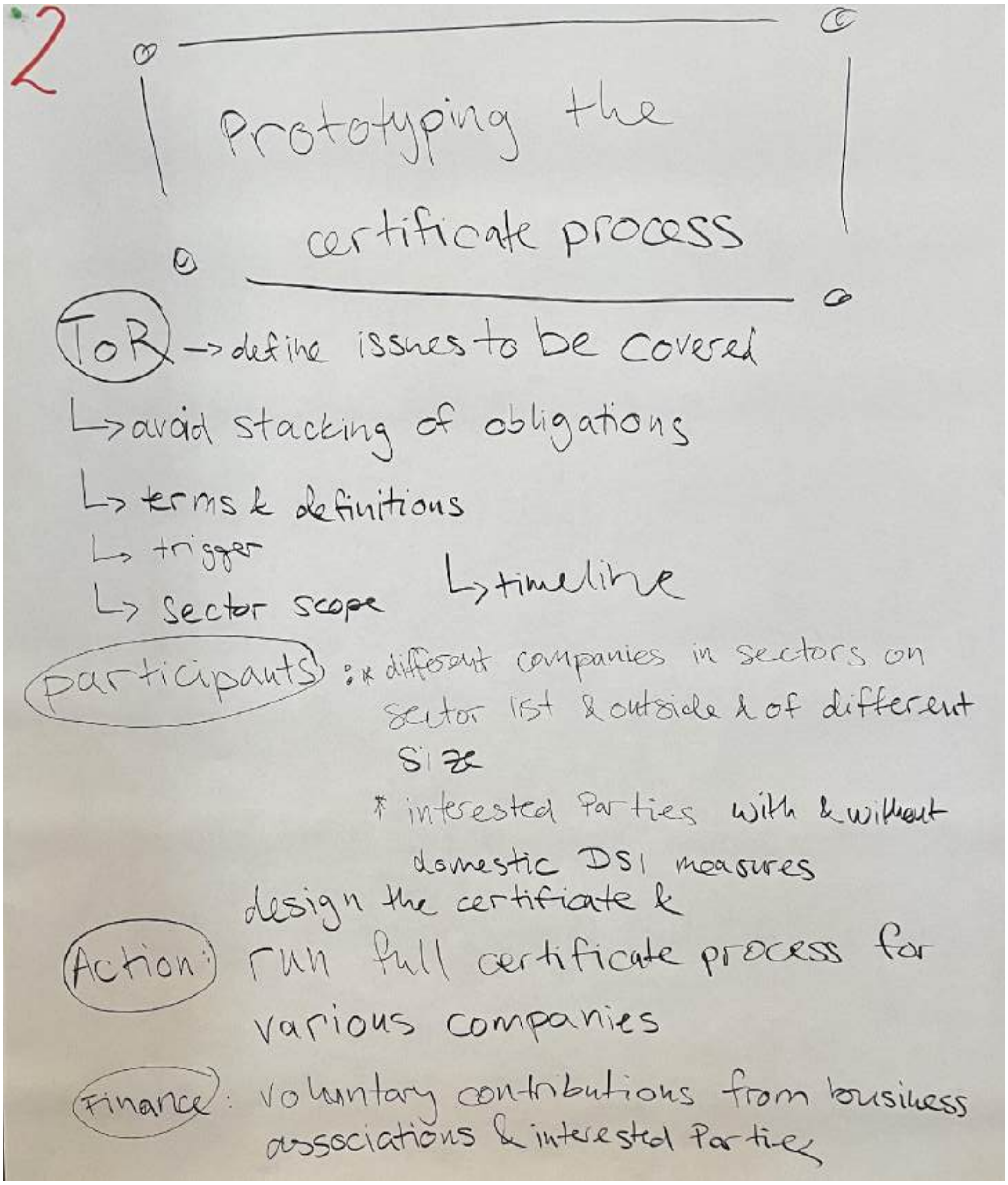
- Based on the AHTEG formula direct disbursements to Parties and to IPLC vs. disbursement to Parties and from there to IPLC
- Accountability and transparency against KPI

Testing in sandbox (save place to play):

- Indirect/direct use of DSI – point at which value chain triggers; some companies contribute through value chain, some directly
- Rates – different rates

- Approaches to provide legal certainty

Pilot 2:



Scope of pilot 2: Need to simplify => Prototyping the Certificate process

ToR to define issues to be covered and timeline.

Testing: Focus on stacking, terms and definitions, trigger points and scope.

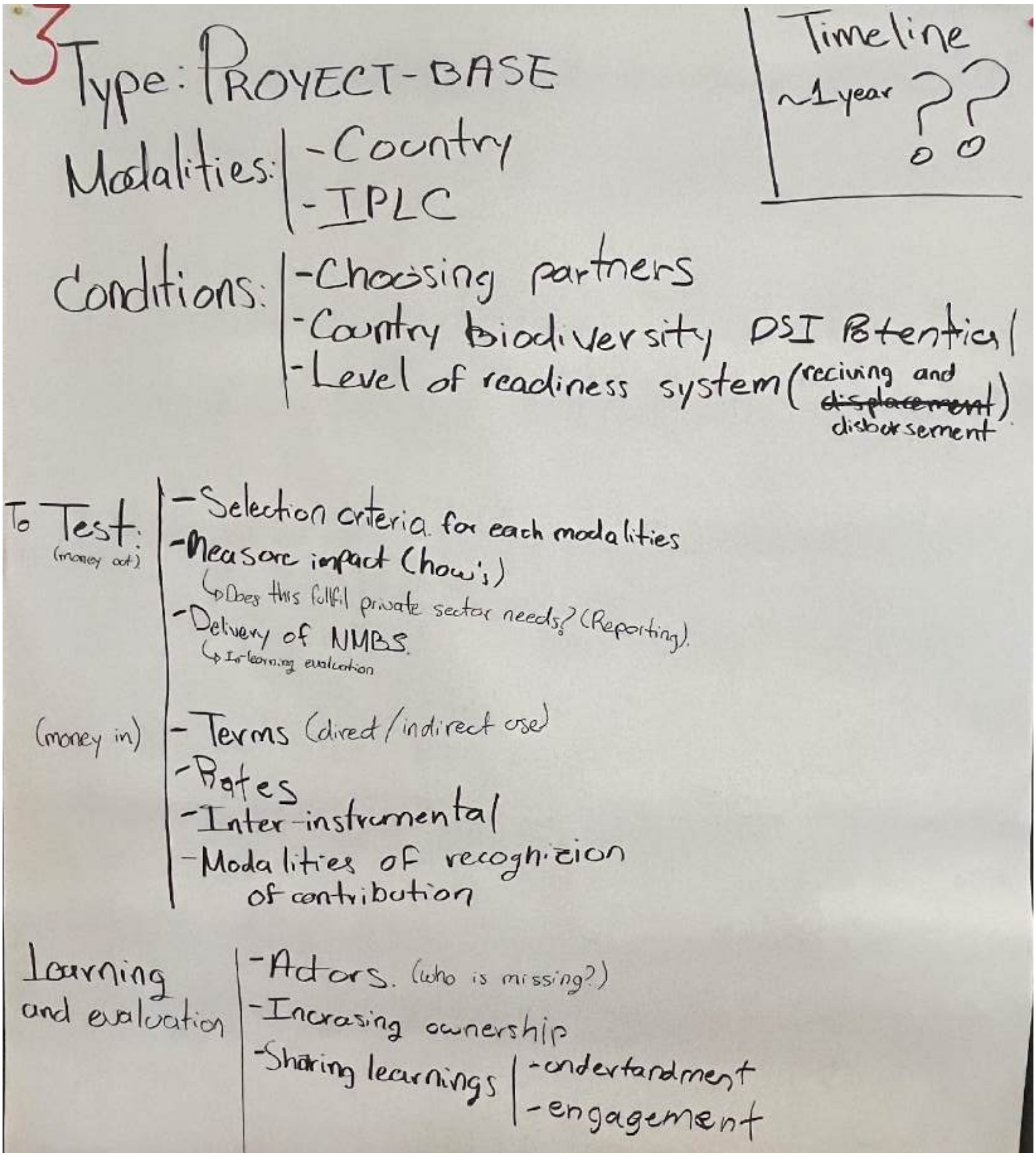
Participants:

- Different companies within or outside the sector list and of different size
- Interested Parties with and without domestic DSI measures

Action: Design the Certificate and run through the full certificate process for various companies.

Funding : Voluntary contributions by business associations and donations by interested Parties

Pilot 3:



Scope of pilot 3: Testing Money IN and Money Out in project-based pilots

Participants/modalities of the pilots:

- Projects with IPLCs
- Projects with government

Conditions: Country biodiversity; DSI potential; readiness for receiving and disbursing funds

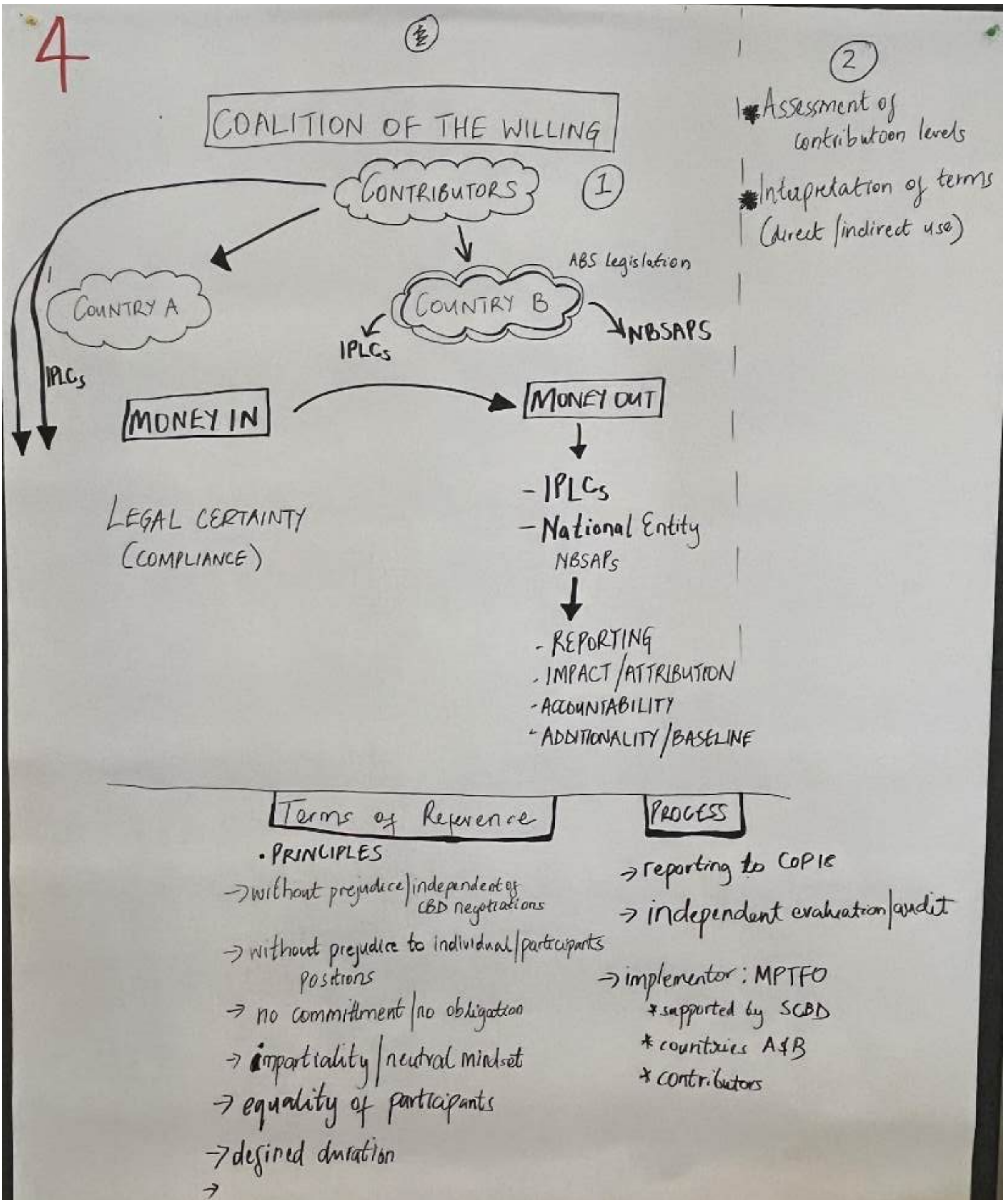
Test the different modalities for

- Money IN: Terms (direct/indirect use), rates, inter-instrumental process, modalities of recognition of contribution
- Money OUT: Satisfaction of private sector needs, delivery of NMBS

Learning and evaluation process with focus on impact on actors regarding ownership of the process as well as exchange among actors and other stakeholders

Timeline: ~ 1year

Pilot 4:



Scope of pilot 4: The system as a whole, i.e. test of the Cali Fund outside of the Cali Fund

Participants: Two pilot countries starting with contributions of the "Coalition of the Willing":

- Country A without ABS regulations receiving a split disbursement to government and to IPLC through NGO or another intermediary
- Country B with ABS regulations receiving a full disbursement to government which shares 50% with IPLC and spends 50% to support NBSAP implementation

ToR and principles for implementation without prejudice to outcomes of the CBD negotiations:

- Implementation by Trust Fund Office with support of SCBD
- Principles: without prejudice to the positions of Parties; no obligation; impartial mindset (test what others want to test); all participants on equal level; clear duration

Testing:

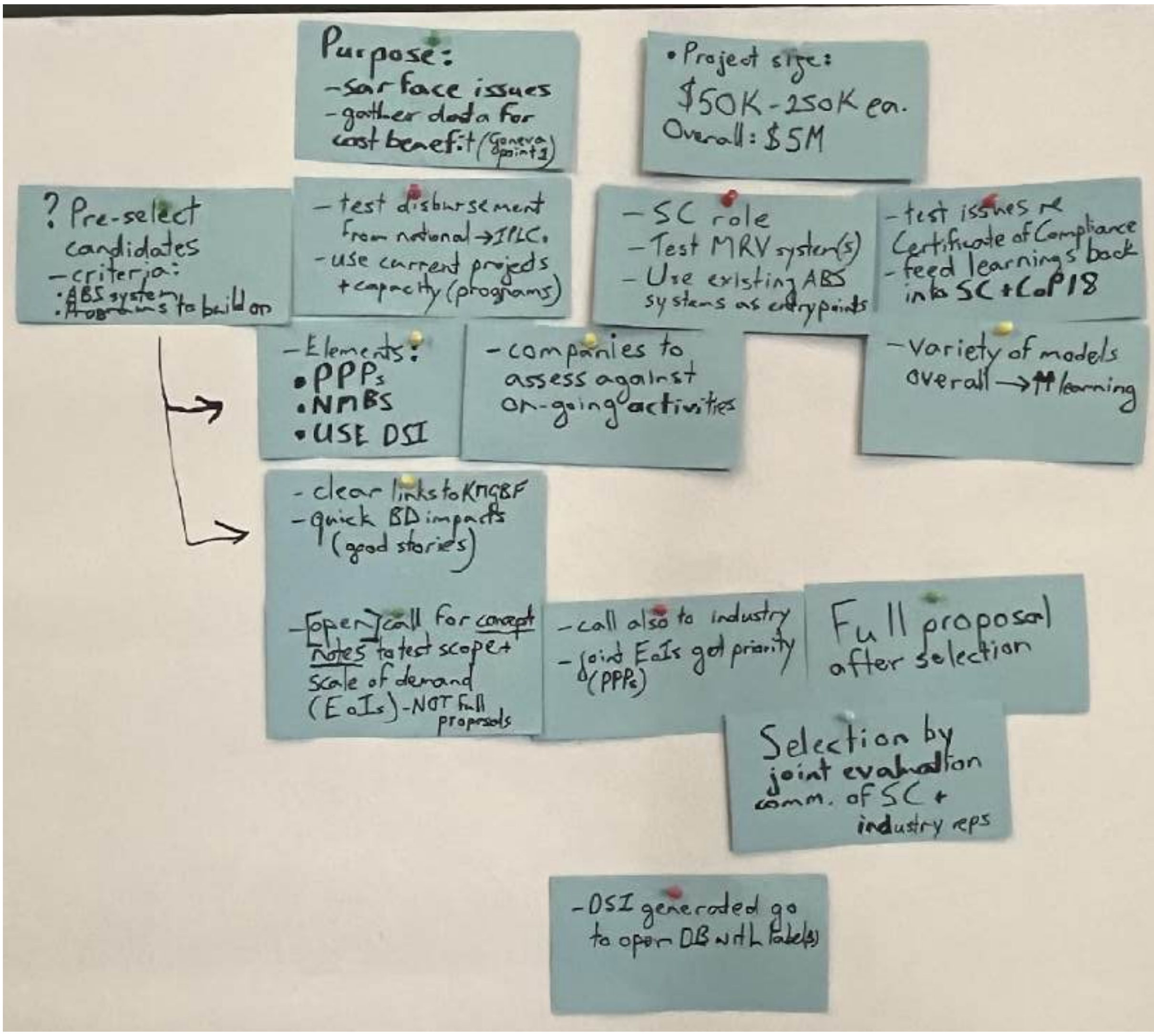
- Compliance costs regarding Money IN and OUT
- Reporting impact and attribution incl. KPI for aggregation
- Accountability

The pilots to be **accompanied by a sandbox** (too hard to test in real life) for

- assessing contribution levels, and
- interpretation of terms, e.g. direct / indirect use

Process: Reporting to COP18 and evaluation against KPIs of difference between both countries

Pilot 5:



Scope of pilot 5: Gather date on cost-benefit of the MLM (Geneva Principle 1) in a project-based approach (50 to 250 TUSD each) to surface issues which require further action to improve the system.

Participants: Preselected candidates based. Selection based on the following criteria:

- Existing ABS system as entry point
- Projects build on clear links to GBF and quick biodiversity impacts delivering good stories for communication, e.g. to boards and shareholders of companies
- Elements for consideration: PPPs, NMBS, use od DSI
- Projects based on on-going activities, due to the time-bound testing period until COP18

Testing:

- Role of the SC
- Systems for monitoring and reporting
- Certificate of Compliance

Process:

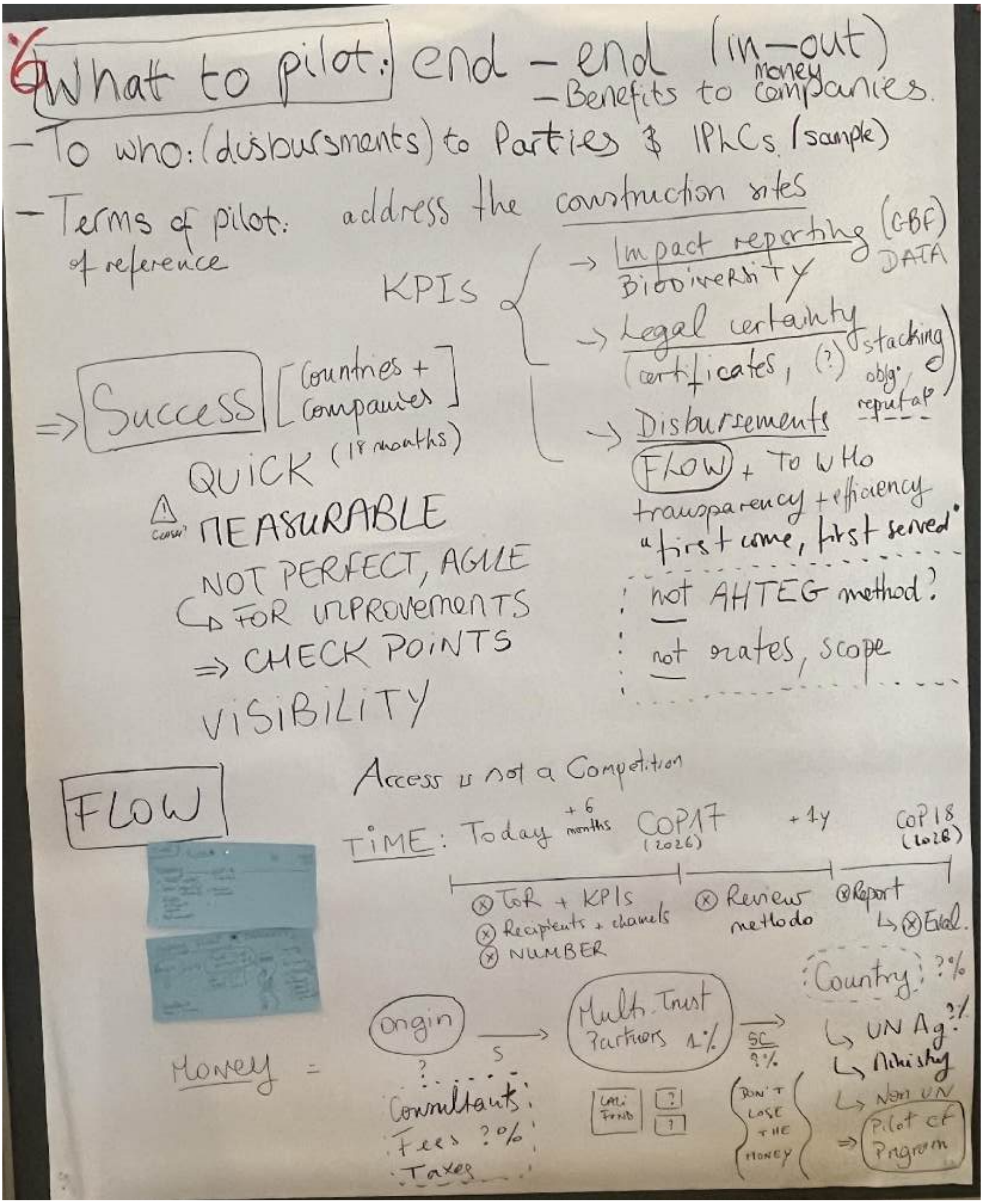
- Open call for concept notes published in open database

    - Expression of interest (EoI) to assess scope and scale of demand, incl. to companies which may express where they would think to run the pilot. Joint EoI get priority.
    - After selection development of full proposal for joint assessment by SC and industry representatives

- DSI generated by projects will go into open databank with the annotation that this DSI is for open access, but not in public domain.
- Feedback of learnings to SC and COP18. The more different models/project selected the higher the learnings.

Funding: 5 Mio USD

Pilot 6:



The two blue cards on the left-hand side have been reproduced be the group members on the right-hand side.

Scope of pilot 6: End to end, i.e. Money IN to Money OUT, looking at the benefits for companies, governments and IPLCs

Participants: representation in SC, call to countries to nominate as part of pilot

Testing based on KPIs to address construction sites:

- Impact reporting against GBF targets
- Legal certainty (Certificates, obligation stacking, reputational benefits)

- Transparency and efficiency of disbursements, i.e. flow and to who: UN agencies, ministry, small grant projects for the pilots)
- NOT allocation methods, rates and scope

Process:

- Until COP17: develop ToR and KPIs, select recipients and channels, and number of pilots (small grant projects) – decision by SC
- Review methodology after COP17
- 2027 implementation of pilots (~ 1 year)
- Evaluation and report to COP18 in 2028

Success criteria:

Timeline: 6 months for Money IN, 12 months for Money OUT, with review and adjustment in the pilot process

Funding:

- Cali Fund or other source
- Consider management cost at SC (consultants fees and taxes) and MTFPO (board)

Annex 10: Indicative roadmap supporting the DSI/Cali Fund process until CBD COP 17