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**Conference of the Parties to the
Convention on Biological Diversity
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Yerevan, 19–30 October 2026
Item 11 of the provisional agenda*
Digital sequence information on genetic resources**

Digital sequence information on genetic resources

Note by the Secretariat

I. Introduction

1. In its decision [16/2](#), the Conference of the Parties at its sixteenth meeting adopted modalities for operationalizing the Multilateral Mechanism for the Fair and Equitable Sharing of Benefits from the Use of Digital Sequence Information on Genetic Resources, including the Cali Fund, as set out in the annex to the decision.
2. In the same decision, a number of tasks related to digital sequence information on genetic resources were laid out to be undertaken prior to the present meeting of the Conference of the Parties. The Subsidiary Body on Implementation, at its seventh meeting, considered the outcomes of several of the tasks, as contained in documentation prepared by the Secretariat.¹ Subsequently, the Subsidiary Body adopted recommendation [7/4](#), which includes elements of a draft decision for further consideration by the Conference of the Parties at the present meeting.
3. The present note is focused on the tasks for which the outcomes were to be considered by the Conference of the Parties at its present meeting without first being considered by a Subsidiary Body. Those tasks are summarized below.
4. In paragraph 6 of decision [16/2](#), the Conference of the Parties requested the Executive Secretary, subject to the availability of resources:
 - (a) To 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 modalities for operationalizing the Multilateral Mechanism, including the Cali Fund, in which the size of contributions to the Cali Fund are stipulated (subparagraph 6 (d));
 - (b) To commission a study on contribution rates, including implications for revenue generation and economic competitiveness (subparagraph 6 (e)).
5. In paragraph 19 of the modalities provided in the annex to decision [16/2](#), the Conference of the Parties established the Ad Hoc Technical Expert Group on Allocation Methodology with terms of reference as provided in enclosure III of the annex. According to the terms of reference, the Group

* [CBD/COP/17/1/Rev.1](#).

¹ See document [CBD/SBI/7/5](#) and its addenda for details.

was tasked with developing, on the basis of the criteria established in enclosure II of the annex, an allocation methodology for disbursing funding from the Cali Fund and with providing technical advice and guidance on remaining and unresolved issues related to the disbursement of funds. According to paragraph 19 of the modalities, the Conference of the Parties will determine at the present meeting an allocation formula on the basis of the work of the Group.

6. Pursuant to paragraph 28 of the modalities, the Steering Committee of the Multilateral Mechanism, including the Cali Fund, was established with a composition and terms of reference as provided in enclosure IV of the annex. According to subparagraph 1 (c) of its terms of reference, the Steering Committee is to report and provide advice to the Conference of the Parties.

7. The present note provides a summary of the outcomes of the work undertaken pursuant to the tasks described in paragraphs 4 to 6 above and includes elements of a draft decision, complementing the elements developed by the Subsidiary Body on Implementation at its seventh meeting and included in its recommendation 7/4. The consolidated elements of the draft decision are provided in the compilation of draft decisions contained in document CBD/COP/17/2.

II. Study on contribution rates for the Cali Fund and on national and international standards for small, medium and large entities

8. The two studies related to contribution aspects of the Cali Fund that were mentioned in subparagraphs 6 (d) and (e) of decision [16/2](#) were combined, owing to limited resources and the links between the subjects of the studies. In notification No. [2024-116](#), Parties, other Governments, indigenous peoples and local communities and relevant organizations were invited to submit information on national, regional or international standards on thresholds determining small, medium and large entities. The submissions that were received in response are available on the notification web page and were taken into account in the development of the study. In addition, by notification No. [2026-050](#), Parties, other Governments, indigenous peoples and local communities and relevant organizations were invited to take part in the peer review of the first draft of the study and submit their comments by 6 July 2026.

9. The estimates presented in the study are illustrative analytical scenarios and should not be considered forecasts. Identified limitations include:

(a) The limited availability of commercially sensitive data at the global level, which might be a result of variation in data coverage and consolidation from one country to another;

(b) The sector-level analysis, which is not necessarily linked with the intensity of the use of digital sequence information on genetic resources in each specific sector and its corresponding large companies and might not correspond well to standard industrial classification codes used to gather data;

(c) The absence of directly observed participation behaviour, due to the early stage of the Cali Fund, and the number of responses to the consultant's questionnaire being insufficient to result in a statistically significant analysis.

10. With regard to the eligibility and thresholds for identifying the companies that are expected to contribute to the Fund, seven options were considered related to contribution tiers, profit criteria, sector variation and the introduction of a criterion on employee numbers. It was observed, however, that there was variation among national jurisdictions, sometimes to a great extent, in relation to such thresholds, which are closely connected with national circumstances and corresponding ways to protect small and medium-sized enterprises. The draft decision reflects those observations.

11. According to the study, full compliance by all identified companies would generate \$3.65 billion annually. Adjustments for sector-level participation, company ownership structure and intensity of use of digital sequence information on genetic resources (simulating a product-based contribution calculation) resulted in a central estimate of \$929 million annually. Furthermore, a

participation rate equivalent to that observed in the most similar financial mechanism to the Cali Fund, the Multilateral System of Access and Benefit-Sharing of the International Treaty on Plant Genetic Resources for Food and Agriculture, would result in contributions of \$5 million annually, indicating the important role of participation, compared to contribution rates, in driving the revenue potential of the Cali Fund. It is noted in the study that participation may be affected by not only contribution rates, but also unresolved design features of the Cali Fund, such as the legal effect of the Cali Fund certificate, information asymmetries surrounding the use of digital sequence information on genetic resources and clarity on the contribution scope. The study highlights that changes in thresholds are likely to have a limited impact on overall revenue, underscoring their greater relevance to governance design than financial outcomes.

12. In addition, the study shows that the engagement of the pharmaceutical sector and a small number of jurisdictions significantly affects the predictability of contributions. As a result, a targeted capitalization strategy during the early stages of the Fund could be considered.

13. Last, for five of the seven sectors in enclosure I of the annex to decision [16/2](#), in particular those sectors that relate to information and artificial intelligence, are globally distributed and are research-intensive, the impact of contributing to the Cali Fund on the competitiveness of entities is mostly driven by the asymmetry between companies headquartered in Parties and those in non-Parties, and the differential expectation of their contributions to the Fund.

14. An overall finding in the study is that entities could be meaningfully encouraged to participate in and contribute to the Fund by, inter alia, ensuring the legal value of the Cali Fund certificate, engaging with other international fora to avoid contribution stacking, clarifying the meanings of direct and indirect use of digital sequence information and incrementally applying contribution rates for start-ups. The finding is reflected in the draft decision.

15. A synthesis of the combined study is available as document [CBD/COP/17/6/Add.3](#), and the full study is in an information document.

III. Allocation methodology

16. The allocation methodology for the Cali Fund, as developed by the Ad Hoc Technical Expert Group on Allocation Methodology, is focused on allocations to Parties but could also be considered for allocations to indigenous peoples and local communities.

17. The Group agreed on the following design principles for the methodology, with a view to grounding their work and informing future work on potential revisions to the allocation formula:

(a) Equity, fairness and impact, to ensure a fair and equitable allocation outcome for developing country Parties, in particular least developed countries and small island developing States, and Parties with economies in transition and for indigenous peoples and local communities, including women and youth within those communities;

(b) Efficiency, using available data sets and indicators, in particular those already adopted by the Conference of the Parties, with due regard to sustainability and custodianship;

(c) Transparency and confidence, to ensure that data are open and the methodology can be easily communicated;

(d) Scalability and longevity, to take the growth and evolution of the Fund into consideration in future amendments and adjustments.

18. The allocation methodology itself is based on the three criteria set out in enclosure II of the annex to decision [16/2](#). The Group added a criterion to recognize the contribution of traditional knowledge and indigenous peoples and local communities to biodiversity conservation and sustainable use, with a view to giving due consideration to the purposes of the funding, as described in paragraph 18 of the annex to the decision, and the possibility that the methodology may also be

used for allocations to indigenous peoples and local communities. An equity base was added as a first step to the formula, in order to distribute equally half the available funds of the funding stream for Parties to all recipient Governments, before the application of the criteria-based formula to the remaining half of the funds. The four criteria identified by the Group are: (a) biodiversity richness; (b) geographic origin of the genetic resources in public databases; (c) capacity needs for the conservation and sustainable use of biodiversity; and (d) measures related to traditional knowledge and indigenous peoples and local communities. Data sources for the criteria are readily available at the global level, at least in part, except for criterion (b). Some of the data sources are not yet ready for use, and therefore placeholders have been inserted in the formula, with the expectation that the data will be integrated into the formula as soon as they are available. Moreover, there are two different options for criterion (c): in option 1, a metric based on the inverted gross national income per capita is used, with an adjustment of the equality baseline for small island developing States and least developed countries; in option 2, countries are placed into one of six bands that correspond to the inverted United Nations scale of assessment,² with each band given a weight to decrease the deviation from the mean of the overall result of the inversion. Option 2 results in less variation in the allocation to Governments than in option 1.

19. The Group also developed a number of recommendations for further work to refine the current approach, namely:

(a) In the short term: data sources should be updated as soon as they become available, a work programme to create an indicator for criterion (b) should be established and the potential of using national biodiversity strategic action plans and national capacity-development plans as data sources for some criteria should be explored;

(b) In the longer term: criteria weightings should be reviewed once new or updated data become available, standards for the assessment of the robustness of all criteria should be created, the formula should be subjected to a sensitivity analysis, data governance and custody should be considered and a biodiversity stewardship index that encompasses all criteria should be developed.

20. The allocation methodology, as developed by the Group, is available in document [CBD/COP/17/6/Add.2](#) for the consideration of Conference of the Parties.

IV. Report of the Steering Committee

21. The Steering Committee of the Multilateral Mechanism, including the Cali Fund, was operationalized following a membership nomination process that was initiated by the Executive Secretary in notification No. [2024-113](#). The selected candidates were approved by the Bureau of the Conference of the Parties, and the composition of the Committee was announced in notifications Nos. [2025-043](#) and [2025-091](#). The Committee has met four times: from 16 to 18 June 2025 (online), from 3 to 6 September 2025 (in Bonn, Germany), from 7 to 9 April 2026 (in Cape Town, South Africa), and on 31 August and 1 September 2026 (online). All the meetings were chaired by Nneka Nicholas, from among Party members, and Astrid Schomaker, from among United Nations partners. All agendas and minutes are available on the dedicated section of the Secretariat website.³

22. The report of the Steering Committee is available as document [CBD/COP/17/6/Add.1](#).

23. The organization of the Steering Committee and of the Secretariat of the Multilateral Mechanism is provided in section II of the report and includes comments on their respective roles, in particular at the present time when the strategic direction and processes of the Mechanism are being set. The section includes information on the opening of the Cali Fund and the associated sequence in which documents were drafted and signed, governance was established and decisions were made once the Conference of the Parties decided to operationalize the Multilateral Mechanism,

² For more information, see Paul Oldham, "Inverted UN scale of assessments formula (IUSAF): working paper on option A", SSRN, 7 May 2026.

³ www.cbd.int/conferences/dsi-sc.

including the Cali Fund. In addition, the section contains details about the meetings of the Committee, including associated resource and visa challenges, and a summary of the contributions and disbursement activities of the Fund.

24. Section III of the report concerns the activities of the Steering Committee and covers:

(a) The oversight of the operations of the fund host, including information on the rules of procedure and composition of the Committee, the programmatic document for the Secretariat of the Multilateral Mechanism, including the Cali Fund, and its functions, the work of the Committee to revise the terms of reference of the Fund, the procedure for handling contributions to the Fund, an agreement on a tranche approach for disbursements, the ongoing work on the operations manual and the need to intensify external communication on relevant activities;

(b) The work of the Committee on the capitalization strategy and the funding and staffing constraints affecting the interim Secretariat, including a recommendation that the resource requirements of the Secretariat be considered in the relevant budgetary discussions;⁴

(c) The work of the Committee on disbursements and direct allocations to indigenous peoples and local communities, including women and youth within those communities, confidential information guidelines, the communication strategy, Fund certificates, non-monetary benefits and enabling conditions for the Fund, with several associated recommendations and requests to the Conference of the Parties;

(d) The methodology for the review of the Multilateral Mechanism, which has already been considered by the Subsidiary Body on Implementation,⁵ as well as the work of the Committee on a structured approach to the implementation, learning and effectiveness review of the Multilateral Mechanism, including the Cali Fund, accompanied by advice to the Conference of the Parties.

V. Elements of a draft decision

25. The Conference of the Parties may wish to consider complementing the elements of a draft decision contained in recommendation [7/4](#) of the Subsidiary Body on Implementation and the allocation methodology, which is contained in section II of the annex to document [CBD/COP/17/6/Add.2](#), with the following elements:

The Conference of the Parties

1. *Expresses its appreciation* to the Governments of Germany, Norway and the United Kingdom of Great Britain and Northern Ireland and to the European Union for their generous financial support for the activities linked with the operationalization of the Multilateral Mechanism for the Fair and Equitable Sharing of Benefits from the Use of Digital Sequence Information on Genetic Resources, including the Cali Fund, and to the Governments of Germany and South Africa for hosting the second and third meetings of the Steering Committee, respectively;

I

Cali Fund thresholds and contribution rates

2. *Recognizes* that thresholds vary by jurisdiction, owing to national circumstances, and affirms that entities classified as small or medium-sized enterprises in their national jurisdiction are not expected to contribute to the Cali Fund but are encouraged to do so;

3. *Reaffirms* the expected contribution rates of 1 per cent of the profits or 0.1 per cent of the revenue of private entities, as indicative rates;

4. *Urges* private entities reliant on publicly available digital sequence information on genetic resources to share the benefits arising from its use by contributing to the Cali Fund;

⁴ See CBD/COP/17/4/Add.2 for the resource requirements of the Secretariat.

⁵ See recommendation [7/4](#) of the Subsidiary Body on Implementation.

5. *Reaffirms* that a contribution at the level of paragraph 3 above will entitle entities to a Cali Fund certificate;

6. *Reminds* Parties and other Governments, in the light of the importance of incentivization shown in the study on contribution rates, thresholds and competitiveness, to take administrative, policy or legislative measures, as appropriate within the national context, to incentivize users under their jurisdiction to contribute to the global fund in line with the modalities of the Multilateral Mechanism, including the Cali Fund;

7. *Requests* the Executive Secretary, subject to the availability of resources, to commission a study on the scope and definition of the term “direct and indirect use of digital sequence information on genetic resources” in the context of the operationalization of the Multilateral Mechanism, including the Cali Fund, in particular for private sector activities, for consideration by the Subsidiary Body on Implementation at a meeting held before the eighteenth meeting of the Conference of the Parties;

8. *Requests* the Subsidiary Body on Implementation to consider the outcomes of the work described in paragraph 7 above at a meeting held before the eighteenth meeting of the Conference of the Parties and to make recommendations to the Conference of the Parties at its eighteenth meeting on the scope and definition of the term “direct and indirect use of digital sequence information on genetic resources” in the context of the operationalization of the Multilateral Mechanism, including the Cali Fund, in particular for private sector activities;

II Certificate

9. *Recognizes* that Cali Fund certificates are an important means to encourage users to contribute to the global fund in line with the modalities of the Multilateral Mechanism, including the Cali Fund;

10. *Welcomes* the work of the Steering Committee on certificates, in particular in relation to paragraphs 15 and 26 of the annex to decision [16/2](#) of 1 November 2024, and invites the Committee to further work on the topic, with the support of its Secretariat, focussing on the issuance, legal effect and scope of the certificates, taking into account the criteria in paragraphs 9 and 10 of decision [15/9](#) of 19 December 2022;

11. *Encourages* Parties and non-Parties, in accordance with their national laws, to put in place urgently the enabling conditions necessary to ensure long-term, stable and predictable monetary benefit-sharing, including by recognizing that a holder of a Cali Fund certificate will not be expected to share further monetary benefits from the use of such information within the scope of the Multilateral Mechanism for the year to which the certificate relates;

12. *Invites* Parties to provide inputs to the interim Secretariat of the Multilateral Mechanism on the characteristics and elements that a Cali Fund certificate would need to operationalize paragraph 15 of the annex to decision [16/2](#), and the processes, if any, that would need to be undertaken at the national level to recognize or give legal effect to such certificates, taking into account any relevant national legislation;

13. *Requests* the Executive Secretary to compile the information submitted pursuant to paragraph 12 above and provide it to the Steering Committee for its information and so that it may take it into account, inter alia, in its report for the eighteenth meeting of the Conference of the Parties;

III

Allocation methodology

14. *Welcomes with appreciation* the outcomes of the work of the of the Ad Hoc Technical Expert Group on Allocation Methodology on the disbursement of funds from the Cali Fund;⁶

15. *Takes note* of the design principles for the allocation formula and its future revisions, namely, equity, fairness and impact; efficiency; transparency and confidence; and scalability and longevity;

16. *Adopts* the allocation methodology for disbursing funds from the Cali Fund, as contained in annex I,⁷ for calculating allocations to Governments;

17. *Also adopts*, on an interim basis, following the recommendation of the Steering Committee of the Multilateral Mechanism, including the Cali Fund, the same methodology for calculating allocations to indigenous peoples and local communities;

18. *Invites* the Steering Committee:

(a) To keep abreast of new or updated data, in particular those used as indicators for the Kunming-Montreal Global Biodiversity Framework,⁸ for the purpose of applying the allocation methodology;

(b) To continue its work on refining the methodology for the purpose of calculating allocations to indigenous peoples and local communities;

(c) To include in its report for the eighteenth meeting the Conference of the Parties information on its work related to subparagraphs 18 (a) and (b) above;

19. *Requests* the Executive Secretary, subject to the availability of resources, to commission a report on the potential sources of data for an indicator for criterion (b) of the allocation methodology of the Cali Fund, on the geographical origin of the genetic resources from which digital sequence information on genetic resources in the database was derived, or its best equivalent, as well as the custodian of the indicator, with a view to using the indicator in the allocation methodology, taking into consideration the potential links with other criteria in the formula, for consideration by the Subsidiary Body on Implementation at a meeting held before the eighteenth meeting of the Conference of the Parties;

20. *Requests* the Subsidiary Body on Implementation to consider the outcomes of the work described in paragraph 19 above at a meeting held before the eighteenth meeting of the Conference of the Parties and to recommend to the Conference of the Parties at its eighteenth meeting options for data sources for criterion (b) of the allocation methodology;

IV

Steering Committee of the Multilateral Mechanism, including the Cali Fund

21. *Takes note with appreciation* of the report of the Steering Committee of the Multilateral Mechanism for the Fair and Equitable Sharing of Benefits from the Use of Digital Sequence Information on Genetic Resources, including the Cali Fund;⁹

22. *Approves* rule 11 of the rules of procedure of the Steering Committee of the Multilateral Mechanism, including the Cali Fund, on members and alternates, as contained in annex II;

23. *Welcomes* the work of the Steering Committee on a structured approach to implementation activities, and invites it to continue its work, generate evidence for the first review

⁶ [CBD/COP/17/6/Add.2](#).

⁷ See [COP/17/6/Add.2](#), annex, sect. II. The draft decision contained in the compilation of draft decisions (CBD/COP/17/2) will contain the present draft decision in its entirety, including the draft methodology.

⁸ Decision [15/4](#), annex.

⁹ [CBD/COP/17/6/Add.1](#).

of the Multilateral Mechanism, including results, conclusions and lessons learned from the structured approach, and include the outcomes in the report and advice of the Steering Committee for the eighteenth meeting of the Conference of the Parties;

24. *Requests* the Executive Secretary, subject to the availability of resources:

(a) To commission a study, under the guidance of the Steering Committee, on current non-monetary benefit-sharing by all users of digital sequence information on genetic resources in order to identify, inter alia: capacity gaps in accessing, using and generating such digital sequence information; pathways for the self-assessment of capacity needs; methods to monitor and report non-monetary benefits; examples of the successful delivery of targeted non-monetary benefits, including through the network of regional and subregional technical and scientific cooperation support centres; the ways in which non-monetary benefit contributions from the Multilateral Mechanism can be integrated into reporting as part of the monitoring framework for the Kunming-Montreal Global Biodiversity Framework; the clearing house for the Multilateral Mechanism provided for in paragraph 8 of the annex to decision [16/2](#); and recommendations for the Steering Committee for further operationalization;

(b) To provide the Steering Committee with the outcome of the work described in subparagraph 24 (a) above for its information and so that it may take it into account, inter alia, in its report for the eighteenth meeting of the Conference of the Parties.

...

Annex II

Rule 11 of the rules of procedure of the Steering Committee of the Multilateral Mechanism for the Fair and Equitable Sharing of Benefits from the Use of Digital Sequence Information on Genetic Resources, including the Cali Fund, on members and alternates

1. After the initial two-year terms, members, observers and alternates will serve for a period of four years, this being a full term. Following the seventeenth meeting of the Conference of the Parties:

(a) Five members from Parties, 1 from each region, will be selected to serve for half a term, and 10 members from Parties will be selected to serve for a full term;

(b) Three members from indigenous peoples and local communities will be selected to serve for half a term, and four members from indigenous peoples and local communities will be selected to serve for a full term;

(c) Three observers, one from each category set out in paragraph 5 (b) of enclosure IV of the annex to decision [16/2](#) of 1 November 2024 will be selected to serve for half a term, and three observers will be selected to serve for a full term. Each time thereafter, members and observers will be selected to serve for a full term.

2. Terms will begin on 1 April of the year following an ordinary meeting of the Conference of the Parties and end on 31 March two or four years thereafter, as applicable.

3. When a member, observer or alternate is unable to complete the assigned term, a representative from the same Party or group shall be put forward as a potential replacement for that member, observer or alternate for the remainder of the term. This replacement candidate will be considered in consultation with his or her regional group or organization, as appropriate, and may be selected by it as a replacement or alternate, taking into account gender balance and relevant technical expertise of the candidate.

4. No member, observer or alternate may serve for more than two consecutive terms.