



## Convention on Biological Diversity

Distr.: General

14 May 2026

English only

### **Ad Hoc Technical Expert Group on Allocation Methodology**

#### **Second meeting**

Montreal, Canada, 12–14 May 2026

## **Report of the second meeting of the Ad Hoc Technical Expert Group on Allocation Methodology\***

### **Background**

1. The Ad Hoc Technical Expert Group on Allocation Methodology was established by the Conference of the Parties to the Convention on Biological Diversity pursuant to its decision [16/2](#). The overall purpose of the Expert Group, whose terms of reference are contained in enclosure III to the annex to the decision, is to provide technical advice and guidance on remaining and unresolved issues relating to the disbursement of funds from the Cali Fund, on the basis of paragraph 20 of the annex to decision [16/2](#), in which the issue of direct allocations to Parties specifically was addressed. Under its terms of reference, the Expert Group was tasked, in particular, with developing an allocation methodology for disbursing funding from the Cali Fund on the basis of the criteria set out in enclosure II of the annex to decision 16/2, for consideration by the Conference of the Parties at its seventeenth meeting. The composition of the Expert Group was circulated through notification No. [2025-073](#).
2. The Ad Hoc Technical Expert Group on Allocation Methodology held its first meeting, virtually, from 27 to 29 January 2026, and met for the second time in Montreal, Canada, from 12 to 14 May 2026.

### **Item 1**

#### **Opening of the meeting**

3. The meeting was opened at 9:30 a.m. on 12 May 2026 by the co-chairs of the Expert Group. The Expert Group heard opening remarks from Head of the Access and Benefit-Sharing Unit at the Secretariat of the Convention on Biological Diversity, who thanked the Experts for their efforts over the intersessional period, and reminding the Expert Group to work together with nature. The Head of the Mainstreaming, Economy, and Finance Unit at the Secretariat also delivered opening remarks to the Expert Group, reminding participants of their mandate in the broader context of the operationalization of the Cali Fund, and noting the Fund's role as a mechanism for resource mobilization.

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\* The present document is being issued without formal editing.

## Item 2

### Organizational matters

#### (a) Adoption of the agenda

4. The Co-Chairs presented the provisional agenda as prepared by the Secretariat, which was adopted by the Group.

#### (b) Organization of work

5. The Group approved the proposed organization of work as prepared by the Secretariat and available in annex I below.

## Item 3

### Allocation methodology principles

6. At its first meeting, the Group set out to develop a set of key overarching principles for the methodology. These principles are intended to guide the development of the methodology as well as that of future iterations and improvements. Gulbahar Abdurasulova and Justin Perrettson, who led work on this during the intersessional period, presented the design principles at the meeting.

7. Based on discussions and inputs of the Group at its second meeting, the Secretariat presented a revised version of the design principles on the second day for the Group's consideration. This version was further refined and is included in the annex II of this report.

## Item 4

### Options under consideration

#### a) Model based on the indicative list of criteria for funding allocation in enclosure II of the annex to decision 16/2;

8. The Group considered the criteria-based methodology, which was developed based on the indicative list of criteria for funding allocation in enclosure II of decision 16/2. The Group agreed to an additional fourth criterion related to traditional knowledge and indigenous peoples and local communities' contributions. This criterion was not part of the original list of criteria given by the Conference of the Parties, however, the Group noted the importance of traditional knowledge systems on biodiversity and the importance to align an allocation methodology to paragraph 18 of the annex to decision 16/2, which states that funding from the Cali Fund should, amongst other things, benefit indigenous peoples and local communities, including women and youth within those communities. All the criteria and the overall methodology were discussed during the intersessional period and is summarized in document [CBD/DSI/AHTEG/2026/2/2](#).

9. The draft allocation formula for discussion was:

$$B + w1*C_A + w2*C_B + w3*C_C + w4*C_D^1$$

10. The equality base, or 'B', is to be applied as a first step in the calculation of the allocation. The total amount of funds available for recipient Party allocations is to be divided in half, and the first half of the funds is to be divided equally among all recipient Party countries to achieve the equality base. The second half of the funds are then subjected to the formula above. The two amounts for each half are then added together to form each recipient country's allocation.

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<sup>1</sup> Where B=equality base, w1=weight one, C<sub>A</sub>=criterion (a) on biodiversity richness accounts for biodiversity richness of a country, w2= weight two, C<sub>B</sub>= criterion (b) on the geographic origin of the genetic resources w3= weight three, C<sub>C</sub>= criterion (c) on capacity needs for the conservation and sustainable use of biodiversity, w4= weight four, C<sub>D</sub> = criterion (d) on measures related to traditional knowledge and indigenous peoples and local communities.

11. As the sources for data for each of the criteria may vary or measured at different scales, each source of data is to be normalized, designating it a value between zero to one. The source of data for each criterion is then to be multiplied by a weight (w) to achieve a score for each criterion. It should be noted that some criteria could themselves be the sum of several data sources, with the possibility of weights being applied to these sub-elements.

12. During the intersessional period and as presented in its summary<sup>2</sup>, the Group considered the sources of data available for each criterion. During the meeting the Group further considered the following datasets:

13. Criterion (a): Global Environment Facility Global Benefits Index for Biodiversity (GEF8, as provided at the global level by the United Nations Environment Programme World Conservation Monitoring Centre with the authorization of the Global Environmental Facility),

14. Criterion (b): No currently applicable data.

15. Criterion (c):

- (i) A normalized, inverse of the gross national income per capita, with a corrective measure for least developed countries, and small island developing States;
- (ii) The United Nations scale of assessment, inverted;
- (iii) The Inverted United Nations scale of assessments formula (as identified under 'economic capacity' in Item 4(b), below).

16. Criterion (d): The sum of equally weighted indicators from the Kunming-Montreal Global Biodiversity Framework Monitoring Framework: 21.CT.3 (Index of Linguistic Diversity), 22.1 (Land use change and land tenure in territories of indigenous peoples and local communities), 9.2 (Percentage of the population in traditional occupations), and 22.b (Participation and rights of indigenous peoples and local communities in decision-making).<sup>3</sup>

17. The Group discussed the application of any weights to each of the criteria and reflected on the most appropriate way to prioritize each criterion. The importance of each criterion in the goals of the allocations from the Cali Fund and the quality and appropriateness of the source data were the main elements taken into consideration to assign the weights.

18. Andrew Gonzalez and Samara Manzin of the University of McGill presented the application of the following options for weights<sup>4</sup>, as suggested by the Group:

- (a) Criteria (a), (c) and (d) equally weighted (equal weighted model)
- (b) Criterion (a) weighted at 50%, criterion (c) at 25% and criterion (d) at 25% (biodiversity weighted model)
- (c) Criteria (a), (c), and (d) weighted at 30% each and criterion (b) at 10%<sup>5</sup>

19. The work presented included the computations of the formula and the amount of each allocation in dollars per country of a fund size of 200 million United States dollars. The Group expressed their gratitude for the work of Mr. Gonzalez and Ms. Manzin.

20. The Secretariat presented further analyses of the distribution of the funds for each weighted option as minimum, maximum, median and average, as well as the distribution of various allocation amounts in the overall fund per country characteristic.

<sup>2</sup> CBD/DSI/AHTEG/2026/2/2.

<sup>3</sup> For criterion (d), only data for the first indicator (21.CT.3) was considered appropriate to model now, with the other three indicators being included as placeholders.

<sup>4</sup> As criterion (b): the geographical origin of the genetic resources from which digital sequence information in the database was derived did not have any data attributed to it, no models were run on this criterion.

<sup>5</sup> <https://github.com/tierravivaai/cali-fund-allocation-model> - full data sets for this model can be found here.

21. The impact of applying the equality base allocation over half of the funds was also tested across all models. The Group agreed that its application resulted in a more equitable allocation of the fund overall, particularly for recipient countries with the smallest allocation amounts, and helped to attenuate the inflation of the allocation amounts for countries with the largest shares, and as guided by the principles (annex II, part I).

22. The Group requested that further weights options be modelled<sup>6</sup>, all with the application of the equality base. Changes in weights for criteria (c) and (d) had little influence on the resulting allocation amount. Changes in the weighting of criterion (a) increased the allocations for large megadiverse countries the most, which were already being allocated the largest amounts of funds.

23. When considering appropriate weighting, the Group took into account biodiversity levels of countries, those requiring more capacity support for the conservation and sustainable use of their biodiversity, amongst other considerations. The discussion was guided by decision 16/2, the agreed principles, as well as the robustness of data sources.

24. For criterion (a), the Group expressed two main views: either to assign a higher weight than the other criteria to reflect the conservation efforts required by megadiverse countries, or to keep all weights equal so as not to place a value on the importance of one criterion over another.

25. For criterion (b), the Group converged on the importance of retaining this criterion in the formula despite currently having no currently applicable data. The Group considered assigning 0, 10 or an equal weight to other criteria at this point in time, given the lack of appropriate data. Several Experts expressed concerns that assigning a weight of 0 to criterion (b) could be interpreted as signalling a lower importance of this criterion compared to criteria (a), (c), (d).

26. In addition, consideration was given to the value of measuring the use of digital sequence information on genetic resources, rather than only its volume in databases, for example through the number of patents that declare the use of such data. The Group also considered the data within the Global Biodiversity Information Facility and the biases it carries, recognizing current limitations in provenance and metadata systems. The Group further noted the importance of progressively improving geographic attribution and transparency related to the origin of digital sequence information on genetic resources.

27. For criterion (c), the Group considered:

- (a) The inverted United Nations scale of assessments
- (b) The inverted gross national income per capita
- (c) the banded approach from the Inverted United Nations Scale of Assessments Formula.
- (d) Combining the inverted United Nations scale of assessments with the inverted Gross National Income per capita, and applying fifty percent weight for each

28. The Group discussed the fact that none of these were an appropriate proxy for criterion (c), noting that it does not necessarily reflect capacity needs with a strong link to biodiversity. An expert expressed concern about using the United Nations scale of assessments inverted as a data source for proxy for criterion (c) without any adjustments as it takes into consideration a country's size to calculate its contribution, meaning that a larger country will be asked to contribute more into the United Nations budget. The gross national income per capita was considered better for not distorting the values for large countries, but tends to disadvantage small island developing States, but this can be corrected with adjusting the "equality base" of the overall allocation methodology to allocating a higher level for small island developing States and least developing countries, to better align with paragraph 18 of decision 16/2, which states that funding should support the objectives of the Convention, in particular the least developed countries and small island developing States, and Parties with economies in transition. The inverted United Nations scale of assessments can

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<sup>6</sup> The following additional weights for (a)/(b)/(c)/(d) modelled were: 80/5/5/10, 40/30/20/10 and 35/5/30/30.

disadvantage larger countries, but this can be corrected using the banding approach as presented in the Inverted United Nations scale of assessments formula methodology.

29. For criterion (d), Experts in the Group discussed the connection between linguistic diversity and biodiversity richness, and the need to assign an appropriate weight to reflect the importance of traditional knowledge and the role of indigenous peoples and local communities in biodiversity. One Expert cautioned that patterns of linguistic diversity demonstrated strong hotspots and suggesting a smaller weight for the criterion until the other three indicators became available, at which point the weight would be raised.

30. After considerable discussions, the Group converged around the equal weighting of all criteria.

31. In order to visualize the outcomes of the formulas considered for a direct allocation to Party countries, taking into account the overall hypothetical amount of USD 200,000,000, synthetic countries were created as an average of five real countries fitting those criteria as follows, with number of either small island developing states or least developed countries as part of the five:

	<b>High biodiversity</b>	<b>Low biodiversity</b>
<b>High income</b>	Country A (0)	Country B* (4)
<b>Medium income</b>	Country C (0)	Country D (5)
<b>Low income</b>	Country E (5)	Country F (5)

**Table A: synthetic countries created for illustrative purposes for the models in Annex II, with in parentheses the sum of small island developing States and least developed countries as part of the five Party countries averaged to create each synthetic country .**

**b) Model based on the inverted United Nations scale of assessments**

32. One expert in the Group presented an innovative approach to the allocation of funds from the Cali Fund through a model based on the inverted United Nations scale of assessments (or the Inverted United Nations scale of assessments formula),<sup>7</sup> as outlined as follows:

$$\text{Country share} = \text{economic capacity (inverted United Nations Scale)} + \text{biodiversity stewardship (terrestrial stewardship + ocean stewardship)}$$

33. The expert explained that the model inverts the United Nations scale of assessments and imposes six economic bands (or ranges), whereby recipient Parties in lower bands consist of developing countries, least developed countries, and small island developing states, and receive higher allocations from the Cali Fund than Parties in higher bands.

34. The biodiversity stewardship component is calculated with two overlay components: one terrestrial and one ocean stewardship. The terrestrial stewardship uses land areas (sq. km) as proxy for biodiversity richness and the ocean one uses the status of small island developing states a proxy for marine biodiversity. The methodology acknowledges that the appropriate percentage shares for the stewardship components involve a policy choice that can only be made by Parties to the Convention on Biological Diversity. However, the proposal suggests three options for potential corrective measures: strict, gini-minimum and band-order boundary.

<sup>7</sup> [cali-fund-allocation-model/docs/working\\_papers/iusaf\\_paper-07052026.docx at main · tierravivaai/cali-fund-allocation-model · GitHub](https://github.com/tierravivaai/cali-fund-allocation-model) -full datasets for this model can be found here.

\*Note that in this category, 8 out of the top 13 countries had incomplete data and could not be included in the five countries making the average for country B.

35. It was emphasized that the methodology could also be applied for disbursements from the Cali Fund to indigenous peoples and local communities as referenced in paragraph 21 of the annex to decision 16/2.

36. The expert explained that this allocation approach was designed with higher level principles that drew from the guidance provided in paragraph 17 of the annex to decision 16/2 with focus on funding being allocated in a fair, equitable and transparent manner, as well as elements of paragraph 18 of annex to decision 16/2. In addition, the expert explained that this approach reflects the three criteria in enclosure II of the same decision.

37. Additional principles that were included in the design of this methodology are the recognition of sovereign equality of all Parties, recognition of the importance of indigenous peoples and local communities, and of thematic areas of action outlined in the Programme of Work in Article 8(j) and other provisions of the Convention on Biological Diversity as adopted by the Conference of the Parties. It was explained that this approach has been established using existing measures within the United Nations System.

38. Further, the expert explained inverting the United Nations Scale of Assessment operates to prevent the disproportionate dilution of available resources to a few recipients.

#### *Major differences between the approaches of the two models*

39. The expert argued that the treatment of economic capacity was a fundamental difference between the two models. In addition, utilizing data in the Global Biodiversity Information Facility, the expert demonstrated that the disparity between the country of origin of the genetic resources and the country of publication of this same data correlates with the difference of contribution to the United Nations, correlating a lack of data and income. This was contested by two experts and further noted that Global Biodiversity Information Facility data is only one repository of biodiversity data.

40. When considering the model under item 4(b), the Group commended the work conducted in preparation of this proposal, including the development of an application to show practical implementation of the model and a working paper to explain the model in detail. Some experts expressed concern with the biodiversity stewardship datasets, such as using land area and small island developing State status as proxies. In addition, the importance of a model being replicable was emphasized.

41. More broadly, the Group recognized the intensive and detailed work by the individual expert and noted that the model had informed their reflection of both models' characteristics and approaches. In addition, the expert provided information on the linguistic diversity data proposed for criterion (d) in model 4(a) and this resulted in an improved data source for this criterion. More broadly, the Group reflected that the development of the model under item 4(b) represented a different philosophy of thought, which should be continued to explored regardless of the methodology proposed by the Group.

### **Item 5**

#### **Recommendations for future work relating to the allocation methodology**

42. The [summary of the intersessional work](#) conducted by the Group between their first and second meeting considered recommendations for future work relating to the allocation methodology. The Group considered this and provided additional reflections, which are found in annex II of this report.

### **Item 6**

#### **Other matters**

43. One expert expressed the need for further communication, education, and public awareness on digital sequence information on genetic resources, to complement the scientific work that is already

undertaken by countries, noting the importance of genetic resources to indigenous peoples and local communities.

**Item 7**

**Adoption of the report**

44. The Co-Chairs introduced the draft report of the meeting, which was adopted, as orally amended.

**Item 8**

**Closure of the meeting**

45. The meeting was closed on Thursday, 14 May 2026 at 7:30 p.m.

## Annex I: Organization of work

### Tuesday, 12 May 2026

9:30 a.m.–10:30 a.m.	Item 1. Opening of the meeting Item 2. Organizational matters
10:30 a.m.- 10:45 a.m.	<i>Coffee break</i>
10:45 a.m.-12:30 p.m.	Item 3. Allocation methodology principles
12:30 p.m.- 1:30 p.m.	<i>Lunch break</i>
1:30 p.m.- 3:00 p.m.	Item 4. (a) Model based on the indicative list of criteria for funding allocation
3:00 p.m.- 3:15 p.m.	<i>Coffee break</i>
3:15 p.m.- 6:15 p.m.	Item 4(a) ( <i>continued</i> )

### Wednesday, 13 May 2026

9:00 a.m.–10:30 a.m.	Item 4. (b) Model based on the Inverted United Nations Scale of Assessments
10:30 a.m.- 10:45 a.m.	<i>Coffee break</i>
10:45 a.m.-12:30 p.m.	Item 4. (b) ( <i>continued</i> )
12:30 p.m.- 1:30 p.m.	<i>Lunch break</i>
1:30 p.m.- 3:00 p.m.	Item 5. Recommendations for future work relating to the allocation methodology
3:00 p.m.- 3:15 p.m.	<i>Coffee break</i>
3:15 p.m.- 4:15 p.m.	Item 5. ( <i>continued</i> )
4:15 p.m.- 6:00 p.m.	Summary

### Thursday, 14 May 2026

9:00 a.m.–9:30 a.m.	Item 6. Other matters
9:30 a.m.-10:30 a.m.	Item 7. Adoption of the report
10:30 a.m.- 10:45 a.m.	<i>Coffee break</i>
10:45 a.m.-12:30 p.m.	Item 7. ( <i>continued</i> )
12:30 p.m.- 1:30 p.m.	<i>Lunch break</i>
1:30 p.m.- 3:00 p.m.	Item 7. ( <i>continued</i> )
3:00 p.m.- 3:15 p.m.	<i>Coffee break</i>
3:15 p.m.- 5:00 p.m.	Item 7. ( <i>continued</i> ) Item 8. Closure of the meeting.

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## **Annex II: Outcomes of the Ad Hoc Technical Expert Group – Allocation Methodology for disbursing funds from the Cali Fund**

### **Part I: Design principles**

#### **Introduction**

46. The design principles summarized below are intended to be applied holistically to support the development of an allocation methodology recognizing the variety of disbursement pathways and their linkages to the potential funding scales for the Cali Fund.

47. The principles are designed within the context of the modalities and objectives of the Cali Fund as established in decisions 15/9 and 16/2, including through the delivery of activities described in national biodiversity strategies and action plan, and that at least half of the funding should support the self-identified needs of indigenous peoples and local communities, decision 16/4 on the programme of work on Article 8(j) and other provisions of the Convention on Biological Diversity related to indigenous peoples and local communities, and other relevant current and future decisions of the Conference of the Parties.

#### **Equity, Fairness and Impact**

48. The methodology should ensure that its substantive outcomes are fair and equitable in allocations to developing country Parties, in particular the least developed countries and small island developing States, and Parties with economies in transition and in allocations to indigenous peoples and local communities, including women and youth within those communities.

#### **Efficiency**

49. It is preferable to use available datasets and indicators as appropriate and applicable for each criterion, particularly those already adopted by the Conference of the Parties, with due regard to sustainability and custodianship. The development of new datasets would need to be adequately resourced.

#### **Transparency and Confidence**

50. The methodology should be easy to communicate and made publicly available, therefore contributing to the transparency of the funding mechanism. It should also aim to be understandable by contributors to the Cali Fund in the private sector, as well as by Parties to the Convention on Biological Diversity, indigenous peoples and local communities, including women and youth within those communities, and all other stakeholders relevant to the multilateral mechanism and its Cali Fund.

#### **Scalability and Longevity**

51. The methodology should take into account the Cali Fund's growth and adaptation over time, recognizing that it is innovative and evolving, and may require the reconsideration of criterion, weights, floors and ceilings, and other potential amendments and adjustments in due course, including the inclusion of relevant data as it becomes suitable for use.

## Part II: Allocation methodology

1. The present allocation methodology takes into consideration the design principles as agreed by the Group, and the criteria provided by the Conference of the parties. Considering the context of the establishment of the Cali fund and its goals, the Group decided to add a fourth criterion to recognize the contribution of traditional knowledge and indigenous peoples and local communities to biodiversity conservation and sustainable use. The strongest consideration was given to the goals of the Cali Fund as well as the availability of data when building this methodology.
2. Where appropriate, and subject to national circumstances, at least half of the funding of the Cali Fund should support the self-identified needs of indigenous peoples and local communities as stated in paragraph 21 of the annex to decision 16/2. This allocation methodology was built with the consideration of paragraph 20 of decision 16/2 relating to allocations to Parties governments, but with the flexibility to be considered for a more extended application, as applicable.
3. The formula is as follows:

$$B + w1*C_A + w2*C_B + w3*C_C + w4*C_D^8$$

The equality base, or ‘B’, is to be applied as a first step in the calculation of the allocation. The calculation of the equality base or “B” is dependent on the option chosen for dataset for criterion (c), as explained below. After the equality base calculation, the below datasets are applied with equal weightings. The two amounts for each half are then added together to form each recipient country’s allocation.

4. The datasets for the criteria are as follows:

(a) Criterion (a)-Global Environment Facility Global Benefits Index for Biodiversity (GEF8, at the global level),

(b) Criterion (b)-currently null and included as a placeholder until such time as data becomes applicable. The formula will then be adjusted to maintain equal weighting.

(c) Criterion (c)- two options regarding the sources of data are presented to the Conference of the Parties for its consideration and decision, noting the difference in equality base calculations:

- (i) Option 1: Normalized, inverted gross national income per capita, with the base allocation considering a corrective measure for least developed countries, and small island developing States, or;
- (ii) Option 2: The inverted United Nations scale of assessments formula using a banded approach as set out in the paper<sup>9</sup> and as presented in the table below: Economic capacity-United Nations scale of assessments, inverted:

Band	UN assessed share range	Weight	Ratio to Band 1
1	≤ 0.001 per cent	1.50	1.00
2	0.001–0.01 per cent	1.30	0.87

<sup>8</sup> Where B=equality base, w1=weight one, C<sub>A</sub>=criterion (a) on biodiversity richness accounts for biodiversity richness of a country, w2= weight two, C<sub>B</sub>= criterion (b) on the geographic origin of the genetic resources w3= weight three, C<sub>C</sub>= criterion (c) on capacity needs for the conservation and sustainable use of biodiversity, w4= weight four, C<sub>D</sub> = criterion (d) on measures related to traditional knowledge and indigenous peoples and local communities.

<sup>9</sup> Oldham, Paul, Inverted UN Scale of Assessments Formula (IUSAF) Working Paper on Option A (May 07, 2026). Available at SSRN: <https://ssrn.com/abstract=6809586>

3	0.01–0.1 per cent	1.10	0.73
4	0.1–1.0 per cent	0.95	0.63
5	1.0–10.0 per cent	0.75	0.50
6	> 10.0 per cent	0.40	0.27

**Table 1: the six-band configuration from the inverted United Nations scale of assessments formula**

(d) The different approaches for the equality baseline are as follows:

5. For option 1: If the methodology uses normalized, inverted gross national income per capita then the equality baseline has a specific consideration for small island developing states and least developed countries. Using the gross national income for criterion (c) yields results biased against least developed countries, and small island developing States, as such a correction factor is introduced into the calculation of the equality baseline. For this calculation, the equality baseline calculation is split into two: B= Half of the funds available are split equally amongst all /recipient Party countries, as standard. Then, least developed countries and small island developing States are given 25% additional value of this base value.<sup>10</sup>

(i) For option 2: If the methodology uses the Inverted Scale of Assessments Formula, the total amount of funds available is to be divided in half, and the first half of the funds is to be divided equally among all recipient Party countries, representing the equality base or B= Half of the funds available/total number of recipient countries.<sup>11</sup>

6. After either calculation of the equality baseline, the remainder of the funds are then subjected to the rest of the formula. The two amounts for each part are then added together to form each recipient country's allocation.

(a) Criterion (d)<sup>12</sup>-Indicator 21.CT.3 (data underlying the Index of Linguistic Diversity) Equal weightings will be applied to all criteria.

(b) The result of the formula, added to the equality base allocation is considered the total allocation for each recipient country, as illustrated in table 2 below

(c) Further work is indicated in the below section.

7. The results of both options in the model are illustrated in Table 2 for the six synthetic countries describe in paragraph 33 above.

Country	Characteristic	Formula with option 1	Formula with option 2
Country A	high income/ high biodiversity	3,172,049 (1.59%)	1,743,925 (0.87%)
Country B	high income/ low biodiversity	873,850 (0.44%)	1,119,371 (0.56%)
Country C	medium income/ high biodiversity	2,526,282 (1.26%)	1,663,419 (0.83%)

<sup>10</sup> Or  $B = F/2 (N + 0.25M)$  Where F is the total funds available, N is the total number of recipient country Parties, and M is least developed countries and small-island developing States.

<sup>11</sup> Or  $B = F/2N$ , where F is the total funds available, N is the total number of recipient country Parties

<sup>12</sup> Indicators 22.1: land-use change and land tenure in the traditional territories of indigenous peoples and local communities; 9.2: percentage of population in traditional occupations; 22.b: participation and rights of indigenous peoples and local communities in decision making are currently placeholders and their source data will be included as it becomes available. All sub-components are weighted equally.

Country D	medium income/ low biodiversity	1,042,737 (0.52%)	1,317,650 (0.66%)
Country E	low income/ high biodiversity	2,735,509 (1.37%)	1,667,462 (0.83%)
Country F	low income/ low biodiversity	1,666,411 (0.83%)	1,379,423 (0.69%)

**Table 2: Results of the formula for a level of funds to governments of USD 200,000,000, using option 1 or option 2 for criterion (c) - with criterion (a), (b), and (c) being equal (in USD), and with the percentage of the total fund being allocated to this country in parentheses.**

### Part III: Recommendation for further work to the Conference of the Parties:

8. The Expert Group recommends further work to be conducted on the allocation methodology in order to refine the current approach, adopt sources of data that become available in the near future, as well as revise the approach on a regular basis to include new sources of data, increased understanding of the goals and impacts of the methodology, and lessons learned from the implementation of the current methodology.

9. Future work should keep in mind specific assumptions under which the current methodology is being recommended:

(a) While a criterion on measures related to indigenous peoples and local communities and associated traditional knowledge was specifically added to the three criteria proposed within Enclosure II of decision 16/2, aspects relating to indigenous peoples and local communities and traditional knowledge in all other criteria should be included as they are considered a higher-level matter. Those aspects should therefore be considered in all present and future criteria of the methodology.

(b) The allocation methodology should be guided by good faith, and potential risks can be addressed through appropriate safeguards, transparency and periodic review mechanisms. Risks associated with the creation of perverse incentives, for example, should be considered on the basis of this assumption.

10. Future work specific to each criterion in the criteria-based methodology that the Group recommends to the Conference of the Parties is as follows:

#### Criterion (a): Biodiversity Criterion

11. Short-term work recommended includes:

(a) The criteria-based methodology uses the Global Benefits Index on Biodiversity from the Global Environmental Fund on an interim basis for criterion (a). The updated 'GEF 9' dataset, which will include freshwater species, should replace the current 'GEF 8' data provided. The Secretariat of the Convention on Biological Diversity should use the agreement with UNEP-WCMC to update this data when it becomes available.

(b) The 'GEF 9' data should be reviewed for:

(i) Robustness of the data,

(ii) Transparency of the decision-making process, particularly on the weight allocation within the index,

12. Medium-term work to consider includes:

(a) Creation of a new data set for biodiversity richness based on measures of biodiversity under the Convention:

(i) Ecosystem diversity,

(ii) Species diversity, and

(iii) Genetic diversity.

(b) Consider the inclusion of ecosystem degradation in this criterion as a measure of a country's performance in protecting its biodiversity,

(c) Consider the inclusion of indigenous peoples and local communities land and territories,

(d) Explore other sources of data newly available,

(e) Testing any new sources of data or index for:

(i) Robustness of the data,

- (ii) Transparency of the decision-making process for any existing index adopted as part of this new indicator.

13. Some additional potential new sources of data or indices related to the criterion on biodiversity to explore are datasets on species- and ecosystem-level diversity from the International Union for Conservation of Nature, the LandMark dataset on indigenous lands, the Biodiversity Habitat Index by GEOBON, the Proportion of populations within species with an effective population size greater than 500, measures of country biodiversity conservation responsibility in the Map of Life, amongst others.

### **Criterion (b): Geographical origin**

14. This criterion was included in the formula as a placeholder due to no currently applicable and unbiased data data. Future work should include:

15. Short term work includes:

(a) Establish a work program to create an indicator for the geographical origin of the genetic resources from which digital sequence information on genetic resources in the database was derived to be used in the allocation methodology;

- (i) The reconsideration of previously explored sources of data;
- (ii) Amount of sequenced data in Global Biodiversity Information Facility by country;
- (iii) Number of sequences in public databases with geographical origin information

(b) Consider the linkages between criterion (b) with criterion (a) and criterion (c), being mindful of the creation of potential perverse incentives;

(c) Consider the following with regards to data in databases:

- (i) Issues of capacity: a map of interactions between sequence producers and publishers in a dataset can reveal macro trends of capacity gaps. This could also make use of the National Biodiversity Strategy and Action Plans and National Capacity Development Plans;
- (ii) Data governance and accountability: the accountability and transparency of relevant databases from which criterion (b) are taken could be improved through multilateral governance or contractual arrangements. A map of the coverage of the geographic distribution of metadata could provide relevant information;
- (iii) Harmonization of standards: metadata contents, fields in the submission forms, and definitions or use of terms should be harmonized in a manner that identifies the country of origin of genetic resources from which digital sequence information on genetic resources is generated;
- (iv) The inclusion of accurate geographical data, or geospatial data, including Global Position System coordinates, in accordance with existing and emerging best practices in relevant databases, may help in ensuring data sovereignty;
- (v) Respect for the free, prior, and informed consent of indigenous peoples and local communities;
- (vi) Traditional knowledge: in relation to the use of biocultural or similar labels in public databases, consider how best to recognize this data in future revisions of the methodology.

(d) Evaluate the goal of criterion (b) in the methodology and consider capturing the use of digital sequences on genetic data in public databases from a country in lieu of the quantity of the data

from the same country, including through information on patents linked to the use of digital sequence information on genetic resources;

(e) Explore ways to recognize whether genetic resource from which the digital sequence information came from maps to the land or territories of indigenous peoples and local communities, aiming to include different scales of maps for different species in accordance with the local traditional knowledge;

16. Possible inclusion of data from LandMark Datasets to recognize the link between genetic data and culture;

17. Provide further clarity on criterion (b) in the indicative list in enclosure II to decision 16/2, particularly on identification of “the database” in the criterion.

### **Criterion (c): Capacity needs**

18. Future work on this criterion are based on the discrepancy between the economic capacity of a country as evaluated currently in the United Nations scale of assessment, and the capacity of a country for the conservation and sustainable use of its biodiversity, as stated in decision 16/2. Accordingly, short-term future work should focus on:

(a) Linkages between criterion (a) and criterion (b), and criterion (d), including the role of capacity gaps in the use of digital sequence information on genetic resources and benefit from it;

(b) Exploring the use of National Biodiversity Strategic Actions Plans and National Capacity Development Plans as an adapted source of data for capacity needs, noting the current inconsistencies in quality and objectivity and the potential to create perverse incentives;

### **Criterion (d): Traditional Knowledge**

19. The Group included the four traditional knowledge indicators from the monitoring-framework of the Kunming-Montreal Global Biodiversity Framework. However, only 21.C.T.3: linguistic diversity was deemed as globally available and ready for use. Therefore, the three remaining indicators are to be included as data becomes available:

(a) 22.1: land-use change and land tenure in the traditional territories of indigenous peoples and local communities;

(b) 9.2: percentage of population in traditional occupations;

(c) 22.b: participation and rights of indigenous peoples and local communities in decision making.

20. Further medium term work includes:

(a) Further work could evaluate the linguistic diversity indicator given its evolving nature

(b) Further work could also explore the potential to complement criterion (d) with measures of traditional governance and indigenous governance mechanisms;

(c) Further work could also explore other sources of data such as, but not limited to, Diversity of Traditional Knowledge Principle and Indicators, the SB8-1 programme of work, land use change, land tenure of traditional territories, the work of the partnership between Food and Agricultural Organization and LandMark to map indigenous and communal lands, the work of the International Union for Conservation of Nature on integrating indigenous and local knowledge into its Red List of Threatened Species, biocultural protocols and indigenous science and other biocultural, customary governance systems and human rights-based approaches.

### **Overarching recommendations for future work on the criteria data sources**

21. Some recommendations apply across criteria and should be considered in all future work or revision of the allocation methodology. These include:

(a) Reviewing the weightage of the criterion once new or updated data has become available, as a factor of the importance of the criterion or the strength of the data;

(b) Building standards for the assessment of robustness of all criteria;

(c) Running sensitivity analyses on the formula to inform on:

(i) The influence of one parameter over the general outcome;

(ii) The influence of the weights on the outcome as a way to test a specific criterion.

(d) Considering data governance and custody to reveal potential gaps in data source and quality, which in turn should be considered for new data sources.

22. When further work has been conducted on criteria (a), (b) and (d), as noted in these recommendations, the Group proposes the creation of a biodiversity stewardship index, encompassing the above-mentioned criteria which can be used in conjunction with the formula.

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