

The DSI Informal Dialogue Partnership

Informal Negotiators' Dialogue on the DSI Multilateral Mechanism and its Cali Fund

23rd to 25th of September 2026, Leuven, Belgium

REPORT

Funded by:



Norway



Implemented by:



GeoMedia
Environment-Communication-Development

Contents¹

Short overview and outcomes	3
Relay of user messages to key negotiators	5
Opening of the Relay	5
Technical Introduction	5
Presentation of messages from stake- and rightsholders to negotiators.....	6
Discussion of messages	7
Positioning exercise on concrete suggestions how a specific critical issue could be resolved.....	7
Reflection and concluding remarks.....	8
Closing of the Relay	9
Opening of the DSI Dialogue	10
Technical Introduction	10
Reflection of the Relay	10
Update on the formal process by the SCBD	11
Update on the informal process by the DSI Informal Dialogue Partnership.....	11
Mapping and prioritising construction sites to different COP mandates	12
Possible COP17 solution pathways and landing zone scenarios.....	13
Group 1: Allocation methodology - incentives.....	13
Group 2: Governance and Steering Committee Accountability.....	15
Group 3: Sandbox Framework and Resource Mobilization.....	16
Group 4: Proportionality and the Definition of Reporting Entities – “Learn & Earn”	17
Group 5: Integration with National Legislation and Certificates.....	19
Clarification questions and discussion	19
Concluding plenary reflection on common ground and possible landing zones	20
Official closure of the Dialogue	22
Annex 1: Agenda of the meetings	23
Annex 2: Presentation “Digital Sequence Information on Genetic Resources: the Multilateral Mechanism and the Cali Fund” by SCBD representatives.....	24
Annex 3: Presentation “Landscape of construction sites” by team members.....	36
Annex 4: Mapping and prioritising construction sites to different COP mandates	39
Annex 5: Solution pathways: Brainstorming construction sites and topics for group work.....	40
Annex 6: Group work: Solution pathways.....	41

¹ Disclaimer: This report was prepared for the use and benefit of the participants of the *Informal Negotiators’ Dialogue on the DSI Multilateral Mechanism and its Cali Fund* in Leuven, Belgium, 23rd to 25th September 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.

Short overview and outcomes

On behalf of the European Commission and the Government of Norway, the *Informal DSI Negotiators’ Dialogue on the DSI MLM and its Cali Fund* was organized by the *DSI Informal Dialogue Partnership*. The Dialogue was held at *Hotel Martin’s Klooster* in Leuven, Belgium, from 23rd to 25th September 2026.

The Dialogue brought together over twenty key negotiators from all global regions, as well as some recognized experts and members from UN secretariats to elaborate outstanding issues related to the DSI multilateral mechanism (MLM) and its Cali Fund in preparation for CBD COP17.

The objective was to provide an informal, friendly and safe space for the participants to discuss current developments in the international debate around the DSI multilateral benefit-sharing mechanism and its Cali Fund, as well as to identify any key remaining issues requiring attention at the upcoming CBD COP 17 meeting. To support open and constructive discussions, the Dialogue was limited to 35-40 participants, based on personal invitation and held in English under the Chatham House Rule.

Building on recent international discussions, participants had the opportunity to:

- review the status of negotiations and key issues currently under discussion,
- identify remaining challenges that may hinder the full operationalization of the DSI MLM and its Cali Fund,
- explore areas of convergence and remaining divergences in addressing these challenges,
- identify possible landing zones and practical solutions for outstanding negotiation issues at COP 17,
- support informal exchange and mutual understanding among negotiators from different regions and constituencies.

On the first day of the Dialogue (23rd September), attendees met with the participants of the preceding *Stake- and Rightsholders’ Exchange* to present key messages emerging from DSI users and IPLCs and to explore possible pathways towards consensus ahead of COP17. Participants discussed whether contributions should begin before the COP18 review, how far obligations should extend along value chains, possible bases for proportionate industry payments, the content and national recognition of certificates, the interface between the MLM and national ABS requirements, and how to balance legal provenance and transparency with research and open access. There was recurring support for **testing practical solutions during the intersessional period**, although views differed on whether testing should focus on existing modalities or also include alternative approaches.

The dialogue showed **substantial convergence on the need to move pragmatically towards implementation**, while important differences remain over the pace, parameters and safeguards. The solution pathways developed during the dialogue could provide possible ways to bridge these differences.

Moving from design to implementation: Participants were largely of the opinion that the MLM should not wait for a perfect system. A possible landing zone was to **maintain the core framework of Decision 16/2 while introducing a structured learning approach including bounded, temporary and supervised pilots/sandboxes**. This would allow the system to operate, generate practical evidence and feed lessons into the formal review process without creating a parallel mechanism.

Contributions, trust and incentives: A central divergence concerned whether **certainty should come before contributions or whether contributions need to start in order to build confidence**. The proposed **structured learning** approach addresses this by testing both “**money IN**” and “**money OUT**”: aggregators or companies could test contributions, while project-based pilots could demonstrate how funds are allocated and what impacts they generate. Interim recognition or certificates could provide incentives while avoiding premature use of the final certificate.

Allocation methodology: The AHTEG methodology was seen as sufficiently functional to work with, but not as final. The proposed pathway is therefore to **use the methodology while improving the evi-**

dence base, particularly data quality, transparency, assumptions, weighting and potential biases. Further technical work could be undertaken during the intersessional period, rather than delaying the entire mechanism.

Proportionate industry payments and reporting entities: The proposed solution is an “**earn and learn**” **approach**, combining self-assessment/disclosure with transparency and auditability. For multinational companies, the corporate group could provide the basis for applying thresholds, while the contribution base could reflect the relevant legal or functional entity. This aims to reconcile proportionality and meaningful contributions with simplicity and limited bureaucracy.

Certificates and national legislation: The proposed pathway seeks to address industry concerns about **double payments and obligation stacking** by developing a certificate that could be recognised by Parties as fulfilling or providing exemption from corresponding national obligations. This would require mapping national ABS systems and clarifying where certificates could be recognised, while preserving Parties’ national regulatory authority.

Governance and Steering Committee. The governance pathway focuses less on reopening the basic institutional structure and more on **clarifying roles, mandates, reporting lines, UN responsibilities and communication arrangements**. The suggested approach is essentially “**clarify → build trust → enable efficiency**”, allowing the Steering Committee to handle operational matters without repeatedly referring them back to COP.

NMBS and databases: These remain less mature solution areas. The emerging approach is to use the **intersessional period for further substantive work**, including examining databases, data accessibility and their potential role in NMBS and allocation/disbursement. NMBS could therefore become a stronger issue for COP18 rather than preventing COP17 from operationalising the core mechanism.

Overall solution pathway: The strongest emerging middle ground is therefore “**implement + test + review**”: COP17 secures the foundation and allows the system to start operating; clearly bounded pilots and sandboxes test unresolved elements; and the evidence generated feeds into the formal review and further adjustment towards COP18. This seeks to preserve the integrity of Decision 16/2 while providing enough flexibility to address the concerns that currently prevent full confidence in the system.

The closing reflections highlighted the **open, constructive and trust-building atmosphere** of the dialogue, which enabled candid discussion of difficult and unresolved issues. Participants valued the opportunity to **build relationships, deepen mutual understanding and learn from different perspectives** ahead of COP negotiations. The Dialogue was seen as a useful space for **collaboration, creativity and developing practical**, though not necessarily agreed **ways forward**. Participants were encouraged to take the lessons back to their constituencies while maintaining the spirit of openness and cooperation, with continued collaboration seen as essential to advancing the process.

Relay of user messages to key negotiators

During the afternoon of the second day of the preceding DSI Exchange among stake- and rightsholders -- who met from the 21st to the 22nd of September at the same venue (see separate. report) -- participants of the Negotiator’s Dialogue had the opportunity to meet with the participants of the Exchange and discuss key messages developed by the stake- and rightsholders for consideration by negotiators at their forthcoming Dialogue on outstanding issues related to the DSI multilateral mechanism (MLM) and its Cali Fund in preparation for CBD COP17 in October 2026.

Opening of the Relay

Representatives of the sponsors and the incoming COP Presidency welcomed the participants of the Stake- and Rightsholders Exchange and the Negotiators Dialogue.

Monika Henksey, Director for Green Diplomacy and Multilateralism, DG Environment, European Commission, highlighted the value of the informal dialogue process launched in March, particularly its role in creating space for mutual understanding and practical exchange among stakeholders and rightsholders. Against the backdrop of the growing biodiversity and climate crises, she stressed the need to move from the commitments of COP Decision 16/2 towards implementation and to maintain collective and continuous engagement. She supported a phased, learning-oriented approach to operationalising the MLM and Cali Fund, allowing experience to build confidence and helping address outstanding concerns, including governance arrangements. She emphasised that the discussions and concrete proposals emerging from the dialogue would be important for strengthening trust and informing the negotiations at COP17 in Yerevan.

Aram Meymaryan, Vice Minister of Environment, Armenia, described DSI as one of the critical issues for COP17 and welcomed the opportunity for stakeholders and negotiators to discuss outstanding issues and identify possible landing zones. He stressed that the Armenian COP Presidency would support meaningful participation of IPLCs, industry, academia and NGOs and promote action-oriented discussions. He identified implementation of the GBF, resource mobilisation, effective participation of IPLCs under Article 8(j), synergies among the Rio Conventions, and the operationalisation of the MLM and fair benefit-sharing as key Presidency priorities. In relation to DSI, he highlighted unresolved questions around the allocation of resources, thresholds, the definition and scope of DSI, direct and indirect use, and direct and indirect disbursement, including how resources can effectively reach IPLCs. He emphasised that finding solutions must start with listening to each other.

Ida Hellmark, Senior advisor at Norad, reaffirmed Norway’s commitment to operationalise the MLM and Cali Fund and thanked Armenia and the CBD Secretariat for their preparations and for making the relevant documentation available. She noted that many complex issues still need to be resolved within a limited timeframe before COP17. She therefore called for a constructive and solution-oriented dialogue in which participants listen carefully, seek common ground and work towards practical solutions. She stressed the importance of using the dialogue to maintain momentum and move from discussion towards implementation.

Technical Introduction

The facilitator of the event provided a brief overview about the agenda (see Annex 1) and reminded participants that the meeting was taking place under the Chatham House Rule². With a view to create a constructive atmosphere, several brief exercises provided the opportunity for participants to get to know who is in the room.

² When a meeting, or part thereof, is held under the Chatham House Rule, participants are free to use the information received, but neither the identity nor the affiliation of the speaker(s), nor that of any other participant, may be revealed.

Presentation of messages from stake- and rightsholders to negotiators

Industry 1

- The private sector is committed to conservation and sustainable use of **biodiversity** and supports a **workable multilateral solution**.
- **Ensure certainty** that the receipt of a **certificate** after contributing to the MLM ensures full compliance with obligations under national laws and other international instruments, to avoid stacking of obligations.
- Safeguard fair benefit sharing expectations that are **proportionate** to the actual **value** resulting from the direct use of publicly available DSI, based upon **objective assessment criteria**.
- Ensure clarity on scope and **key terms**.
- To enable advancing on these key items, with a focus on the development of objective assessment criteria, an **inclusive intersessional process** should be endorsed at COP17. Private sector stands ready to engage in this process.

Industry 2

- **Fairness:** Benefit-sharing from public DSI is narrow while benefit-sharing from nature is broader. **Criteria** should be drawn up by COP18 both **for allocation and contribution sides**, so that they are fair and proportionate to scope of the MLM and aligned with **closing the biodiversity finance gap**.
- **Certificate:** Significant contributions to the Cali Fund are **conditional on practical arrangements co-created in partnership** with the private sector following COP17, establishing the process to obtain **certificate, its legal recognition under national law, and clarity on its scope**.
- **Clarity:** A certificate requires **clarification of key terms** allowing users to establish their license to operate under the MLM, unless DSI equals "nature" which would attain legal certainty without defining e.g. DSI.
- **Governance:** Attracting and managing e.g. contributions and certificates under the MLM needs a **governance system** that is stable in the long term, engenders mutual trust, is inclusive of all rights- and stakeholders, is effective, efficient and generates **more benefits than costs**, across 196 CBD Parties and possibly encompassing 20,000+ companies.
- **Intersessional:** Leading up to COP18, we need **innovative partnerships** which can be co-created with Parties, private sector, IPLCs and others to **generate evidence** through a process that is inclusive, structured, outcome-driven and time-bound.

Industry 3

- Understand concerns around **MoU** but should **not dominate the agenda** as there are many other important issues to resolve.
- Continue to ensure input from all rightsholders and stakeholders in **informal and formal process**.
- Clarify that the interpretation of "use" and "indirect use" only imposes obligations on companies that **use publicly available DSI directly** in their R&D, and not on those that only incorporate products /ingredients/services that were developed using publicly available DSI.
- Ensure that contribution assessment methodologies proportionally reflect **actual use of and value created** from publicly available DSI through clarification at COP17 or a process between COP17-18.
- To **broaden the contributor base**, clarify that the indicative list of sectors is not seen as exhaustive list.

Mixed stakeholders

- Enable **time-bound flexibility** to test various aspects of the MLM for learning purposes in collaboration with the Steering Committee.

- Explore practical ways and means of enhancing **mutual supportiveness** and adaptation between ABS instruments to streamline processes and avoid stacking of obligations.
- Explain the notion of "**indicative rate**" learning from the evidence in the SCBD's study on contribution rates and competitiveness impacts.

IPLC/CSO

- Strengthen **role of certificates** from Cali Fund as incentive to contribute to the fund.
- Strengthen research ethics by requiring all uploaders of DSI to **provide information on legal provenance**.
 - Legal certainty applies both to providers and users of DSI.
- Increase impact of funding by prioritizing support for **direct access by biodiversity stewards**, in accordance with 8j, 10c and other provisions.
- Broaden the base for multilateral benefit-sharing by implementing **Article 10 of the Nagoya Protocol**.
- Develop additional modalities for sharing of non-monetary benefits arising from the use of DSI.

Discussion of messages

Timing: Participants discussed whether contributions should wait until the COP 18 review or start earlier. A possible middle ground was seen in enabling **significant initial contributions before COP18 while continuing to refine the system**.

Scope of DSI use: Questions remain about **direct versus indirect use**, particularly how far obligations should extend down value chains and whether downstream uses of DSI-based tools should trigger contributions.

Proportionality: There was broad support for proportionality, but differing views on its basis. Options discussed included **company size, sectors, products or the value/benefits derived from DSI**. Product-based approaches were seen by some as potentially useful, but concerns were raised about complexity and administrative burden.

Certificates and legal certainty: Certificates were seen as potentially important for **legal certainty and trust**, including for smaller contributors. Key unresolved questions concern their content, recognition by Parties, and interaction with national ABS requirements.

MLM–national interface: Participants stressed the need for clarity on how **MLM contributions, certificates and national ABS obligations** would interact, and cautioned against creating overlapping or cumulative requirements.

Traceability and databases: There was support for establishing **legal provenance and greater transparency on DSI use**, but concerns that extensive track-and-trace requirements could hinder research and continued open access to databases.

Research and IPLC perspectives: Participants stressed both the importance of **protecting research and open access** and recognising IPLC contributions, legal provenance and non-monetary benefit-sharing.

Way forward: A recurring message was to **start testing practical solutions rather than wait for a perfect system**, potentially through sandbox approaches, while using the intersessional period to build trust and refine the mechanism ahead of COP18.

Positioning exercise on concrete suggestions how a specific critical issue could be resolved

Standing in a circle, participants were invited to make brief suggestions how a critical issue could be resolved. In reaction to each suggestion, other participants moved further into or away from the centre depending on how much they agreed or disagreed with the suggestion. Facilitators then asked a few participants about the rationale for where they stand. The resulting exchange can be summarised as follows:

Prioritising IPLCs: Broad support for prioritising initial Cali Fund resources for IPLCs, with some reservations around direct access, national circumstances and administrative feasibility.

Further dialogue on data governance: Views ranged from seeing sufficient work already done to supporting further stakeholder exchange. Several stressed the need for inclusive participation and practical engagement on CARE/FAIR principles.

Contribution formula/proportionality: Strong interest in further work on proportionality and/or a contribution formula, though some questioned whether a new formula is feasible or desirable at this stage and stressed the need to build on the agreed indicative rates.

Informal exchange before COP17: Generally seen as useful for building understanding and trust, but concerns were raised about timing, resources and ensuring inclusive participation.

Safe space for testing modalities: Broad support for enabling practical testing and learning. Differences centred on whether existing modalities should first be implemented as agreed or whether new/alternative approaches should also be tested in parallel.

Incentives for bio-based businesses: Broad recognition that the mechanism should avoid discouraging biodiversity-based innovation and, where possible, create incentives for sustainable bio-based business. Questions remained about how incentives should interact with obligations and national measures. DSI benefit sharing arrangements might not be the best policy tool to encourage bioeconomy growth.

FAIR/CARE-compliant data use: Support for encouraging database managers and researchers to respect relevant principles and national ABS requirements, alongside recognition that practices vary and practical incentive mechanisms remain unclear.

Indirect/secondary users: Broad concern that contributions should not unintentionally discourage uptake of bio-based products by final product manufacturers. Discussion focused on avoiding duplicate contributions while clarifying when downstream or secondary users would trigger obligations.

Reflection and concluding remarks

Value of dialogue: Participants welcomed the opportunity to hear diverse perspectives and stressed the importance of continued exchange among Parties, stakeholders and rightsholders. The positioning exercise was seen as particularly useful.

Urgency and funding: IPLC perspectives highlighted the urgent biodiversity challenges faced in their territories and the need to mobilise funding. At the same time, several participants stressed that greater clarity on scope, definitions, proportionality and expected contributions is needed to get contributions flowing.

Industry engagement: Participants valued industry input and suggested stronger involvement of industry representatives in future (negotiator) dialogues and the intersessional process.

Broadening the perspective: Concerns were raised that the discussion could become too industry-focused. Public research infrastructure, non-commercial researchers, civil society and local research make important contributions to the availability and use of DSI and should also be recognised, including in relation to non-monetary benefit-sharing.

Proportionality and implementation: Further work is needed to unpack and test the concept of proportionality, including beyond products, and on practical approaches to implementation. One view was that bringing some contributors into the system with greater clarity may be more effective than attempting to define everyone as being in scope from the outset.

Bioeconomy: The importance of the bioeconomy was emphasised, alongside the need to ensure that the emerging system does not create unintended disincentives for its development.

Mutual understanding: Negotiators stressed the value of listening to stakeholders and rightsholders, while also noting that dialogue needs to work in both directions. The discussions reinforced the importance of understanding the different interests and dependencies among Parties, industry, researchers, civil society and IPLCs.

Overall message: The Relay discussions were viewed as a useful opportunity to build mutual understanding and trust, while identifying concrete areas where further clarification and practical work are needed.

Closing of the Relay

Mery Chiacci, EU Commission, highlighted that the discussions were an **inspiring and valuable experience**, particularly for the intersessional period urging all to **listen to each other, to recognise the urgency, and to accept that there may be no perfect solution** given the many open questions. She encouraged participants to **follow up with Parties** on issues requiring further discussion and expressed her hope that the stake- and rightsholder messages will support **constructive negotiations in the coming days**.

Opening of the DSI Dialogue

Technical Introduction

The facilitator of the event provided a brief overview about the agenda (see Annex 1) and reminded participants that the meeting is taking place under the Chatham House Rule³. With a view to create a trustful, constructive atmosphere, several brief exercises provided the opportunity for participants to get to know who is in the room.

Reflection of the Relay

Central question: “Where is the money?” The discussion highlighted a fundamental stalemate: industry seeks greater **legal certainty in exchange for contributions**, while others argue that contributions should begin now and certainty will develop through implementation.

Risk and trust are central. Companies are concerned about liability and obligations without sufficient certainty; Parties are concerned about contributions without adequate benefit sharing. Both sides need to reduce perceived risks and build trust.

Proportionality remains unresolved. Participants questioned whether the contribution level adequately reflects **the extent and role of DSI use in value creation**, noting differences across sectors, entities, products and services. A one-size-fits-all approach may need refinement.

Contribution methodology needs further consideration. Ideas included sector-based approaches, value-based adjustments, self-assessment with random audits, and revisiting contribution rates/formulas while retaining the existing structure.

Products, services and certificates require clarification. Questions remain around whether certificates should apply per product, entity or sector, and how to address DSI-based services.

Obligation stacking remains a concern. Although concrete overlapping international obligations have not yet materialised in other fora, companies remain concerned about the potential interaction between the MLM, national ABS systems and emerging mechanisms elsewhere.

Money IN and Money OUT should both be tested. Participants stressed that testing should cover not only contributions to the Cali Fund but also **how funds are allocated and disbursed**, including concerns about transaction costs and administrative burden.

Need to move from testing to implementation. Views differed on whether pilots/sandboxes and theoretical testing are needed or whether the system should now be tested through real-life implementation. There was broad recognition that **the system needs to start operating in order to identify what actually needs improvement**.

Administrative efficiency is important. Automation, particularly for certificates and verification, may be needed to avoid excessive burdens on the Secretariat and participating companies.

Overall message: There is willingness to make the system work, but the current **trust/certainty–contribution deadlock needs to be broken**. COP17 could focus on fine-tuning the existing structure while gaining practical experience with implementation.

³ When a meeting, or part thereof, is held under the Chatham House Rule, participants are free to use the information received, but neither the identity nor the affiliation of the speaker(s), nor that of any other participant, may be revealed.

Update on the formal process by the SCBD

The SCBD representatives recalled the Geneva Principles and Decision 16/2, including the Cali Fund’s governance structure, distinction between **contributors and donors**, fund flows to developing countries and IPLCs, and the role/work of the Steering Committee (SC).

They stressed that the Cali Fund is **unique as a fund relying entirely on private-sector contributions**, with no directly comparable model. The governance structure will need to evolve as the Fund grows. The SCBD acknowledged lessons learned and welcomed feedback to improve implementation.

The MoU follows a **standard UN template governed by the Secretary-General’s Office**. A Cali Fund Task Force developed a specific **Letter of Intent for contributors**. The MoU also retains an option for **seed funding from donors/philanthropies/banks**, supported through a separate SAA arrangement.

SCBD noted that the number of elements required by Decision 16/2 was complex and unprecedented and that some **misunderstandings resulted from insufficient information-sharing**, with retrospect. The SCBD emphasised that operationalization has been undertaken in good faith and that further learning and adaptation will be necessary.

Post-SBI 7 / COP17 work: Key outstanding issues include **contribution rates and identification of SML entities, allocation methodology, data accountability, review methodology, and modalities**. An online session on the review methodology is planned for **7 October**.

Draft COP17 decision: Main elements include:

- reaffirming **contribution rates**;
- applying **national standards for SME classification**;
- adopting the **allocation methodology**, including interim allocations for IPLCs;
- considering the **SC report and its recommendations**;
- encouraging Parties to **recognise certificates as compliance with national law**;
- supporting a more structured **pilot/sandbox approach** during the intersessional period;
- considering **IPLC allocation and disbursement pathways**, including direct allocation options;
- requesting a study on **gaps and needs for non-monetary benefit-sharing (NMBS)**;
- strengthening the Secretariat and enabling continued **in-person SC meetings**, reflected in the proposed budget;
- further work on the certificate of compliance and on the **stability of monetary benefit-sharing**.

Overall message: The SCBD framed the Cali Fund as a **complex and unprecedented institutional experiment**, where implementation must remain agile and evolve through practical experience, pilots and stakeholder feedback. For the SCBD presentation see Annex 2.

Update on the informal process by the DSI Informal Dialogue Partnership

Organising team members recalled that following Cali, the informal process gained momentum in early 2026, starting with a stocktaking webinar, followed by the **Leuven I dialogue**, global and regional webinars, side events and in-person meetings. The activities aim to broaden participation, build shared understanding and identify practical areas for further work.

- **Leuven I:** Helped **identify the main “construction sites”** for operationalising the MLM/Cali Fund and introduced the idea of a **“run and review”** approach.
- **Utrecht:** Brought **industry and IPLCs** together to explore common ground and differences. IPLCs emphasised **direct access**, while industry highlighted **proportionality** and practical ways forward.
- **Global and regional discussions:** Webinars explored key terminology, databases, NBSAPs and other operational issues. Regional meetings helped develop perspectives in **Africa and GRU-LAC**, with **Asia-Pacific** engagement also underway.

- **SBI 7 side events:** Discussions focused on operationalisation, including how available data (e.g. NBSAPs and information on IPLCs) could be used and aligned with stakeholder needs. Additional issues such as **databases and proportionality** emerged from the informal process.

Participation has steadily increased and became more diverse. Active chat discussions and increasingly sophisticated exchanges indicate **growing awareness and interest in the practical implementation challenges**. Further work will examine **databases and their role in NMBS and allocation/disbursement**, as well as how countries reflect DSI and IPLC stewardship in their NBSAPs and GBF implementation.

The range of activities is intended to **spread knowledge, surface different perspectives and provide a practical evidence base for identifying what should be taken forward towards COP 17**.

Mapping and prioritising construction sites to different COP mandates

As a reference for the further discussions the organising team presented a “**landscape of construction sites**” grouping the outstanding issues into key thematic clusters, based on the mandates from **Decision 16/2, SBI 7/4 and the COP 17 agenda** (for the presentation see Annex 3).

The mapping identifies **all construction sites as having a place in the COP process**, covering:

- **Contributing to the Fund:** triggers and contribution rates, additional modalities, certificates, national measures and mutual supportiveness with other frameworks.
- **Equitable benefit-sharing:** allocation/disbursement and non-monetary benefit-sharing (NMBS).
- **Data:** databases, accessibility and related data needs.
- **Run and review:** phased operationalisation and an effectiveness-review methodology.

The presenter concluded that **COP 17 could launch the operational phase** – i.e. take decisions that can be **implemented immediately** – while establishing a structured **test-and-review process** – i.e. agree **what needs to be worked on during the intersessional period**, including testing, review and preparation for COP 18/19.

The subsequent **plenary and focused panel sessions** offered participants the opportunity to comment on the presented constructions sites and to identify priorities suggesting when and how they should be addressed.

Overall approach: Broad support for implementing the COP16 framework now rather than waiting for a perfect system. The MLM should be **operationalised as a functional, minimalistic system**, with elements adapted as experience and evidence accumulate toward COP18.

Allocation methodology: The AHTEG formula is considered **functional but not final**; data gaps/placeholders require intersessional work. COP17 needs to address the outstanding options under **Criterion C**, while further evidence could be developed before COP18. An IPBES rapid assessment of the robustness of the methodology was suggested.

Triggers, rates and contributions: COP17 is seen as needing to **settle contribution rates/indicative rates and clarify what “indicative” means**, so that contributions can start flowing. Several participants stressed that Parties also need to put in place **national incentives/measures to encourage companies to contribute**.

Certificates and legal certainty: The **certificate of compliance** emerged as a major priority for the intersessional period, particularly to address **double payments, stacking of obligations and legal certainty**. Industry should clarify what it needs from a model certificate, while Parties should clarify what they can realistically recognise nationally.

National legislation and proportionality: Participants stressed that the relationship between the MLM and **national legislation, proportionality and definitions such as “entity” and “indirect use”** remains unresolved. Some cautioned against trying to define everything globally where national circumstances determine application.

NMBS: Non-monetary benefit-sharing remains an important unresolved construction site. Views differed on timing, but several participants suggested that more substantive work should take place during the intersessional period, with NMBS potentially becoming a stronger COP18 issue.

Databases and transparency: Governance of public databases, transparency, accountability and **CARE principles** were highlighted as important for building trust, particularly for IPLCs and data users.

Intersessional process: There was strong interest in a process that is **inclusive, transparent, interactive and cost-effective**, but uncertainty over whether an OEWG is the right vehicle given its cost and “mini-COP” character. Alternatives suggested included regional consultations, online dialogues, expert/stakeholder workshops and empowering the Steering Committee to undertake specific work.

Role of the Steering Committee: Several participants called for a **clearer COP17 mandate for the SC**, while recognising that the SC can continue operational work between COPs. The aim is to avoid slowing implementation by referring every issue back to COP.

Capacity-building: Significant differences in understanding and capacity across countries remain. The **Regional Technical Support Centres, CB/CD and clearer communication for DSI users** were seen as necessary to enable effective participation.

Trust and sequencing: A recurring message was that **contributions, allocation/disbursement, certificates and national measures are interlinked**. Some participants stressed that Parties need to “prime the pump” and demonstrate that the system works, while others emphasised that companies need sufficient certainty before contributing.

COP17 vs COP18: Considering the “**two jobs of a COP**” – i.e. decisions for operationalisation coming into direct effect and decisions establishing further process during the intersessional period to prepare for next COP – the emerging distinction was that **COP17 should secure the foundation and enable the system to operate**, while the intersessional period should generate evidence and practical experience, allowing **COP18 to review and adjust** the mechanism, including NMBS and additional modalities.

The results of a visualisation exercise are presented in Annex 4.

Possible COP17 solution pathways and landing zone scenarios

Building on discussions so far, participants were tasked to develop possible solution pathways and landing zones for prioritised constriction sites on self-identified topics during a short brainstorming exercise (for the result see Annex 5). The following groups were formed:

- 1) Allocation methodology – incentives
- 2) Governance and Steering Committee accountability
- 3) Sandbox framework and resource mobilization
- 4) Proportionality and the definition of reporting entities
- 5) Integration with national legislation and certificates

Each group presentation of a potential solution pathway addressing the specific topic was followed by a short round of clarification questions. The presentations can be summarised as follows:

Group 1: Allocation methodology - incentives

The group’s discussion focused on **fairness, transparency and the technical robustness of the proposed allocation criteria**. A key message was that Parties first need to understand the methodology, data sources, gaps and biases before they can meaningfully assess or negotiate the allocation approach.

Proposed allocation framework: The group understood proposed allocation methodology as comprised of an **Equality base (E.B.)** – approximately **50% of the funding** allocated on an equal basis and the remaining allocation based on four criteria:

- **A – Species richness**
- **B – DSI count** in databases
- **C – Economic capacity**
- **D – Traditional Knowledge (TK)** indicators.

The group noted that terminology and documentation need to be clarified, in particular because different uses of “B” appear in the documentation.

Fairness and transparency: **Fairness** was considered the overarching principle. **Transparency** was identified as essential, particularly regarding:

- the underlying data;
- the methodologies used to construct the indicators;
- assumptions and weighting;
- how different criteria affect the distribution of funds.

The group stressed that **all criteria contain potential biases**, and these need to be explicitly recognised and assessed.

Main concerns with the criteria:

A – Species richness: Existing methodologies may favour countries where biodiversity information is already relatively abundant. The evidence base and underlying expert assessments need to be more transparent.

B – DSI count: Major data and methodological gaps remain. Simply counting sequences in databases may create incentives to sequence and upload more DSI, without necessarily reflecting the quality, representativeness or significance of the data.

C – Economic capacity: Different approaches produce different distributional consequences. The group discussed **inverted Gross National Income (GNI)** versus a **banded inverted UN Scale of Assessments**. The latter could give greater weight to least developed and developing countries, while other approaches may favour middle-income countries.

D – TK: TK indicators are available through the GBF monitoring framework, but important gaps remain, particularly concerning **linguistic diversity** and the broader measurement of biocultural diversity.

The group discussed a possible future **Biodiversity Stewardship Index**, combining **A + B + D**. Such an index could potentially address some of the gaps in the current criteria, complement the economic-capacity criterion, and provide a broader picture of biodiversity stewardship rather than relying on individual indicators.

However, the methodology is not yet sufficiently developed to resolve the current allocation questions.

Capacity and further work: A major concern was the **capacity gap among negotiators**. The allocation methodology is highly technical. Parties need to be able to understand its implications before taking positions.

Several questions, therefore, remain open:

- **Who** should undertake the additional technical work?
- **When** should it be completed, particularly in relation to COP?
- **How much** would the additional work cost?
- **Who would finance it?**
- Could **IPBES** undertake a rapid assessment of some of the methodological questions?

Overall message

The group's discussion was less about choosing a particular allocation formula and more about **understanding the proposed system and identifying its weaknesses before decisions are taken**. The key requirements emerging from the discussion were:

Fairness → Transparency → Better data → Explicit treatment of biases → Adequate technical capacity → Further methodological work.

The group also emphasised that the discussion was constructive -- while Parties may ultimately have different interests regarding the allocation formula, there was substantial common ground around the need for **greater transparency, understanding of the evidence base, and clarification of methodological gaps and biases**.

Key outstanding questions: Who? When? How much?

Group 2: Governance and Steering Committee Accountability

The group focused on **clarifying the governance, mandate, composition and working arrangements of the Steering Committee (SC) of the Cali Fund**, with the overarching objective of strengthening **transparency, trust and efficiency**.

Role of COP and relationship with the Steering Committee: Clarify the relationship between the **MLM Steering Committee and the Cali Fund Steering Committee**, including their respective roles and **how the SC reports to COP**.

A strong view was that COP should **build sufficient trust in the SC so that it does not reopen governance issues at every COP**. This requires greater clarity and transparency rather than repeated political reconsideration.

Legal and institutional documents: The group identified a need to clarify the relationship and consistency between the Memorandum of Understanding (MoU), Terms of Reference (ToR), Standard Administrative Arrangement (SAA) and the Letter of Intent (LoI)

The key question is how these documents accommodate **Decision 16/2** and whether any discrepancies need to be addressed and solved at COP17 or be clarified at COP18.

SC tasks and expertise: The SC's tasks should be **clearly listed and made transparent**. A distinction should be made between:

- a **start-up phase**, requiring intensive and potentially specialised expertise; and
- the **routine operational phase**, covering contributions, allocation/disbursement and reporting.
- Different expertise may be required in the two phases, including fund-management expertise, financial/administrative expertise, and technical expertise for assessing contributions and related processes.

The group also highlighted the need to clarify **confidentiality requirements**, particularly concerning information provided by contributors.

Clearer mandate and consultation of regions: A **clearer SC mandate** could help strengthen trust and enable the SC to operate more efficiently. At the same time, mechanisms are needed to ensure **effective consultation with regional groups**. Efficiency will become particularly important once contributions and disbursements increase, as it will not be practical to refer operational matters back to COP every two years.

SC composition and nominations: The group acknowledged difficulties with the initial nomination process. Going forward, nominations should follow the **established rules of procedure**, with regional nominations transmitted through the Bureau. This should strengthen the confidence of regional groups that SC members genuinely represent their regions.

Co-chairs and UN role: The current arrangement involving the Executive Secretary as a co-chair was discussed. One option considered was a **Global South + Global North co-chair arrangement**, consistent with established procedures.

At the same time, the group recognised that, because the Cali Fund is administered within the UN system, there are certain **financial and fiduciary matters where the UN must retain a formal decision-making role**. The group suggested identifying these **minimum UN requirements** very precisely. One possible solution discussed was three co-chairs, with a UN representative having a defined role specifically for matters falling within the UN's mandatory responsibilities.

Reporting, accountability and impact: Three dimensions of reporting were distinguished:

- **Impact reporting**, particularly important for contributors;
- **Accountability/financial reporting**, including the requirements associated with MPTF Office oversight; and
- **SC reporting to COP**.

The group emphasised the importance of identifying **minimum necessary reporting and auditing requirements**, avoiding unnecessarily burdensome procedures for countries receiving or implementing Cali Fund support.

Communication and transparency: The group viewed communication as a key instrument for building trust:

- stronger intersessional communication;
- more systematic communication with contributors;
- dedicated communication with regional groups, potentially through mailing lists;
- more frequent webinars or SC briefings;
- continued efforts to improve information and awareness among the **broader public**.

Overall message

The discussion pointed to a “**clarify → build trust → enable efficiency**” approach. Rather than reopening the fundamental governance arrangements repeatedly, the priority would be to clarify the legal basis, tasks, mandate, composition, UN responsibilities, reporting requirements and communication channels of the SC. This should provide the **trust and operational space needed for the Steering Committee to function effectively**, particularly as the Cali Fund moves from its start-up phase into routine operations.

Group 3: Sandbox Framework and Resource Mobilization

The group explored possible elements of a **sandbox to test practical aspects of the Cali Fund/DSI multilateral mechanism**, with some initial differences in views but broad convergence on the overall objectives.

Why a sandbox?

- Address the immediate challenge of **insufficient money flowing into the Cali Fund**.
- Capture opportunities where companies are willing to contribute, including through **aggregators** (e.g. industry associations or coalitions).
- **Increase participation**, build **trust in the system**, and get the mechanism moving.
- Build trust among **all stakeholders**—contributors, Parties, IPLCs and beneficiaries.
- Test whether the system is **administratively workable, sustainable and scalable**.

Testing “money in”: Test whether aggregators can mobilise contributions/donations and channel them into the Fund. Keep open whether these payments should be treated as **formal contributions or donations**, since the applicable rates/conditions may not yet be sufficiently clear. The sandbox should nevertheless test the practical functioning of the **money-in process**.

Incentives and certificates: Certificates were seen as an important potential incentive for companies, but using the final certificate before the system is fully established could **create precedents or lower the benchmark** for future contributions. The group therefore considered an “**interim**” certificate or alternative forms of recognition.

Other incentives could include **logos, sponsorship/recognition, visibility and public acknowledgment** of contributors. A certificate of recognition could acknowledge contributions without necessarily implying that all other benefit-sharing obligations have been fulfilled.

Testing “money out”: The sandbox should also test the **allocation methodology**, how money is distributed and whether the allocation can generate measurable impacts. A **project-based pilot approach** was proposed, including projects involving countries and IPLCs. Demonstrating tangible biodiversity and other intended impacts could in turn **strengthen confidence and encourage further contributions**.

“Big nut” / breakthrough contribution: The group discussed more unconventional ways to stimulate early contributions, including targeting a **large industry player or multinational** whose participation could demonstrate that the mechanism is workable and encourage others to follow. Pharma and other large multinationals were mentioned as potential examples.

One idea was to provide special recognition/prizes for the **first major contributors**, potentially linked to reaching an initial funding threshold.

Communications and visibility: A **media/communications component** could amplify early contributions and recognise participating companies. Creative approaches—including social-media amplification and public recognition—were discussed as possible ways of generating momentum.

Broader issue: obligation vs. incentive

- The discussion also raised a more fundamental point: while participation in the **multilateral mechanism may be described as voluntary**, the underlying **benefit-sharing obligation was viewed by some participants as an obligation under the COP decision**, rather than simply a voluntary corporate initiative.
- The language around Parties being “invited” to take national measures may therefore warrant reconsideration, as it could give the impression that benefit-sharing itself is optional. A stronger framing could emphasise that Parties need to create the **regulatory environment enabling the obligation to be fulfilled**, rather than relying solely on incentives. Some participants even raised the possibility of stronger legally binding arrangements if resource mobilisation remains insufficient.

Overall takeaway

The sandbox was envisaged as a **practical, learning-by-doing space** combining:

Money IN → incentives/recognition → Money OUT → allocation & project impacts → trust → increased participation → potential scaling.

The central idea was to test the mechanism **without prematurely locking in unresolved elements**, particularly the legal status of contributions, the final certificate, incentive structures and allocation arrangements.

Group 4: Proportionality and the Definition of Reporting Entities – “Learn & Earn”

The group focused on **how to operationalise proportionality in contributions to the Cali Fund**, with particular attention to the definition of the relevant “**entity**”, thresholds, disclosure and auditability.

Proportionality should reflect actual DSI-related business exposure: Companies differ greatly in the extent to which their activities depend on or use DSI. A **self-disclosure/self-assessment approach** was seen as a possible way to determine the relevant proportion, i.e. which entity of a corporate group or

an individual company would use DSI. However, self-assessment needs to be **transparent and auditable**, with tools to assess whether the claimed proportion is credible. The underlying objective is to balance **fair contributions** with a **simple, voluntary mechanism**.

Thresholds and contribution rates: Thresholds should be designed to **capture large multinationals**, corporate groups or individual companies, rates may be applied to smaller functional units under their respective roofs.

- The term *entity* is currently too broad/ambiguous, particularly for multinational corporations with multiple subsidiaries. A preferred approach discussed was to apply **thresholds** at the **corporate-group level** where a corporate group exists, or at the **individual company level** where it does not.
- Within a corporate group, the **contribution base** could nevertheless correspond to the financials of a relevant **legal entity/subsidiary** or, potentially, a **functional entity/business unit**. This would help avoid companies structuring their operations across multiple entities to remain below thresholds.

Considering the relationship between thresholds, indicative contribution rates and the relevant contribution base it was suggested to potentially reconsider whether the term *indicative rates* should remain.

“Direct” vs. “indirect” use: The group cautioned against relying too heavily on distinctions between **direct and indirect use of DSI**. Such distinctions could become difficult to apply and create incentives for companies to argue that DSI use was only marginal or indirect. However, companies downstream in the value chain that do not conduct DSI-based R&D themselves, and instead buy DSI based products as inputs in manufacturing their final goods (a possible view on indirect use) should not be obliged to pay into the Cali fund as this would be a possible stacking of payments

One possible approach discussed was instead to consider both direct and indirect use within an overall assessment of the **proportion of value/profits attributable to the use of genetic information/DSI**.

Disclosure and “earn & learn”: A central idea was that companies should not only **contribute (“earn”)** but also **explain (“learn”)** how they determine their contribution. A disclosure framework could therefore provide information on:

- the entity/corporate group concerned;
- the extent and nature of DSI use;
- the methodology used to determine proportionality; and
- the resulting contribution.

This could create a **learning process**, allowing the system to improve over time while building transparency and trust.

Choices facing COP 17: The group identified four broad approaches that could emerge in the negotiations:

1. **Defer the issue** and leave entity/proportionality unresolved;
2. adopt a **product-based approach**;
3. adopt an **entity-based approach**; or
4. use a **case-by-case approach**, which was considered likely to create substantial bureaucracy and complexity.

The group's discussion pointed towards the need to **lay the groundwork at COP 17 for a clearer system to be considered by COP 18**, rather than postponing the issue indefinitely.

Key message: **Proportionality should be based on a transparent, auditable and relatively simple disclosure system, applied at the corporate-group level for multinational companies, while allowing the contribution base to reflect relevant legal or functional entities.**

The overarching principle was to reconcile **fairness and meaningful contributions** with **simplicity, legal clarity and limited bureaucracy**, while using disclosure as a mechanism for both accountability and “*earn & learn.*”

Group 5: Integration with National Legislation and Certificates

The group focused on **how the certificate could provide legal certainty for DSI users while defining the relationship between the Cali Fund and national ABS benefit-sharing systems.**

Main points:

Avoiding double obligations and payments: Private-sector DSI users emphasised the need to avoid *double stacking* of obligations and duplicate payments. A certificate could provide assurance that a contribution to the Cali Fund is recognised in the relevant national context.

Two possible routes for DSI users: Where national ABS benefit-sharing legislation exists, a private-sector DSI user could potentially:

1. **contribute to the Cali Fund**, with the contribution documented through a certificate; or
2. **comply with the applicable national/bilateral ABS system**, where the Party does not recognise the Cali Fund certificate.

Mapping national systems: A mapping of Parties’ national ABS legislation and registration systems would be needed to establish **where national requirements apply and whether certificates are recognised.**

Certificate as a basis for recognition: If a Party recognises the certificate, a contribution to the Cali Fund could serve as the basis for **exemption from, or fulfilment of, the corresponding national benefit-sharing obligation**, thereby avoiding duplicate payments.

Important reciprocity principle: If a Party chooses not to recognise the certificate and instead requires users to follow its bilateral/national ABS approach, that Party would not be entitled to receive allocations from the Cali Fund. This creates a potential reciprocal relationship:

Recognition of the certificate ↔ eligibility to benefit from the Cali Fund.

- **Role of the MPTFO:** Contributions would be channelled through the **UN Multi-Partner Trust Fund Office (MPTFO)**, with the certificate linked to the recorded contribution.
- **National sovereignty remains:** Parties would retain the ability to determine through their national legislation whether and how they recognise the certificate. The proposed approach would therefore need to balance **national regulatory authority with incentives for participation in the multilateral mechanism.**
- **Status of the proposal:** The model was presented as an **idea for further discussion after COP17.**

This **reciprocity between recognition of the certificate and eligibility for Cali Fund benefits** is a central additional element of the group’s proposal.

Clarification questions and discussion

The clarification discussion focused primarily on the **interaction between thresholds for large companies, direct/indirect use of DSI, and acquisitions of SMEs/start-ups.**

- **Acquisition of DSI-based SMEs by large companies:** A question was raised about business models in which an SME or researcher uses DSI to develop an engineered microorganism, patents the innovation, and is subsequently acquired by a multinational company. The concern was that the acquiring company could fall above the proposed turnover/profit threshold for

contributions, but would be exempted because it no longer used DSI directly, instead using the resulting microorganism.

- **Compatibility of thresholds and indirect use:** This raised a broader question about whether **company-size/turnover thresholds and the distinction between direct and indirect use** can work together. If indirect use is included, a large company might have a contribution obligation even where its current activities no longer involve direct use of DSI. If only direct use is considered, potentially relevant uses further along the value chain could fall outside the mechanism.
- **Definition of “use” and obligation stacking:** Participants noted that retaining indirect use would require greater clarity on what constitutes “**use of DSI**”, and could create risks of **multiple contribution obligations along the value chain**. A possible solution would therefore need to avoid duplication or “obligation stacking” where several entities are linked through the same innovation or product.
- **SMEs and acquisition dynamics:** The discussion also highlighted a potential gap for start-ups and SMEs. While they may initially remain below a contribution threshold, acquisition by a larger corporate group could change their status. Participants questioned how the framework should treat such transitions, particularly where the acquired company continues R&D activities involving DSI.
- **Continuing R&D after acquisition:** Different views were expressed on whether an acquired company would cease using DSI once its innovation had been transferred to a multinational. One view was that the resulting product might be used without further DSI use; another stressed that acquisitions of biotechnology start-ups typically occur before development is complete and that **further R&D and DSI-related work may therefore continue**.
- **“Earn and learn” approach:** A further clarification concerned the idea that companies would make contributions based on a **self-defined reference entity**, while also explaining the basis for that definition. These explanations could be collected and analysed by the Secretariat, creating a body of practical knowledge about how companies interpret and apply the criteria. The approach was characterised as “**earn and learn**”: contributions would be accompanied by structured information that helps build understanding and improve the system over time.
- **Overall unresolved issue:** The discussion underscored the need to reconcile **thresholds, definitions of DSI use, acquisitions and corporate-group structures, and safeguards against multiple obligations** without creating loopholes or disproportionate compliance burdens.

Concluding plenary reflection on common ground and possible landing zones

Concluding plenary reflection – common ground and possible landing zones

The concluding discussion suggested **broad convergence on the need for a pragmatic, iterative approach**, while significant differences remain on how much flexibility can be introduced without reopening or undermining Decision 16/2. Several possible areas of common ground emerged:

- **Clarify terminology and interpretation early.** Participants stressed that terms and concepts can be understood differently across languages, legal systems and stakeholder groups. Greater clarity early in the negotiation process could reduce misunderstandings, particularly for Parties with smaller delegations. Real-world implementation and pilots were seen as opportunities to refine definitions and terms.
- **Recognise that every solution involves trade-offs.** Proposed solutions to outstanding issues may create new questions elsewhere. The challenge for negotiators is therefore not necessarily to find a perfect solution, but to identify which shortcomings and trade-offs can be accommodated while maintaining the overall integrity of the mechanism.

- **Build trust and evidence through testing.** There was considerable interest in sandboxing, piloting or a structured, step-by-step approach as a means of generating practical evidence, testing the functioning of the mechanism and building confidence among stakeholders. At the same time, participants differed on whether changing contribution rates would constitute a genuine test of the MLM or would effectively test a different system.
- **Keep testing within the agreed framework.** A possible landing zone was to conduct testing **without prejudice to Decision 16/2**, with any temporary or exceptional arrangements clearly defined and safeguards established from the outset. The sandbox could then feed evidence into the agreed review process rather than constitute a parallel system.
- **Legal certainty and clarity are central incentives for private-sector participation.** Participants repeatedly highlighted the importance of clear rules, certificates and assurance that contributions provide legal certainty. Reputation was discussed as a possible additional incentive, but views differed on whether being an early contributor would generate reputational benefits or, conversely, expose companies to a first-mover disadvantage.
- **Contribution rates and the contribution base should be considered separately.** There was discussion about whether testing should focus on lower rates, the contribution base, or other parameters of the system. Some participants stressed that any assessment of rates would need clear criteria and evidence, while others emphasised that companies may be more responsive to certainty and predictability than to reduced rates themselves.
- **The review process provides room for learning and adaptation.** Participants noted that Decision 16/2 already envisages continued review and refinement. The mechanism was characterised as an iterative process that will likely require adjustments as practical experience accumulates. The challenge is to make use of this flexibility without reopening elements that some Parties regard as settled or as red lines.
- **Governance and process issues also need attention.** Participants called for better understanding of the relationship between the Steering Committee and COP, building on work already undertaken rather than duplicating it. There was also interest in learning more systematically from national ABS systems and from the different approaches being developed by countries.
- **Country-level and bilateral pilots could complement broader sandboxing.** One possible approach discussed was testing the mechanics between provider and user countries, including actual flows of contributions and disbursements. Such pilots could provide practical evidence on how the system functions at country level.
- **The external landscape creates pressure to move from design to implementation.** Participants highlighted that private-sector business models and database arrangements are evolving, including proprietary and curated databases. Delaying operationalisation could therefore risk developing a mechanism around a technological and market landscape that has already changed.

Overall landing zone

The discussion pointed towards a potential **middle ground between protecting the integrity of Decision 16/2 and creating sufficient space for learning-by-doing**: maintain the agreed framework and its core parameters, while using clearly bounded, temporary and supervised pilots/sandboxes to generate evidence, clarify uncertainties and build trust. The evidence generated could then feed into the formal review process.

At the same time, participants cautioned that **the scope for flexibility is politically constrained**: some Parties have already reached their negotiating limits, and reopening provisions could create new difficulties. A key practical question for COP 17 is therefore how to define the boundaries and safeguards for experimentation **without reopening the underlying political agreement** as embedded in Decision 16/2.

Finally, there was a call to address **process issues early rather than leaving unresolved matters until the end of COP**, including identifying in advance how issues that cannot be settled at COP could be taken forward intersessionally.

Official closure of the Dialogue

The closing reflections expressed appreciation for the **open, constructive and safe environment** created during the Dialogue, which enabled participants to address difficult issues candidly, including areas where differences remain and where discussions may need to return to first principles.

The co-convenors highlighted the **rich learning experience and the value of building personal relationships and mutual understanding** across governments, stakeholders and organisations. Getting to know one another better was seen as particularly valuable in preparation for the formal negotiations at COP, as it can facilitate continued dialogue and collaboration.

The organisers and participants were thanked for their **substantial efforts, active engagement and willingness to listen, learn and be creative**. The dialogue was also characterised as a valuable opportunity to work collaboratively on finding practical ways forward and to strengthen cooperation between the partners involved.

A recurring message was the importance of **taking the insights and learning from the Dialogue back to colleagues and constituencies**, while maintaining the openness and spirit of constructive engagement developed during the meeting. Overall, the closing remarks conveyed **confidence that continued collaboration can help advance the process**, despite the complexity of the issues still to be resolved.

Annex 1: Agenda of the meetings

Tuesday, 22 September: DIALOGUE’S EVE

17:30	Registration
18.30	Joint Dinner with Rights- and Stakeholders (with structured exchanges)

Wednesday, 23 September: RELAY WITH STAKE- AND RIGHTSHOLDERS

9.00	Welcome and introduction - Background and objectives; Overview report from Exchange Presentation of messages from stake- and rightsholders to negotiators - Industry / Non-commercial research / IPLC / Joint messages
10.30	Coffee/tea
11.00	Discussion of messages Q&A; Initial reactions
12.30	Lunch
14.00	Co-creating solution pathways for critical issues Suggestions and reactions
16.00	Coffee/tea
16.30	End of Relay; Departure of stake- and rightsholders
17.00	Side event: Update Actions of DB managers in response to the guidance in 16/2
18.30	Reception (tbc)

Thursday, 24 September: DIALOGUE

9.00	Welcome and introduction Background and objectives; Reflection on Relay with stake- and rightsholders
10.00	Setting the scene Status after SBI 7; COP 17 expectations
10.30	Coffee/Tea
11.00	Towards COP 17 Landscape of ‘construction sites’; Mapping ‘construction sites’ to different COP mandates
12.30	Lunch
14.00	MLM / Cali Fund Prioritisation of construction sites for COP 17
15.30	Coffee/Tea
16.00	MLM / Cali Fund (cont.) Towards possible solution pathways
17.30	End of day’s sessions
20.00	Fireside Chat “burning” DSI MLM and Cali Fund issues

Friday, 24 September: DIALOGUE

9.00	Possible COP 17 landing zone scenarios Identifying convergences and remaining divergences
10.30	Coffee/Tea
11.00	Possible COP 17 landing zone scenarios (cont.) Identifying convergences and remaining divergences
12.30	Lunch
14.00	Reflecting on common ground / possible landing zones What is ready for testing/assessment, what needs further learning?
16.00	Coffee/Tea
16.30	End of Dialogue

Annex 2: Presentation “Digital Sequence Information on Genetic Resources:
the Multilateral Mechanism and the Cali Fund” by SCBD representatives

Digital Sequence Information on Genetic Resources: the Multilateral Mechanism and the Cali Fund

Secretariat of the Convention on Biological Diversity



Convention on
Biological Diversity

- 1) (Quick) DSI recap
- 2) Status post SBI-7
- 2) Looking towards COP17
- 3) Questions!



Convention on
Biological Diversity

Decision 15/9 – the ‘Geneva principles’

9. Also agrees that a solution for fair and equitable benefit-sharing on digital sequence information on genetic resources should, inter alia:

- (a) Be efficient, feasible and practical;
- (b) Generate more benefits, including both monetary and non-monetary, than costs;
- (c) Be effective;
- (d) Provide certainty and legal clarity for providers and users of digital sequence information on genetic resources;
- (e) Not hinder research and innovation;
- (f) Be consistent with open access to data;
- (g) Not be incompatible with international legal obligations;
- (h) Be mutually supportive of other access and benefit-sharing instruments;
- (i) Take into account the rights of indigenous peoples and local communities, including with respect to the traditional knowledge associated with genetic resources that they hold;

10. Recognizes that the monetary and non-monetary benefits arising from the use of digital sequence information on genetic resources should, in particular, be used to support conservation and sustainable use of biological diversity and, inter alia, benefit indigenous peoples and local communities;



Convention on
Biological Diversity

Decision 16/2-the Multilateral Mechanism

Main body of text of 16/2

- Adopted the modalities for operationalizing the multilateral mechanism, as set out in the annex to the decision (para. 1)
- Decided that the global fund will be known as the **Cali Fund** for the Fair and Equitable Sharing of Benefits from the Use of Digital Sequence Information on Genetic Resources (para. 2)
- Decided on a further work process, including: 2x requests for synthesis of views and 3x studies

Annex of 16/2: modalities

- Scope of DSI under the mechanism (para. 1)
- Thresholds/contribution rates (para. 3)
- Non-monetary benefit sharing (para. 6-8)
- Database provisions (para. 9-12)
- Certificates (Para. 15)
- Funding/disbursements (Para. 17-21)
- Implementation (Para 23-28)
- Review (Para. 21-31)

Enclosures

- I – Indicative sector list
- II – Indicative funding criteria
- III – TOR for AHTEG
- VI- TOR of Steering Committee
- V – Functions of the Secretariat
- VI – Factors for the review



Convention on
Biological Diversity

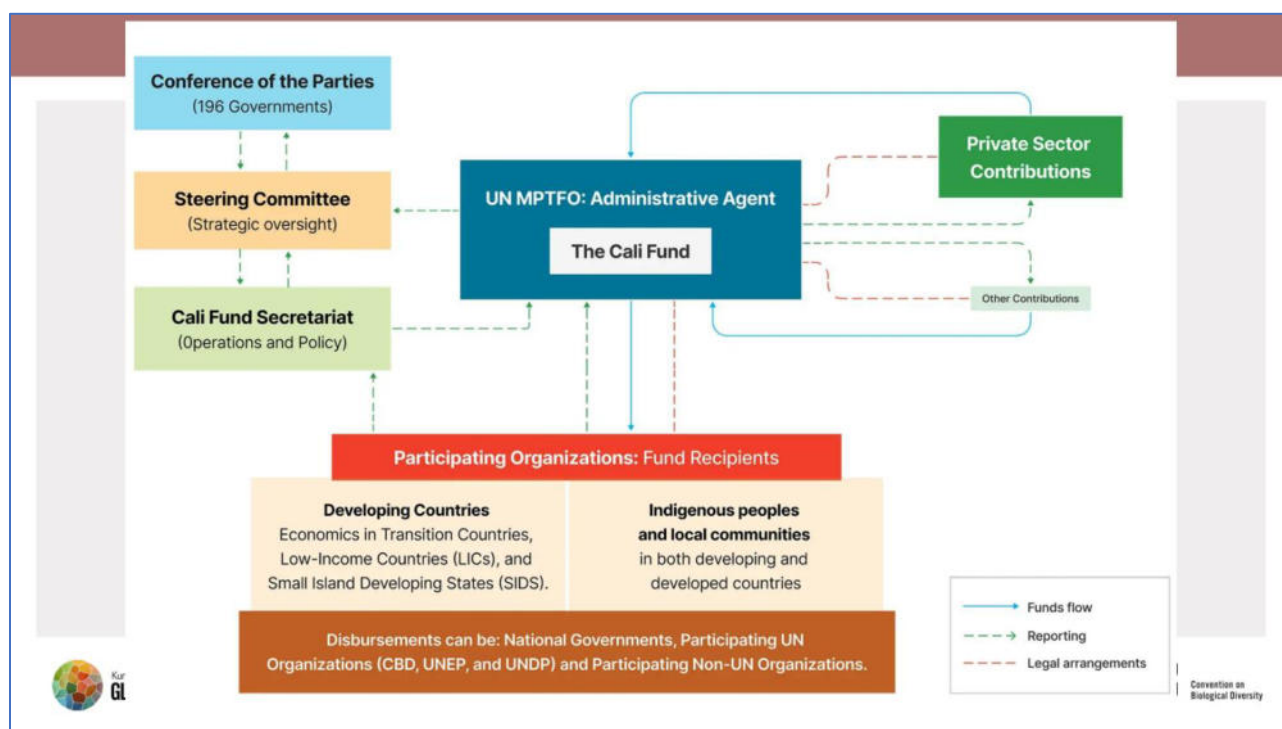
The Cali Fund

- Opened and launched at the resumption of COP16.2 (Rome, February 2025)
- Opened and enabled establishment of the Steering Committee via Memorandum of Understanding between 3 UN agencies, with Terms of Reference annexed
- 2 contributions to date- \$6000
- Steering Committee met four times so far
- Interim Secretariat fulfilling the function of Secretariat of the Multilateral Mechanism*

*Steering Committee and Secretariat of the Cali Fund also serve as the Steering Committee and Secretariat of the Multilateral Mechanism



Convention on Biological Diversity



Steering Committee

- Meeting minutes available at:
<https://www.cbd.int/conferences/dsi-sc>
- Steering Committee report:
<https://www.cbd.int/documents/CBD/COP/17/6/ADD1>



Convention on
Biological Diversity

Set up: work of the Steering Committee

- Steering Committee organizational processes:
 - (a) Role of the Committee;
 - (b) Designation of the Co-Chair from among the members from Parties.
 - Terms of reference of the Cali Fund
 - Rules of procedure for meetings of the Steering Committee.
 - Operations manual
 - Programme document for the Secretariat
 - Capitalization strategy
 - Conflict of interest guidelines
 - Confidential information procedures and handling
- Certificates for businesses contributing to the Cali Fund
 - Non-monetary Benefit-Sharing platform
 - Review methodology
 - Disbursements to indigenous peoples and local communities: interim and longer-term arrangements
 - **Report to the COP**
 - Manual of Operations



Convention on
Biological Diversity

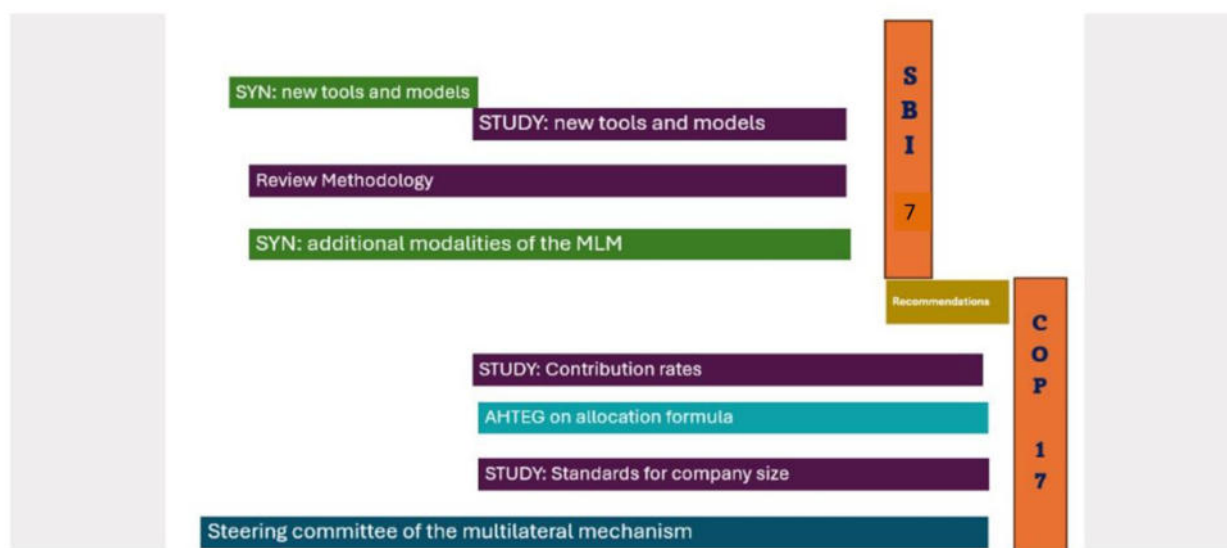
How is the MOU set up for a benefit-sharing Fund?

Financial contributions to Cali Fund and due diligence process (MoO) / MOU

Contributor/DSI user Donor/non-DSI user

☐	☐
☐ Letter of Intent	☐ Standard Administrative Arrangement (SAA)
☐ Letter of Intent template	☐ SAA template
☐ Receives Cali Fund certificate	☐ Does not receive CF certificate

Road to COP17



DSI at SBI 7: 7/4

Memorandum of Understanding of the Cali - recommendation includes that COP consider a possible appropriate course of action on the MOU and its annexes- [SCBD to facilitate an online information session](#)

1. Potential additional modalities of the MLM – products/services contribution – [now or at COP18 or later?](#)
2. Data accountability & transparency – [study to peer review? + educational/information materials](#)
3. Review methodology – presented by Steering Committee
- [Online discussion ahead of the COP to finish going through the text](#)



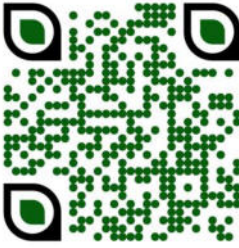
COP17: Item 11 – topics

1. Contribution rates / identification of small, medium and large entities
 - Joint study/executive summary [\(17/6/Add.3\)](#)
2. Allocation methodology
 - Outcome of the work of the AHTEG [\(17/6/Add.2\)](#)
3. Steering Committee report and advice
 - Steering Committee Report [\(17/6/Add.1\)](#)
4. SBI Recommendations – [\(SBI 7/4\)](#)
 - MOU
 - Potential additional modalities
 - Data tools/models for making DSI more transparent/accessible
 - Review methodology



COP17: 17/6

Combined Studies	Allocation methodology	Steering Committee report
•Reaffirms contribution rates •Confirms companies contributing at those rates will receive a certificate •Study on defining 'indirect' and 'direct' use of DSI (SBI to consider) •Small, medium or large enterprises according to national standards •Urges companies to contribute •Reminds Parties to incentivize	•Takes note of principles •Adopts allocation methodology •Also adopts for IPLC allocations – interim •Request the SC to refine the methodology for IPLCs and to keep abreast of new data •Request the ES to identify sources of data criterion b data – geographical origin (SBI to consider)	•Recognizes the certificates as an incentive •Encourages governments to recognize the certificate as compliance with nat. law. How to do that? Info + compilation •Enable stability of monetary BS. •Rule 11 Committee composition •Structured approach work support •Non-monetary benefit sharing study •IPLC allocation and disbursement pathways
✚ SBI Recommendation 7/4 on MOU, potential additional modalities, data transparency, review ✚ Budget discussions: 2 Secretariat posts + funding for SC meetings in person		
Kunming-Montreal GLOBAL BIODIVERSITY FRAMEWORK UNEP environment programme Convention on Biological Diversity		



Cali Fund - industry - English

<https://thecalifund.org/>

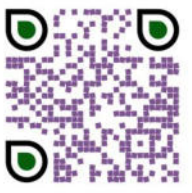


CaliFund@un.org

<https://www.linkedin.com/company/the-cali-fund>



Database Guide - English



Parties Guide - English

1. Contribution rates and firm thresholds

-Joint study/executive summary (17/6/Add.3)

- "The Conference of the Parties will establish thresholds and contribution rates at its seventeenth meeting and review them periodically thereafter." (16/2 annex para 4)



2. Allocation methodology

-AHTEG Report (17/6/Add.2)

- "A formula will be determined by the Conference of the Parties at its seventeenth meeting on the basis of the work of a group established with the terms of reference provided in enclosure III. " (15/2 annex para 19)



2. Ad Hoc Technical Expert Group on allocation methodology

Adopted report to COP providing advice on allocation methodology for funds from the Cali Fund including:

- **Design principles**
- **Allocation formula based on indicative list of criteria in 16/2**
- **Recommendations for future work**

Report of the AHTEG posted



<https://www.cbd.int/meetings/DSI-AHTEG-2026-02>



UN
environment
programme



Convention on
Biological Diversity

2. Allocation methodology - principles

1. Equity, fairness and impact, ensuring a fair and equitable allocation outcome to developing country Parties, in particular -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;
2. Efficiency of the datasets and indicators used for the formula, and due regard to sustainability and custodianship;
3. Transparency and confidence to ensure open data and easy communicability of the methodology;
4. Scalability and longevity, taking the Fund’s growth and evolution over time into consideration for future amendments and adjustments.



Kunming-Montreal
GLOBAL BIODIVERSITY FRAMEWORK



UN
environment
programme



Convention on
Biological Diversity

2. Allocation methodology - formula

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

B = equality base,

w1 = weight one, C_A = criterion (a) on biodiversity richness accounts for biodiversity richness of a country,

w2 = weight two, C_B = criterion (b) on the geographic origin of the genetic resources,

w3 = weight three, C_C = criterion (c) on capacity needs for the conservation and sustainable use of biodiversity,

w4 = weight four, and C_D = criterion (d) on measures related to traditional knowledge and indigenous peoples and local communities.



2. Allocation methodology – further work

Short term: the update of data sources as soon as they become available, the establishment of a work programme to create an indicator for criterion (b), and the exploration of linkages between some criteria and that of the use of the National Biodiversity Strategic Actions Plans and National Capacity Development Plans as data sources;

Longer term: an overarching review of the weightage of the criteria once new or updated data has become available, building standards for the assessment of robustness of all criteria, running sensitivity analyses on the formula, considering data governance and custody, and developing a biodiversity-stewardship index which would encompass all criteria.



3. Steering Committee report and advice

-Steering Committee Report (17/6/Add.1)

- “Report and provide advice to the Conference of the Parties” (Enclosure IV of 16/2)
- RoP rule 11 on Steering Committee members terms of office (and selection)
- Certificate – small group work - Parties recognition
- Disbursements of IPLCs: direct access and allocation
- Non-monetary benefit sharing
- Enabling conditions, budget for Secretariat



1. Contribution rates and firm thresholds

- Eligibility Thresholds (1/3): Seven design options are identified for consideration by the Conference of the Parties, without a recommendation among them:
 - a. Explicit exemption for small and medium-sized enterprises or a reduced-contribution tier drawn from an existing framework;
 - b. Revisiting the profit criterion, for example by using a profit margin rather than an absolute amount,
 - c. Thresholds to reflect structural differences across Parties, whether by sector or by national firm size distribution;
 - d. Ownership or affiliation conditions in the frameworks of the United States and the European Union;
 - e. Introducing an employee count criterion;
 - f. Considering periodic revision of the thresholds;
 - g. Considering transition arrangements, such as a phase-in period or a reduced initial rate, for firms newly meeting the eligibility thresholds or with historically low intensity of digital sequence information on genetic resources use.



1. Contribution rates and firm thresholds

- **Revenue potential and contribution structure (2/3):** Five implications follow from these results, presented as consequences of the design choices before the Conference of the Parties, rather than as recommendations:
 - a. Participation, not the rate level, is found to be the binding constraint on revenue;
 - b. Threshold design functions primarily as a governance and inclusivity decision rather than as a financial one;
 - c. Rate- and contribution-base design determines who pays and how stable the contributions are, rather than only how much is raised;
 - d. Participation of the pharmaceutical sector is found to be the most significant determinant of both the level and the predictability of Cali Fund revenue under the modelled scenarios;
 - e. Geographic concentration in country-level estimates, which are indicative of and subject to data limitations discussed in the main report, suggests that the early performance of the Cali Fund may depend disproportionately on the engagement of a small number of jurisdictions.



Convention on
Biological Diversity

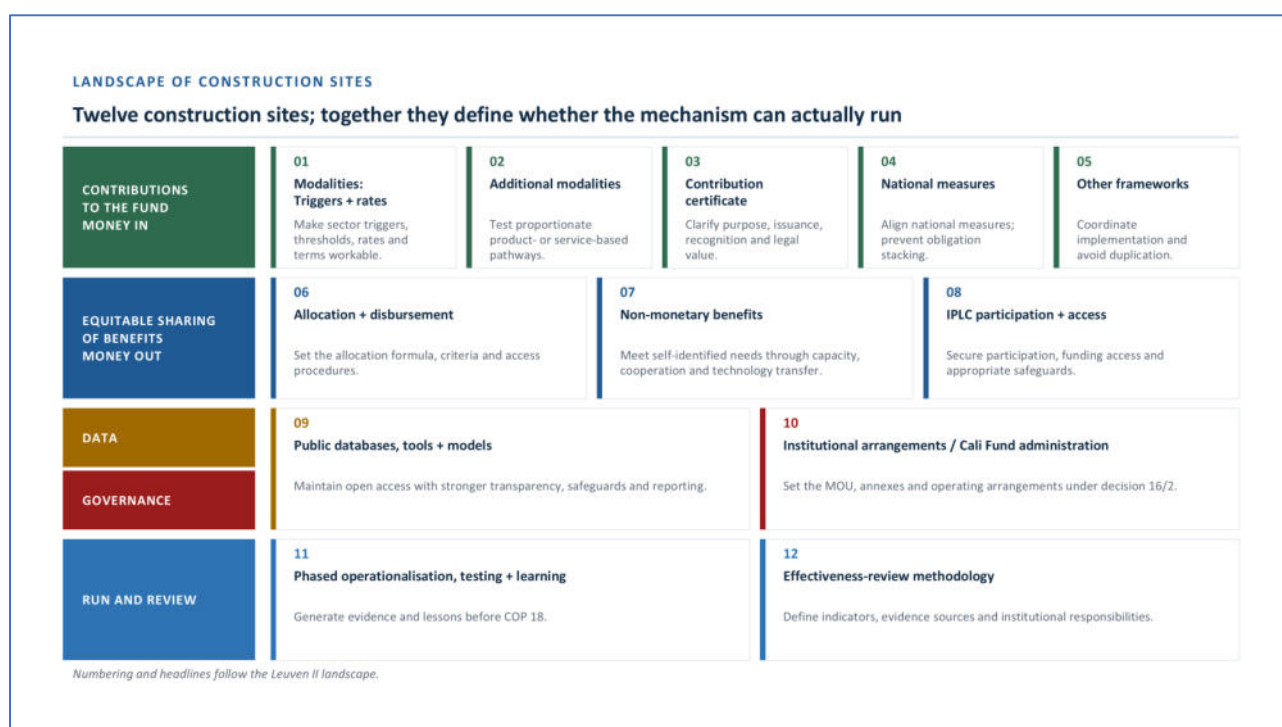
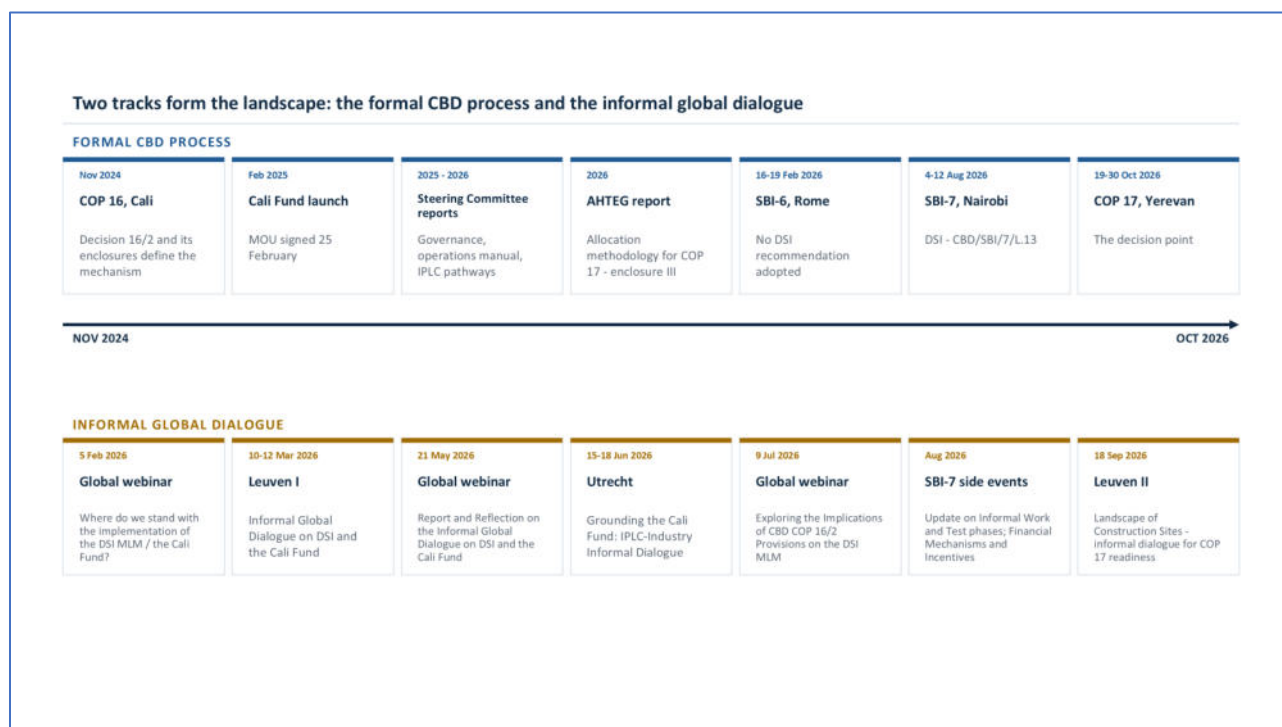
1. Contribution rates and firm thresholds

- **Revenue potential and contribution structure (3/3):** Five implications follow from the sector-by-sector assessment:
 - a. Proportionality concern is the most material design-level risk for firm types with indirect or limited dependence on digital sequence information on genetic resources;
 - b. Unresolved design parameters generate regulatory uncertainty that is analytically distinct from, and in several sectors more consequential than, the direct cost burden;
 - c. Non-binding design creates a participation asymmetry among peers headquartered in Party jurisdictions;
 - d. Competitive exposure varies substantially by sector;
 - e. Private sector engagement ahead of the seventeenth meeting of the Conference of the Parties could accordingly benefit from a sector-specific approach.



Convention on
Biological Diversity

Annex 3: Presentation “Landscape of construction sites” by team members



MANDATE MAP

Four sites carry an express mandate; 7/4 offers options on five and is silent on four, some options go straight to COP

EXPRESS MANDATE decision 16/2 names COP 17	SBI 7/4 OFFERS AN OPTION text is bracketed; COP 17 chooses	SBI 7/4 HAD NO MANDATE FOR No prior operative text (but text from 17/6)
01 Triggers + rates Set thresholds and rates - annex 1-5	02 Additional modalities Commission a study, or establish a working group - paras. 2 and 2.Alt	01 Triggers + rates No rate or threshold text; rates reach COP 17 by another route
06 Allocation + disbursement Consider the expert group allocation formula - enclosure III	09 Public databases, tools + models Invite metadata, provenance and consent fields - para. 9 (b)	06 Allocation + disbursement No formula text; it comes from the expert group
12 Effectiveness-review methodology Adopt the review methodology - annex 29, enclosure IV	12 Effectiveness-review methodology Adopt, or merely take note of, the methodology - para. 14	03 Contribution certificate No certificate procedure
10 Institutional arrangements / CF administration Course of action on the MOU and Steering Committee documents - L.13 para. 3	10 Institutional arrangements / CF administration Regional-group nominations; periodic SBI consistency review - paras. 6-7	11 Phased operationalisation, testing + learning No testing programme, no test cases, no return point
	08 IPLC participation + access Invite IPLC-led educational material - para. 9 (a)	

Silence in SBI 7/4 does not mean the site is unattended - it means the SBI sent COP 17 no agreed text on it.

MANDATE MAP

Four sites carry an express mandate; 7/4 offers options on five; four being picked up now by COP 17/6b

EXPRESS MANDATE decision 16/2 names COP 17	SBI 7/4 OFFERS AN OPTION text is bracketed; COP 17 chooses	SBI 7/4 HAD NO MANDATE FOR COP 17/6 – PUTS ** ON THE TABLE
01 Triggers + rates Set thresholds and rates - annex 1-5	02 Additional modalities Commission a study, or establish a working group - paras. 2 and 2.Alt	01 Triggers + rates No rate or threshold text; rates reach COP 17 by another route **Text in 17/6 on thresholds and contribution rates via elements of a draft decision
06 Allocation + disbursement Consider the expert group allocation formula - enclosure III	09 Public databases, tools + models Invite metadata, provenance and consent fields - para. 9 (b)	06 Allocation + disbursement No formula text; it comes from the expert group **Text in 17/6 on allocation methodology, adopting allocation methodology and interim solutions + Steering Committee role
12 Effectiveness-review methodology Adopt the review methodology - annex 29, enclosure IV	12 Effectiveness-review methodology Adopt, or merely take note of, the methodology - para. 14	03 Contribution certificate No certificate procedure ** Text in 17/6 on recognizing Cali Fund certificate in national laws + invitation to provide information to Interim Secretariat.
10 Institutional arrangements / CF administration Course of action on the MOU and Steering Committee documents - L.13 para. 3	10 Institutional arrangements / CF administration Regional-group nominations; periodic SBI consistency review - paras. 6-7	11 Phased operationalisation, testing + learning No testing programme, no test cases, no return point ** Text in 17/6 on welcoming structured approach to implementation
	08 IPLC participation + access Invite IPLC-led educational material - para. 9 (a)	

Silence in SBI 7/4 does not mean the site is unattended - it means the SBI sent COP 17 no agreed text on it.

ONE CONTINUOUS PROCESS

Three distinct stages; COP 18 inherits only what COP 17 assigns

COP 17 - YEREVAN, 19-30 OCT 2026	INTERSESSIONAL 2026 - 2028	COP 18 - 2028
DECIDE	OPERATE + TEST	REVIEW + ADJUST
01 Triggers + rates Set thresholds and rates	12 Effectiveness-review methodology Survey in all UN languages; commissioned review report - para. 15	12 Effectiveness-review methodology SBI reviews the report before COP 18 - para. 17
06 Allocation + disbursement Consider the allocation formula	10 Institutional arrangements / CF administration Open online discussion on the MOU with MPTFO and UN partners - para. 2	09 Public databases, tools + models Study and database reporting considered - paras. 12, 9 (b Alt.)
12 Effectiveness-review methodology Adopt, or merely take note - para. 14	09 Public databases, tools + models Peer review of the tools-and-models study - para. 12	02 Additional modalities Considered after the first review - para. 3
10 Institutional arrangements / CF administration Course of action on the MOU and governance documents - para. 3	11 Phased operationalisation, testing + learning Contributions and disbursement run without a testing mandate	07 Non-monetary benefits Table 2 item: not evaluable to deliver a verdict on
02 Additional modalities Choose the vehicle: a study, or a working group - para. 2		08 IPLC participation + access Table 2 item: benefits received not evaluable

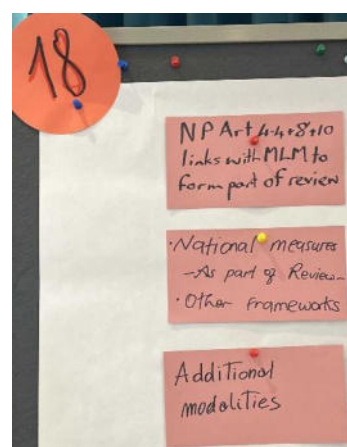
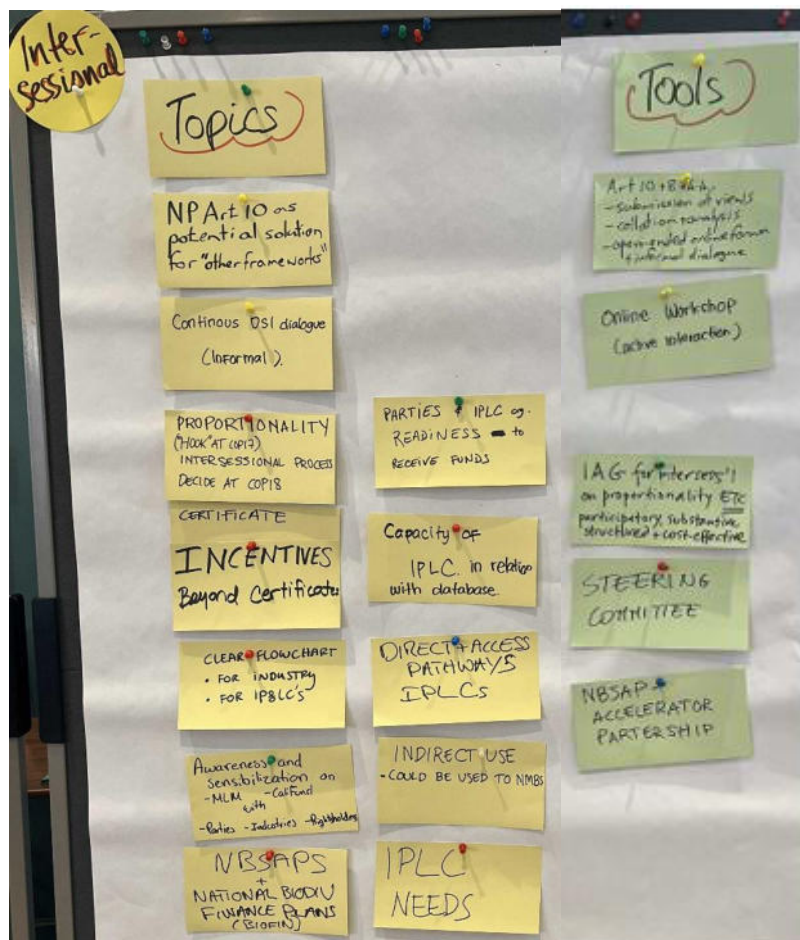
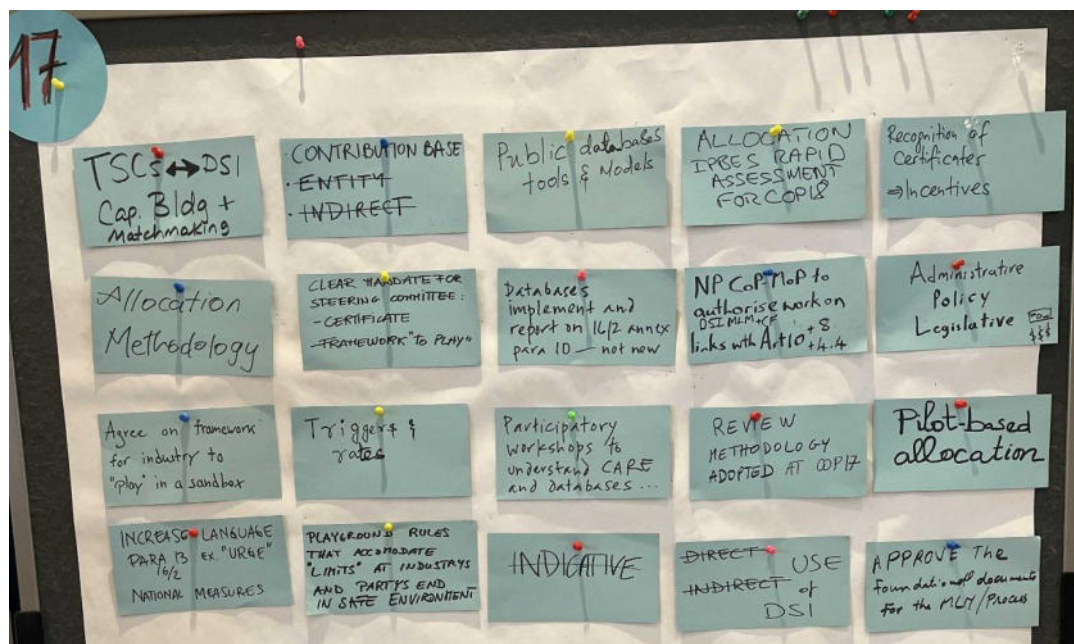
ONE CONTINUOUS PROCESS

Three distinct stages; COP 18 inherits only what COP 17 assigns; with 17/6 now 4 additional task at COP 17

COP 17 - YEREVAN, 19-30 OCT 2026	INTERSESSIONAL 2026 - 2028	COP 18 - 2028
DECIDE	OPERATE + TEST	REVIEW + ADJUST
01 Triggers + rates Set thresholds and rates	12 Effectiveness-review methodology Survey in all UN languages; commissioned review report - para. 15	12 Effectiveness-review methodology SBI reviews the report before COP 18 - para. 17
07 Non-monetary benefit sharing 17/6-study?	10 Institutional arrangements / CF administration Open online discussion on the MOU with MPTFO and UN partners - para.	09 Public databases, tools + models Study and database reporting considered - paras. 12, 9 (b Alt.)
06 Allocation + disbursement Consider the allocation formula	09 Public databases, tools + models Peer review of the tools-and-models study - para. 12	02 Additional modalities Considered after the first review - para. 3
12 Effectiveness-review methodology Adopt, or merely take note - para. 14	11 Phased operationalisation, testing + learning Contributions and disbursement run without a testing mandate	07 Non-monetary benefits Table 2 item: not evaluable to deliver a verdict on
08 IPLC participation + access 17/6: Allocation and disbursement pathways	03 Contribution certificate Support the work of the Steering Committee, + Party recognition	08 IPLC participation + access Table 2 item: benefits received not evaluable
11 Phased operationalisation, testing Continue Steering Committee work		
10 Institutional arrangements / CF administration Course of action on the MOU and governance documents - para. 3		
02 Additional modalities Choose the vehicle: a study, or a working group - para. 2		
03 Contribution certificate Support the work of the Steering Committee, + Party recognition	↓ Support the work of the Steering Committee on 11 and 03	

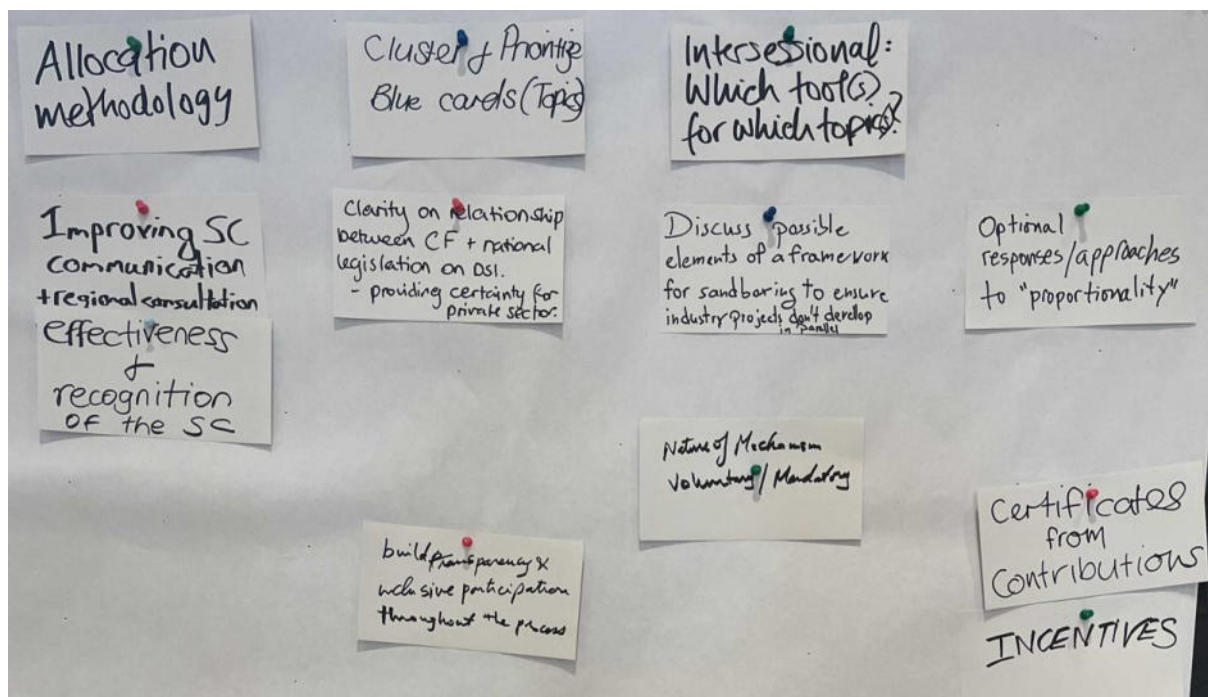
Annex 4: Mapping and prioritising construction sites to different COP mandates

Construction sites and topics to be addressed at COP17, during the intersessional period and at COP18:

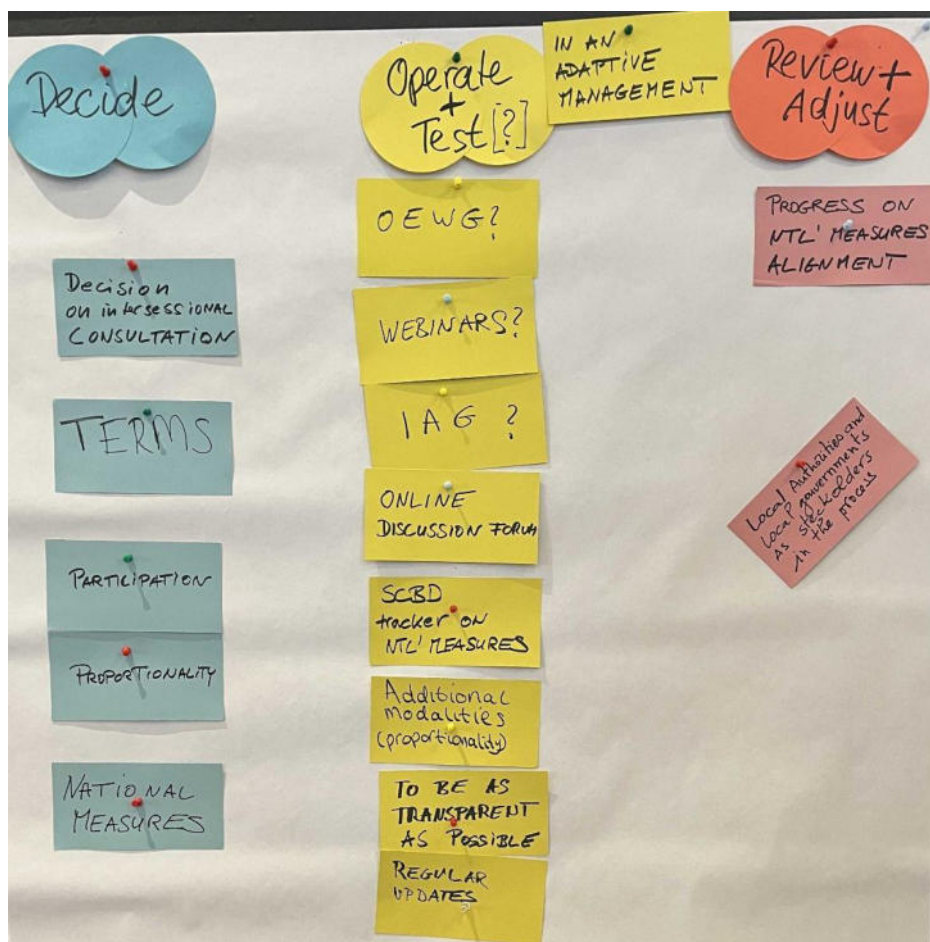


Annex 5: Solution pathways: Brainstorming construction sites and topics for group work

Topics brainstormed and clustered:

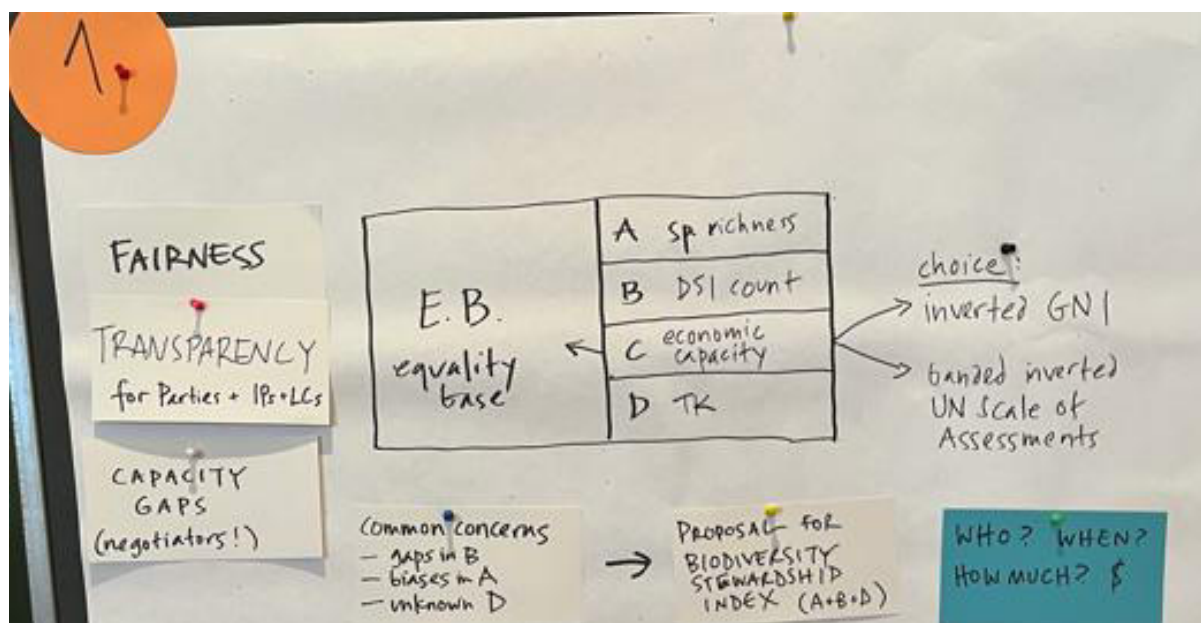


Issues to consider when developing solution pathways:

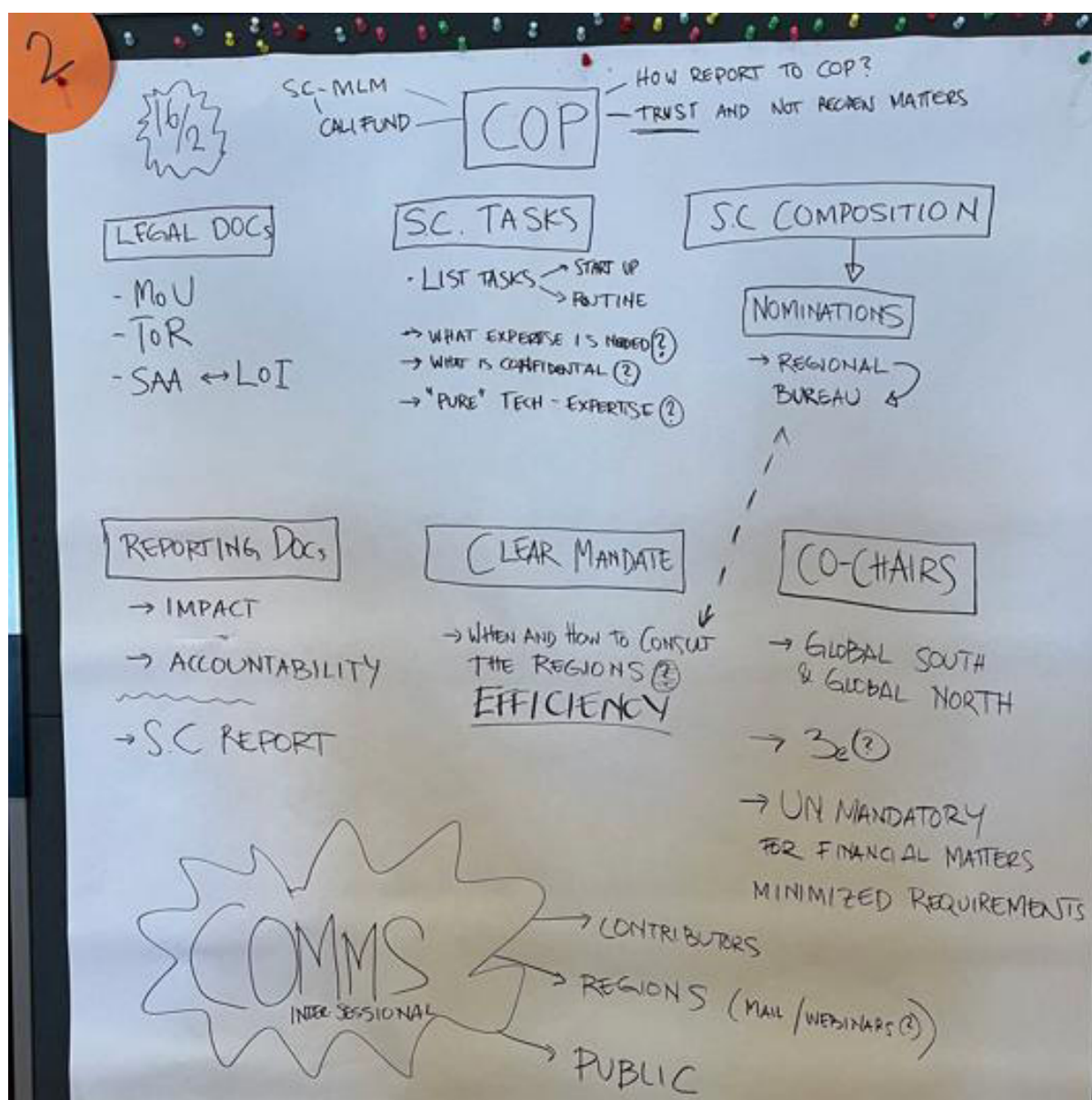


Annex 6: Group work: Solution pathways

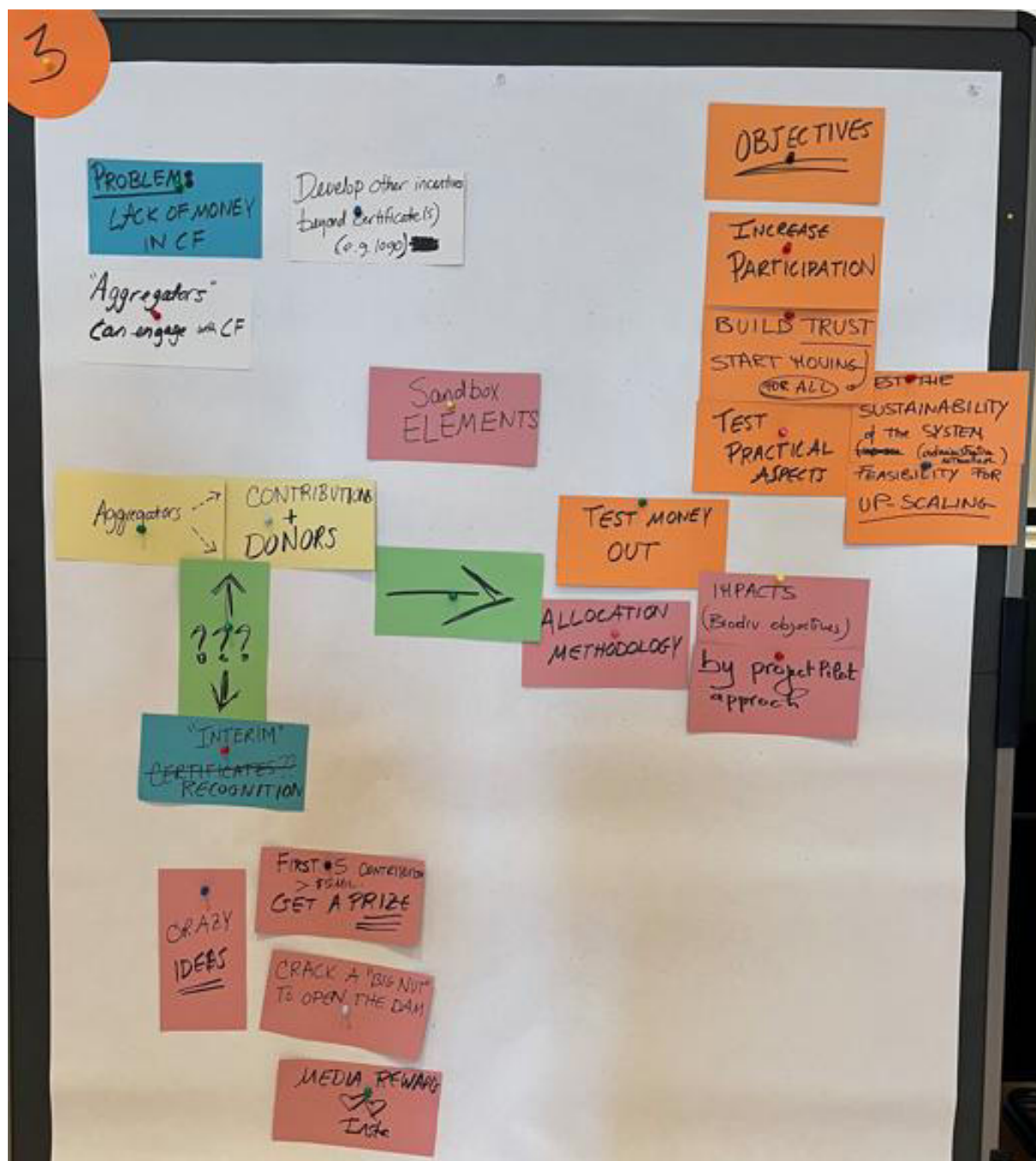
Group 1: Allocation methodology - incentives



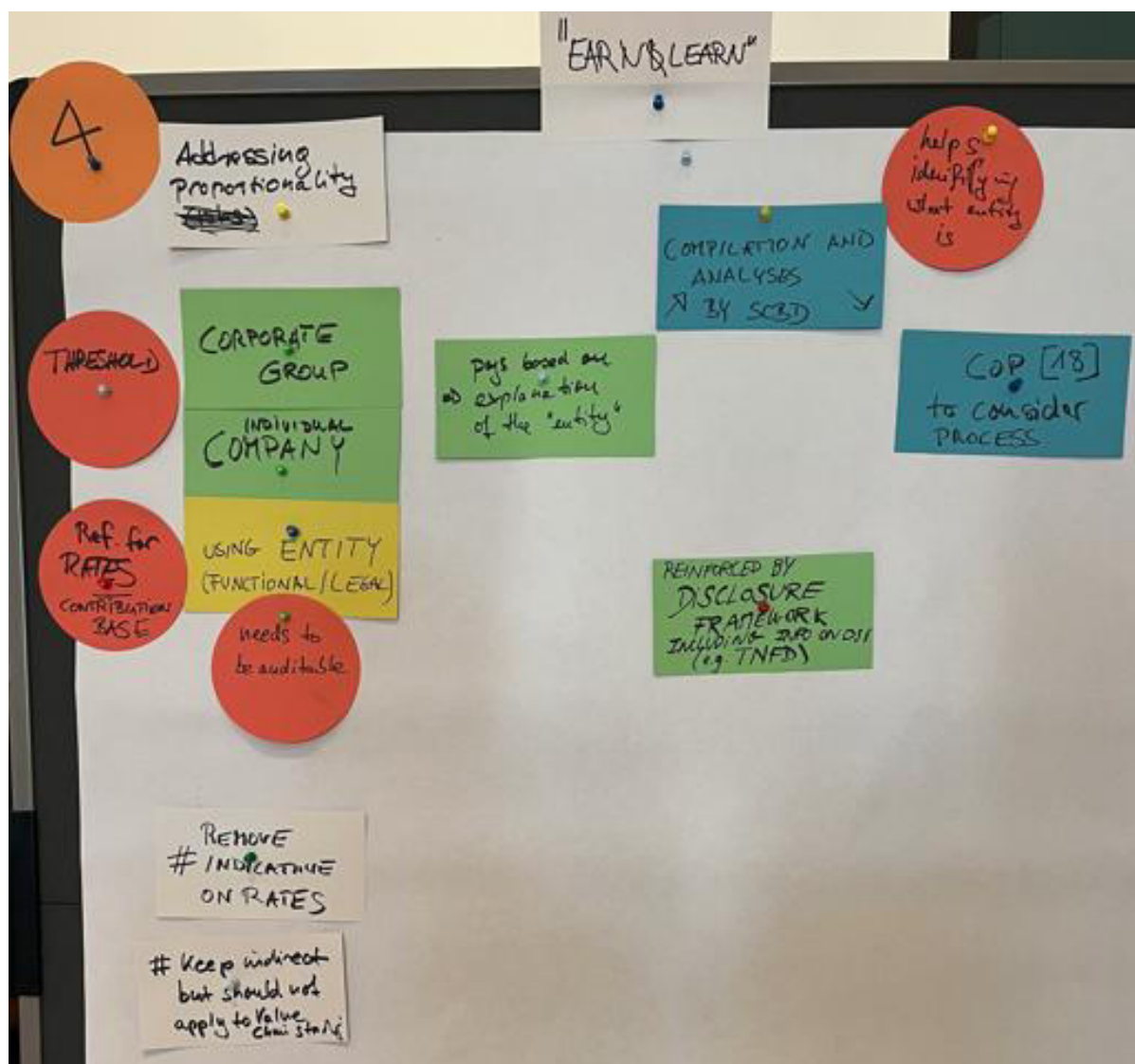
Group 2: Governance and Steering Committee Accountability



Groups 3: Sandbox Framework and Resource Mobilization



Group 4: Proportionality and the Definition of Reporting Entities – "Learn & Earn"



Group 5: Integration with National Legislation and Certificates

