

Ref.: SCBD/OES/DC/TS/CGA/KB/91971 10 December 2024

NOTIFICATION

Operationalizing the multilateral mechanism for the fair and equitable sharing of benefits from the use of digital sequence information on genetic resources, including a global fund ("The Cali Fund"):

Follow up to decision 16/2 of the Conference of the Parties

Dear Sir or Madam,

At its fifteenth meeting, by <u>decision 15/9</u>, the Conference of the Parties (COP) to the Convention on Biological Diversity decided to establish, as part of the Kunming-Montreal Global Biodiversity Framework, a multilateral mechanism for benefit-sharing from the use of digital sequence information on genetic resources, including a global fund. At its sixteenth meeting, by <u>decision 16/2</u>, the Conference of the Parties adopted the modalities for operationalizing the multilateral mechanism, including the global fund, which are set out in the annex to the decision, and 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. By the same decision, Parties also set out some intersessional work.

The modalities for operationalizing the multilateral mechanism stipulate that all users of digital sequence information on genetic resources under the multilateral mechanism should share benefits arising from its use in a fair and equitable manner. Users of digital sequence information on genetic resources in sectors that directly or indirectly benefit from its use in their commercial activities should contribute a proportion of their profits or revenue to the Cali Fund, according to their size, as further specified in the modalities. The modalities also include provisions for the sharing of non-monetary benefits and guidance for entities operating databases that are dependent on digital sequence information on genetic resources and that make such information publicly available.

As also set out in the modalities, resources from the Cali Fund are to be allocated in a fair, equitable, transparent, accountable and gender-responsive manner to support the realization of the objectives of the Convention in developing country Parties. Funding will also be available to indigenous peoples and local communities in both developing and developed countries.

The multilateral mechanism, including the Cali Fund, will operate under the authority and guidance of and be accountable to the Conference of the Parties. The modalities also include the establishment of a Steering Committee and of a Secretariat, and the designation of the Multi-Partner Trust Fund Office of the United Nations as the host of the Cali Fund. Some of the modalities may be supplemented or adjusted in light of intersessional work before COP 17 and in light of the review of the multilateral mechanism at COP 18.

Against this background, this notification provides an overview of the actions to be taken to give effect to decision 16/2, which includes: substantive actions by Parties and others to implement the modalities and supporting actions by the Secretariat and UN partners as well as procedural actions by National Focal Points, representatives of indigenous peoples and local communities and relevant organizations related to the operationalization of the multilateral mechanism and to the intersessional work.

To: CBD national focal points, ABS national focal points, indigenous peoples and local communities and relevant organizations







Substantive actions by Parties and others to implement the modalities include:

- (a) Actions to be taken by users of digital sequence information on genetic resources under the multilateral mechanism to share benefits arising from its use in a fair and equitable manner.
- (b) Actions to be taken by entities operating databases that are dependent on digital sequence information on genetic resources and that make such information publicly available.
- (c) Actions to be taken by Parties and non-Party Governments, including:
 - (i) Administrative, policy or legislative measures, consistent with national legislation, to incentivize users in their jurisdiction to contribute to the Cali Fund in line with the modalities.
 - (ii) Actions by governments that fund, sponsor or host sequence databases ensure that entities operating relevant databases take measures to ensure the effective implementation of the modalities operationalizing the multilateral mechanism.
 - (iii) Designation or establishment, by developing country Parties, of a national entity, such as a national biodiversity fund, or of an international, regional or subregional entity, to receive and distribute funds and to report on their use.

The Secretariat of the Convention is working with the Multi-Partner Trust Fund Office and UN partners to set up the Cali Fund and the Secretariat of the mechanism. It is envisaged that the Secretariat will develop tools and guidance to support and facilitate the aforementioned actions by Parties and others.

Procedural actions, related to the operationalization of the multilateral mechanism and to intersessional work, set out in Decision 16/2 and its annex are as follows:

- (a) National Focal Points, representatives of indigenous peoples and local communities and relevant organizations are invited to submit nominations:
 - (i) for members and observers of the Steering Committee of the multilateral mechanism, including the global fund, by **7 February 2025**;
 - (ii) for experts for the Ad Hoc Technical Expert Group on Allocation Methodology, by 7

 March 2025;

Further information on these nomination processes is provided in this notification.

- (b) National Focal Points, representatives of indigenous peoples and local communities and relevant organizations are also invited to submit views or information on the following issues:
 - (i) views on possible additional modalities of the multilateral mechanism, including, in the context of paragraph 7 of decision 15/9 and the annex to decision 16/2, to take products and services into account; and
 - (ii) views on possible new tools and models, such as databases, for making digital sequence information on genetic resources publicly available and accessible in a transparent and accountable manner to all Parties;
 - (iii) information on national, regional or international standards on thresholds determining small, medium and large entities

Further information regarding these invitations, including deadlines, are provided in subsequent notifications <u>2024-114</u>, <u>2024-115</u>, and <u>2024-116</u>.

Nominations for the Steering Committee of the Multilateral Mechanism

As set out in the modalities (annex to decision 16/2), the multilateral mechanism, including the Cali Fund, will operate under the authority and guidance of and be accountable to the Conference of the Parties, and a steering committee is established to support the Conference of the Parties in this role (paragraph 28).

The functions of the Committee as set out in the terms of reference provided in Enclosure IV to the modalities, are:

- (a) to provide oversight of the operations of the Cali Fund, ensuring that the Fund disburses monies according to the present modalities;
 - (b) to guide the operations of the Secretariat of the multilateral mechanism;
 - (c) to report and provide advice to the Conference of the Parties;
- (d) to develop a draft methodology for the review of effectiveness of the multilateral mechanism, including the Cali Fund, with indicators, where appropriate, for the factors to be considered in the review, as described in enclosure VI of the modalities, taking account of the relevant indicators of the monitoring framework for the Kunming-Montreal Global Biodiversity Framework.

The Committee will meet in-person and online as necessary to carry out its functions.

The Steering Committee will comprise 15 members nominated by Parties (three from each region), seven members from among indigenous peoples and local communities (one from each sociocultural region), and two members from United Nations entities, as well as six observers (two from each of civil society, scientific institutions and the private sector).

Accordingly, I am pleased to invite CBD National Focal Points, representatives of indigenous peoples and local communities and heads of organizations, as appropriate, to submit nominations of candidate members or observers of the Steering Committee. Nominees should be identified bearing in mind the terms of reference of the Steering Committee set out in Enclosure IV of the Annex to decision 16/2. Nominations should be made through an official letter addressed to the Executive Secretary. They should clearly indicate the name and full contact details of each nominee, and be accompanied by a brief curriculum vitae or note indicating the suitability of the candidate. Letters of nominations should be sent by e-mail to secretariat@cbd.int by 7 February 2025.

Members of the Steering Committee will be selected on the basis of the above nominations from Parties and observer groups. Taking into account gender balance and, as appropriate, the relevant expertise of the nominees, the Executive Secretary will prepare a list for review by and approval of the Bureau. The Steering Committee will designate a Chair from among its members representing the Parties to the Convention.

Nominations for the Ad Hoc Technical Expert Group on Allocation Methodology

As set out in the modalities (annex to decision 16/2, paragraph 19 and Enclosures II and III), monies from the Cali Fund will be allocated taking into account an indicative list of criteria. A formula is to be determined by the Conference of the Parties at its seventeenth meeting on the basis of these criteria and the work of an Ad Hoc Technical Expert Group. The group will comprise technical experts, as follows: 15 nominated by Parties, three from each region, 7 nominated by representatives of indigenous peoples and local communities from the seven sociocultural regions, and 4 nominated by relevant organizations.

I am therefore pleased to invite nominations of experts from Parties, other governments, indigenous peoples and local communities, and relevant organizations. CBD National Focal Points or Heads of organizations, as appropriate, are kindly requested to submit nominations of experts, in the form of an official letter addressed to the Executive Secretary, clearly indicating the name and full contact details of each nominee, as well as curriculum vitae that demonstrates their area of expertise and experience, to be sent by e-mail to secretariat@cbd.int as soon as possible, but no later than **7 March 2025.** In line with decision 14/33, amended in decision 16/26, nominees are also required to complete the interest disclosure form.

¹ https://www.cbd.int/doc/forms/conflict-interest-form-2024-en.pdf.docx

The Executive Secretary, in consultation with the Bureau, will select experts on the basis of nominations received, taking gender and the relevant technical expertise of the candidates into account and applying the procedure for avoiding or managing conflicts of interest.

I thank you for your cooperation in this matter and your continued support of the work of the Convention.

Please accept, Sir, Madam, the assurances of my highest consideration.

(Signed) Astrid Schomaker Executive Secretary