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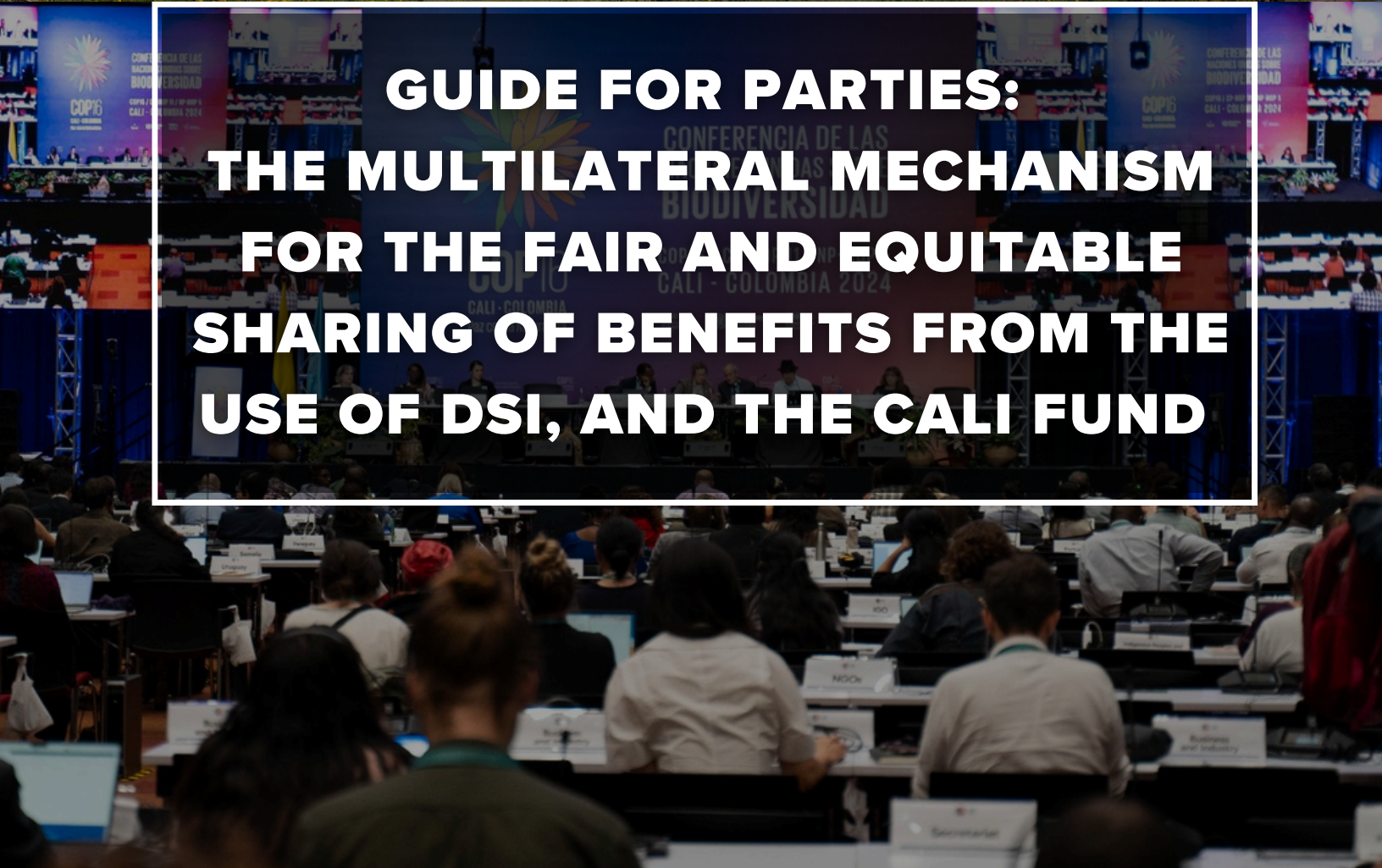


CALI FUND

FOR OUR BIODIVERSE FUTURE



**GUIDE FOR PARTIES:
THE MULTILATERAL MECHANISM
FOR THE FAIR AND EQUITABLE
SHARING OF BENEFITS FROM THE
USE OF DSI, AND THE CALI FUND**



INTRODUCTION

Digital sequence information on genetic resources (DSI) within the context of the Convention on Biological Diversity (CBD) arose at the thirteenth Conference of the Parties (COP) in 2016 after several years of discussions that considered how to address challenges related to the Convention's third objective: the fair and equitable sharing of benefits arising from the use of genetic resources.

In November 2024, at COP16 in Cali, Colombia, Parties agreed on [Decision 16/2](#), which sets out modalities for the operationalization of the multilateral benefit-sharing mechanism for DSI, including a global fund, which had been established two years earlier at COP15 (see [Decision 15/9](#)). The multilateral mechanism is known as the Multilateral Mechanism for the Fair and Equitable Sharing of Benefits from the Use of Digital Sequence Information on Genetic Resources, including the Cali Fund.

This guide is a preliminary version provided for information and is written by staff of the Secretariat of the Convention on Biological Diversity (CBD), serving as the interim Secretariat to the Multilateral Mechanism for the Fair and Equitable Sharing of Benefits from the Use of Digital Sequence Information on Genetic Resources, including the Cali Fund. It provides an introduction and overview of the basics of the multilateral mechanism and the Cali Fund.

This is a living document and does not constitute an official interpretation of Decision 16/2, nor does it prejudice any future decisions of the Conference of the Parties.




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FREQUENTLY ASKED QUESTIONS

The Multilateral Mechanism (MLM) – What is it?

As global demand for nature-derived genetic information grows—from biotechnology to pharmaceuticals to cosmetics and sustainable agriculture—so does the need for a fair, equitable and transparent way to share the benefits derived from it. In response, 196 governments under the Convention on Biological Diversity created the multilateral mechanism for the Fair and Equitable Sharing of Benefits from the Use of Digital Sequence Information on Genetic Resources.

Established at Biodiversity COP15 in 2022 and operationalized through COP16 Decision 16/2 in 2024, this mechanism allows for the equitable sharing of benefits—monetary and non-monetary—arising from the use of digital sequence information. The monetary benefit-sharing is operationalized through the Cali Fund.

The overarching goals of the mechanism are to:

- Support the conservation and sustainable use of biodiversity
- Benefit indigenous peoples and local communities
- Respect the rights of indigenous peoples and local communities
- Ensure access to digital sequence information on genetic resources remains open, free and efficient, and
- Provide a predictable, transparent structure for equitable and fair benefit-sharing across sectors and geographies.

For detailed guidance and governance documents, visit: <https://mptf.undp.org/fund/cal00>

The Cali Fund – What is it?

The Cali Fund is the enabling financial engine of the multilateral mechanism for the Fair and Equitable Sharing of Benefits from the Use of Digital Sequence Information on Genetic Resources.

Administered by the United Nations **Multi-Partner Trust Fund Office (MPTFO)**, the Cali Fund will receive payments from entities and institutions which benefit from the use of DSI in their commercial activities and distribute these funds to developing countries and those with economies in transition, as well as indigenous peoples and local communities in both developing and, where appropriate, developed countries. Funds are intended to advance the objectives of the Convention on Biological Diversity, primarily the conservation and sustainable use of biodiversity.

Therefore, the funds will support biodiversity actions that the countries see as those with maximum conservation impact on the ground. In addition, the Fund will also support the self-identified needs of indigenous peoples and local communities, including women and youth within those communities. Further, the Fund should support the building of capacity to generate, access, use, analyse and store digital sequence information on genetic resources—laying the groundwork for more inclusive, sustainable and future-ready economies.

Key distinction: The Cali Fund is not a traditional donor or aid fund. It is the first mechanism of its kind to recognize and rely on private sector contributions—acknowledging the commercial benefit of digital sequence information on genetic resources and offering a credible path for entities to share benefits responsibly and efficiently, ensuring maximum impact.

What DSI is in Scope of the Mechanism?

The multilateral mechanism applies to digital sequence information on genetic resources that meets all the following criteria:

- It has been made publicly available;
- It is not subject to **mutually agreed terms**, unless those terms explicitly allow public sharing;
- It is not already governed by another international agreement on access and benefit-sharing, unless that agreement opts to use this mechanism.

By focusing on publicly available digital sequence information not otherwise regulated, the mechanism offers legal and operational clarity for entities using digital sequence information in research, development, and commercial products.

FREQUENTLY ASKED QUESTIONS

Who is Expected to Share Benefits?

All users of DSI that is covered by the mechanism are expected to share the benefits arising from its use in a fair and equitable manner. These benefits can be monetary or non-monetary.

The Cali Fund is designed to be targeted, fair, and practical. Not all users of digital sequence information are expected to contribute. Only large entities operating in specific commercial sectors-where digital sequence information plays a key role in product development and innovation-are anticipated to make monetary contributions.

Sectors in Scope:

The following indicative sectors have been identified as likely to be benefiting commercially from the use of digital sequence information:

- Pharmaceuticals
- Nutraceuticals (e.g., food and health supplements)
- Cosmetics
- Animal and plant breeding
- Biotechnology
- Laboratory equipment and supplies used for sequencing and DSI applications (e.g., reagents, kits), and
- Information, scientific and technical services related to DSI-including those using artificial intelligence

What Defines a 'Large Entity'?

To ensure proportionality, only large entities - as defined by clear financial thresholds-are expected to contribute. An entity is considered "large" if it meets two out of the following three criteria, averaged over the past three years:

- Total assets of at least USD 20 million
- Annual sales/revenue of at least USD 50 million
- Annual profit of at least USD 5 million

This ensures that contributions come from entities with the capacity to pay, and that smaller players, including start-ups and research-based innovators, are not unduly burdened.

How Much Are Large Entities Expected to Contribute to the Fund?

Large entities have the flexibility to choose the indicative contribution model that works best for their business:

- 1% of annual profit or
- 0.1% of annual revenue

These are considered to be predictable, low-burden models, aiming to make it straightforward for entities to plan, report and communicate.

What Can Users Receive for their Payments?

Every payment into the Cali Fund will receive a receipt from the Multi-Partner Trust Fund Office, confirming the contribution. For each year that users make monetary contributions to the fund in line with the modalities of the multilateral mechanism, they will be considered as having fairly and equitably shared monetary benefits arising from the use of digital sequence information on genetic resources under the multilateral mechanism and will receive a certificate accordingly.

Such a certificate excludes the user from any expectation to share further monetary benefits from the use of such information within the scope of the multilateral mechanism for that year.

FREQUENTLY ASKED QUESTIONS

Who Is Not Expected to Contribute to the Fund?

Entities and institutions that are not commercially profiting from Digital Sequence Information are currently exempt from making financial contributions. These include:

- Public databases
- Academic institutions, and
- Public research organisations

The mechanism is designed to support open science while ensuring that commercial beneficiaries contribute to the future conservation and sustainable use of the biodiversity from which they benefit.

How Does the Contribution Mechanism Work?

It is expected that entities will submit their contributions directly to the Cali Fund host, the Multi-Partner Trust Fund Office (MPTFO). Further guidance can be found at <https://mptf.undp.org/fund/cal00>.

If you are interested in contributing through your government but are unsure whether such a system has been or will be set up, you can contact the National Focal Point of your government: www.cbd.int/information/nfp.shtml

What will the Money in the Cali Fund be Used For?

The Conference of the Parties has decided that the funding should be used to:

1. Support the objectives of the CBD, in particular the conservation and sustainable use of biodiversity, including through the delivery of activities described in **National Biodiversity Strategy and Action Plans (NBSAPs)** in developing countries, in particular the least developed countries and small island developing States, and Parties with economies in transition;
2. Contribute to scientific research on biodiversity;
3. Benefit indigenous peoples and local communities, including women and youth within those communities, in all countries;
4. Support the building of capacity to generate, access, use, analyze and store DSI according to capacity needs.

In order to support those objectives, the modalities foresee that:

- At least half of the funds should be given directly to indigenous peoples and local communities, as custodians of biodiversity, through government institutions or their choice of a certified institution, to support their self-identified needs.
- Funds will be disbursed directly to eligible countries to support the activities referenced in 1-4 above. The country may need to designate a national entity (such as a biodiversity fund) or an international entity to receive the funds.

The Conference of the Parties may also decide to set aside a proportion of the Funds to support capacity-building and capacity development in developing countries to close the scientific capacity gap to fully participate and benefit from DSI.

Funding to Parties will be disbursed through direct allocations to countries. An Ad Hoc Technical Expert Group on Allocation Methodology will develop an allocation methodology for disbursing funding from the global fund for consideration by the Conference of the Parties at its seventeenth meeting in 2026.

REPORTING ON THE USE OF FUNDS

Recipients of funds are responsible to ensure the money is used for the goals of the Cali Fund, and report back annually. More information can be found within the Parties' and indigenous peoples and local communities' guides.

Non-Monetary Benefit Sharing

Non-monetary benefit-sharing includes a wide set of actions and activities. Decision 16/2 describes non-monetary benefits as supporting the self-identified capacity and technical development needs and priorities of Parties, including on the generation of, access to and use and storage of DSI, as well as the self-identified needs of indigenous peoples and local communities. Additionally, the sharing of non-monetary benefits will build on existing activities through the [long-term strategic framework for capacity-building and development of the CBD](#) and its mechanism to strengthen technical and scientific cooperation in support of the KMGBF. Finally, the sharing of non-monetary benefits will be facilitated through an existing clearing house under the CBD.

Databases are also an important element of the multilateral mechanism and its Cali Fund. They are relevant both in terms of the governance of the data as well as a form of non-monetary benefit sharing.

Governance

The multilateral mechanism, including the Cali Fund, is intended to be agile. A Steering Committee was created to provide strategic oversight and guidance for the operations of the mechanism and the Cali Fund. Whilst in other funds, a governing body may generally be referred to as the executive committee or the board of directors, the governing body of the Multilateral Mechanism and Cali Fund is known as the 'Steering Committee'. The Conference of the Parties to the CBD will continue to consider the various aspects of the multilateral mechanism and Cali Fund at its meetings held once every two years. The Steering Committee reports to the COP.

Additionally, a review of the effectiveness of the mechanism will take place and be presented at every second COP meeting (every four years).

Other Elements of the Multilateral Mechanism in Decision 16/2:

- The role of Parties and non-Parties in incentivizing contributions to the Cali Fund, is covered in the Parties' specific guide which provides some broad considerations on the creation of incentives for industry to participate and contribute to the fund.

More detailed explanations are provided for the above in specialized guides. For further clarifications and if you have any questions, please contact the interim Secretariat at califund@un.org

PROVISIONS FOR PARTIES TO THE CBD

Unlike other biodiversity funding mechanisms, the multilateral mechanism, including the Cali Fund is not reliant on donor contributions from Parties [Decision 16/2](#) therefore includes new and novel roles for the CBD Parties implementing the decision. This guide outlines these aspects, alongside the more general areas of Decision 16/2.

In relation to Contributions: Non-Monetary Benefit Sharing

Incentivizing monetary benefit-sharing:

The decision invites Parties and non-Parties to take administrative, policy or legislative actions to incentivize the relevant industries within their country to contribute to the Cali Fund according to the modalities.

National access and benefit-sharing legislation for DSI:

Should Parties put in place national measures on access and benefit-sharing from DSI, the modalities of the multilateral mechanism invite Parties to avoid a duplication of expectations to share benefits, including monetary benefits.

For business operating within your country:

Large entities in sectors listed in the decision should be making monetary contributions to the Cali Fund. While countries may collect contributions from their industries and then transfer them into the Cali Fund, these contributions are expected to be made directly to the Fund by individual entities. Should a country decide to collate the payments, arrangements will need to be made with the Multi-Partner Trust Fund Office, and the interim Secretariat of the Cali Fund will need to be informed.

For databases operating within your country:

Parties hosting, funding or sponsoring DSI databases are expected to ensure that these databases implement applicable provisions of the decision as well as other relevant future decisions of the Conference of the Parties. These provisions relate to data governance and providing information on the multilateral mechanism to database users.

More information on these provisions can be found within the specialized guide relating to databases.

In relation to receiving funds from the Cali Fund

Direct disbursements:

Each recipient Party (developing countries) is invited to designate or establish, as appropriate, a national entity, such as a national biodiversity fund, to receive funds and distribute them in a transparent manner to support the realization of the objectives of the Convention in developing country Parties. This entity can be a national structure such as a national biodiversity fund or another national entity. Alternatively, if a country deems it preferable, it may designate an international, regional or sub-regional Fund for this purpose instead.

Regardless of which the country government designates, minimum international fiduciary standards have to be established before being able to receive funds. The Multi-Partner Trust Fund Office uses the [Harmonized Approach to Cash Transfer \(HACT\) framework](#).

If a Party designates an entity that already receives money from other mechanisms, it is likely to already have passed this or a similar fiduciary standards assessment. Fiduciary assessments for the Cali Fund may therefore be streamlined. The interim Secretariat of the Cali Fund and the Multi-Partner Trust Fund Office can provide more information on this and work through any related queries. More information can be found on the MPTFO website:

<https://mptf.undp.org/fund/cal00>

PROVISIONS FOR PARTIES TO THE CBD

Reporting on disbursements:

There are expected to be two reporting obligations that those receiving funds will be expected to complete.

1. A narrative report to describe how the money has been used. The details of this are being drafted currently, flexibility to suit the needs of indigenous peoples and local communities is of paramount importance.
2. Annual financial reporting will also be required. These reports will be compiled by the Multi-Partner Trust Fund Office and an annual financial report for the Cali Fund will be made public and shared with contributors.

These reporting obligations will be streamlined to avoid burdensome reporting requirements for participating organizations, and when possible, aggregated for the integration of the data into other existing monitoring framework such as the KMGBF.

After approval by the Steering Committee, the operations manual for the Cali Fund will be made publicly available.

In Relation to Governance and Further Work:

Engagement with the Steering Committee:

The composition of the steering committee includes three Party representatives from each region selected based on their relevant experience and with regard to gender balance. Part of the role of Members will be to communicate with their regions as needed, serving as information providers, as well as a point of contact.

More information on the Steering Committee formulation can be found here: <https://www.cbd.int/notifications/2025-091>

Ad-Hoc Technical Expert Group on Allocation Methodology (AHTEG):

The AHTEG on allocation methodology also has fifteen seats for Party representation. Experts will come together to discuss outstanding issues relating to disbursements from the Cali Fund, in particular, they will develop an allocation methodology for disbursing funding from the Cali Fund to Party governments that are entitled to it. The formula will be developed using the list of criteria for funding allocation within Decision 16/2. The list is as follows:

- a) Biodiversity richness and other biodiversity-related criteria for which data are readily available at a national level;
- b) The geographical origin of the genetic resources from which DSI in the database was derived;
- c) Capacity needs for the conservation and sustainable use of biodiversity, taking into account the circumstances of developing country Parties, in particular the least developed countries and small island developing States, Parties with economies in transition and indigenous peoples and local communities.

This formula will be considered by the COP at its seventeenth meeting.

Summary of Early Actions for Parties

- Consider aligning existing or future national legislation on the sharing of benefits from the use of DSI with the multilateral mechanism.
- Consider incentives to encourage your industry to contribute to the Cali Fund.
- For developing countries and countries with economies in transition: **identify or set up a national entity** to receive the monetary disbursements.
- Work with **databases** operating within your jurisdiction.

For any questions, please contact the interim Secretariat at Califund@un.org or visit the website: <https://www.cbd.int/califund>

Contributing to the Cali Fund isn't just good for biodiversity, it is smart risk management, a credible complement to existing ESG strategies, and a tangible contribution to the leadership of global stability, science, and sustainability.

Further Resources:

- **Additional information and administrative documents on the Cali Fund and its operations:** mptf.undp.org/fund/cal00
- **Information about the Convention on Biological Diversity (CBD) and the Kunming-Montreal Global Biodiversity Framework:** <https://www.cbd.int/gbf/targets>

Please get in touch to find out more:

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Convention on Biological Diversity (CBD)

Established in 1992, the Convention on Biological Diversity is an international treaty for the conservation of biodiversity, the sustainable use of biodiversity components, and the fair and equitable sharing of benefits arising from the use of genetic resources. With 196 signatory Parties, the Convention enjoys almost universal participation by countries. The Convention contributes to eliminating all threats to biodiversity and ecosystem services through scientific assessments, the development of tools, measures, and incentives, the transfer of technologies and best practices, and the active participation of stakeholders, including indigenous peoples and local communities, youth, women, NGOs, subnational actors, and the business community.

United Nations Environment Programme (UNEP)

UNEP is the world's leading authority on the environment, setting the global environmental agenda, promoting the coherent implementation of the environmental dimension of sustainable development within the United Nations system, and advocating for the global environment.

United Nations Development Programme (UNDP)

UNDP is the United Nations' leading agency fighting the injustice of poverty, inequality, and climate change. Working with a wide network of experts and partners in 170 countries, we help countries develop integrated and sustainable solutions for people and the planet. For more information: undp.org or follow @UNDP and @UNDP Nature.

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