

# Digital Sequence Information on Genetic Resources under the Convention on Biological Diversity

*13 December 2024*  
*ITPGRFA Informal meeting*

## Decision 15/9. Digital sequence information on genetic resources

Para. 2: Agreed that the benefits from the use of digital sequence information on genetic resources should be shared fairly and equitably

Para 16: Established, 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**

→ Also decided on an inter-sessional process to further develop and operationalize the mechanism

## Decision 15/4. Kunming-Montreal Global Biodiversity Framework

Both Goal C and Target 13 of the Framework address benefit-sharing from the use of DSI and call for increases in the benefits shared.



## Inter-sessional work between COP-15 and COP-16:

- Included two meetings of the Ad Hoc Open-ended Working Group on Benefit-sharing from the Use of DSI which developed a recommendation for consideration by COP-16
- Extensive informal work, including:
  - Informal advisory group that met at least once per month between January and June 2024 to explore elements for discussion identified at first meeting of DSI Working Group
  - Informal day of discussions on margins of CBD meetings in May 2024
  - Webinars on relevant issues in September/October 2024, just before COP-16



## Negotiations during COP-16

- Numerous contact group sessions with iterations of a non-paper
- Text by President of the COP published on final morning.
  - President of the COP is H.E. Susana Muhamad, Minister of Environment of Colombia
  - Heads of Delegations meeting to gather feedback followed by small group consultations leading to text of final decision.



COP 16 President **Susana Muhamad**, Colombia, gaveling the decision on the multilateral benefit-sharing mechanism from the use of digital sequence information (Source: ENB)

# COP decision 16/2: Digital sequence information on genetic resources

<https://www.cbd.int/decisions/cop/?m=cop-16>

Decision consists of:

- Main body of the decision
- Annex with modalities for operationalizing the multilateral mechanism for the fair and equitable sharing of benefits from the use of digital sequence information on genetic resources, including a global fund
- Six enclosures to the annex:
  - I. Indicative list of sectors that may benefit directly or indirectly from the use of digital sequence information on genetic resources
  - II. Indicative list of criteria for funding allocation
  - III. Terms of reference for the Ad Hoc Technical Expert Group on Allocation Methodology
  - IV. Terms of reference for the Steering Committee
  - V. Functions of the Secretariat
  - VI. Factors to be considered in the review of the effectiveness of the multilateral mechanism, including the global fund



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Agenda item 9  
Digital sequence information on genetic resources

## Decision adopted by the Conference of the Parties to the Convention on Biological Diversity on 1 November 2024

### 16/2. Digital sequence information on genetic resources

*The Conference of the Parties,*

*Recalling decisions [15/4](#) and [15/9](#) of 19 December 2022,*

*Taking note of recommendation [2/1](#) of 16 August 2024 of the Ad Hoc Open-ended Working Group on Benefit-sharing from the Use of Digital Sequence Information on Genetic Resources,*

*Noting the relevant discussions on digital sequence information on genetic resources and related issues held under other United Nations bodies and treaties, such as the International Treaty on Plant Genetic Resources for Food and Agriculture,<sup>1</sup> the World Health Organization and the Agreement under the United Nations Convention on the Law of the Sea on the Conservation and Sustainable Use of Marine Biological Diversity of Areas beyond National Jurisdiction,<sup>2</sup>*

*Recognizing that the approach to the fair and equitable benefit-sharing from the use of digital sequence information on genetic resources set out in the present decision is without prejudice to national access and benefit-sharing measures and does not affect the rights and obligations of any Party deriving from any existing international agreement,*

*Acknowledging the vital role of digital sequence information on genetic resources and of open access to such information in scientific research and sustainable development,*

*Recognizing the importance of the fair and equitable sharing of benefits arising from the use of digital sequence information on genetic resources to achieving Goal C and Target 13 of the Kunming-Montreal Global Biodiversity Framework,<sup>3</sup>*

*Acknowledging the United Nations Declaration on the Rights of Indigenous Peoples,<sup>4</sup>*

*Recognizing the vital role that indigenous peoples and local communities play in the conservation and sustainable use of genetic resources,*



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# Key elements of decision 16/2

In the body of the decision, the Conference of the Parties:

- Adopted the modalities for operationalizing the multilateral mechanism for the fair and equitable sharing of benefits from the use of digital sequence information on genetic resources, including a global fund, 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 further work (para. 3-7)

## Annex. Modalities of the mechanism, including the Cali Fund

- Para. 1: describes DSI on genetic resources covered by the mechanism
- Para. 2 & 3: all users of DSI under the mechanism should share benefits; commercial users should contribute monetary benefits to the Cali Fund

1. Without prejudice to national legislation, the multilateral mechanism covers DSI on genetic resources:

- (a) That is made publicly available, in compliance with national legislation, where applicable;
- (b) That is not subject to mutually agreed terms established at the time of access to the genetic resources from which the digital sequence information is derived, unless those terms allow for the making of the digital sequence information on genetic resources freely available;
- (c) For which the fair and equitable sharing of benefits from the use of digital sequence information on genetic resources is not provided for under other international instruments on access and benefit-sharing, unless the multilateral mechanism is chosen for that purpose under those instruments.

# Key elements of decision 16/2: Who should pay how much into the Cali Fund?

3. 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 global fund, according to their size. Having regard to paragraph 13, **entities that, on their balance sheet dates, exceed at least two out of three of thresholds (namely, total assets: 20 million United States dollars, sales: 50 million dollars, and profit: 5 million dollars) averaged over the preceding three years** should contribute to the global fund **1 per cent of their profits or 0.1 per cent of their revenue**, as an indicative rate. An indicative list of sectors to which such users may belong is contained in enclosure I.

- (a) Pharmaceuticals
- (b) Nutraceuticals (food & health supplements)
- (c) Cosmetics
- (d) Animal and plant breeding
- (e) Biotechnology
- (f) Laboratory equipment associated with the sequencing and use of digital sequence information on genetic resources, including reagents and supplies
- (g) Information, scientific and technical services related to digital sequence information on genetic resources, including artificial intelligence.

*\* List of sectors will be kept under review & is without prejudice to DSI covered by other international ABS agreements*

# Key elements of decision 16/2: Who is not expected to pay into the Cali Fund?

Para. 5: Paragraph 3 of modalities does not apply to entities active in the sectors listed in enclosure I that do not directly or indirectly use digital sequence information on genetic resources

Para 9: Entities operating public databases and public research and academic institutions are not expected to make monetary contributions to the Cali Fund.

Para. 16: Additional contributions to the Cali Fund are encouraged.

- Para. 6, 7 and 8 address non-monetary benefit-sharing
  - Linked to long-term strategic framework for capacity-building and development of the CBD (decision 15/8, annex I)
  - Also linked to mechanism to strengthen technical and scientific cooperation in support of the Global Biodiversity Framework (decision 15/8, annex II; decision 16/3, section II)



# *Explained: How will contributions to the Cali Fund work?*

Para. 13: Parties and non-Parties are invited to take 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.

Para. 14: Contributions to the Cali Fund are expected to be made directly but may be made through a national authority. Receipts will be issued at the point of contribution to the Cali Fund.

Para. 15. For each year that users make monetary contributions to the Fund in line with the modalities, they will be considered as having fairly and equitably shared monetary benefits arising from the use of DSI 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.

# Explained: How will funds from the Cali Fund be allocated?

Allocation of funds addressed in para. 17 to 22 and also subject to further intersessional work

Para. 18: Funding should:

- Support the realization of the objectives of the CBD, especially the conservation and sustainable use of biodiversity, in developing country Parties
- Benefit indigenous peoples and local communities
- Support building of capacity to generate, access, use, analyse and store DSI
- Funding will also be available for these purposes to indigenous peoples and local communities in developed countries, where appropriate.
- In the event that any other intergovernmental forums decide to make use of the multilateral mechanism to share the benefits from the use of DSI, the funding should also support the realization of their objectives.

Para. 20: Funding will be disbursed through direct allocations to countries

Para. 21: Where appropriate, and subject to national circumstances and national legislation, at least half of the funding of the global fund should support the self-identified needs of indigenous peoples and local communities

→ *Indicative criteria for funding allocation in enclosure II. Allocation formula to be determined by COP-17*

# Other provisions

Para. 23: The Cali Fund will be administered by the United Nations through the Multi-Partner Trust Fund Office (MPTFO).

- Work already underway with the MPTFO to make the administrative arrangements necessary to launch the Cali Fund. Aim to have the Fund up and running ASAP; in the meantime, pledges are welcome and encouraged.

Para 28: the multilateral mechanism, including the Cali Fund, will operate under the authority and guidance of and be accountable to the Conference of the Parties.

- A steering committee will support the COP.
  - Its functions include ensuring the Fund disburses money according to the modalities and guiding the operations of the secretariat of the mechanism
- A secretariat will serve the Steering Committee and support the functioning of the mechanism

Decision also addresses:

- Data governance (e.g. para. 4 of the decision; para. 10-12 of the modalities)
- Review of the mechanism, including the Cali Fund
  - E.g. para. 29 of the modalities provides that the effectiveness of the mechanism will be reviewed at COP-18

# Relationship with other instruments

Question of relationship with other instruments has been a key consideration throughout CBD negotiations on DSI

- Negotiators have been keen to design the mechanism in a way that could allow it to work for other instruments and also to avoid duplication of requirements

In decision 16/2, issue of relationship is addressed in:

- Third preambular paragraph of the decision
- Modalities:
  - Para. 1(c)
  - Para. 18
  - Para. 27
  - Enclosure I (indicative list of sectors)
  - Enclosure VI (factors to be considered in the review)
    - para (L)

27. The multilateral mechanism will be implemented in a way that is mutually supportive of and adaptive to other international ABS instruments on digital sequence information on genetic resources, to avoid the stacking of obligations and, where appropriate, to streamline processes. The governing bodies of other international ABS instruments are invited to collaborate with the multilateral mechanism and, where appropriate, to streamline processes. The provisions of the mechanism will not affect the rights and obligations of any Party deriving from any existing international agreement.



# Next steps

CBD Secretariat has just (10 December) issued four notifications regarding follow-up to decision 16/2:

- [Notification 2024-113](#): ‘chapeau’ notification with background and summary information plus calls for nominations to Steering Committee of the multilateral mechanism and the Cali Fund, and to the Ad Hoc Technical Expert Group on Allocation Methodology that will work on matters related to how money from the Cali Fund should be allocated
- [Notification 2024-114](#): invitation to submit views on possible additional modalities of the multilateral mechanism (*deadline 21 March 2025*)
- [Notification 2024-115](#): invitation to submit views on possible new tools and models, such as databases, for making digital sequence information on genetic resources publicly available and accessible (*deadline 4 April 2025*)
- [Notification 2024-116](#): invitation to submit information on national, regional or international standards on thresholds determining small, medium and large entities (*deadline 18 April 2025*)

In addition, decision 16/2 requests studies on:

- examining options for making digital sequence information on genetic resources publicly available and accessible in a transparent and accountable manner
- national and international standards for the identification of the small, medium and large entities
- contribution rates, including implications for revenue generation and economic competitiveness.

# Questions?



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