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Webinar Report:

Engaging the Private Sector in the Multilateral Mechanism (MLM) and the Cali Fund:

What is necessary, what is feasible?

Thursday, 8 May 2025 – 12.00 to 14.00 UTC

Links to the recordings: [EN](#) – [FR](#) – [ES](#)

Welcome Remarks

Suhel al-Janabi, ABS Capacity Development Initiative

The speaker welcomed participants to the webinar organised by the ABS Initiative in collaboration with the International Chamber of Commerce and introduced the agenda.

Agenda:

- Input: Informing on the intersessional process until COP 17
- Input: Functionality of the Cali Fund - Key construction sites
- Input: What enabling conditions does industry need to contribute to the MLM / Cali Fund
- Panel 1: Industry representatives
- Panel discussion 2: Industry and Party representatives with questions from the chat
- Wrap up & Goodbye

Input - Informing on the intersessional process until COP 17

Taukondjo Shikongo, Secretariat of the Convention on Biological Diversity:

The speaker provided a comprehensive overview of the **implementation of COP Decision 16/2**, which operationalizes the **Multilateral Mechanism (MLM)** and the **Cali Fund** for benefit-sharing from the use of Digital Sequence Information (DSI) on genetic resources. Key points included:

1. **Historical context:** The journey began with COP 14 in Egypt, continued through COP 15 in Montreal (Decision 15/9), and led to the establishment of the MLM and Cali Fund via Decision 16/2 in Cali.
2. **Five core clusters of intersessional activities:**
 - **Submissions of views** on potential additional modalities and tools like public DSI databases.

- **Commissioning of studies** on DSI accessibility, entity size classification, and contribution rates.
- **Formation of an AHTEG** (Ad Hoc Technical Expert Group) to develop allocation formulas for the Cali Fund.
- **Establishment of the Cali Fund** under the UNDP Multi-Partner Trust Fund framework.
- **Governance setup**, including creating the Steering Committee and Secretariat.

3. Progress and milestones:

- Notifications and calls for inputs were issued right after Cali.
- The Cali Fund was officially launched in February; its account is now open and awaiting contributions.
- Nominations for Steering Committee members and AHTEG experts were collected.
- Some outputs will be reviewed at **SBI 6**, others at **SBI 7**, leading to key decisions at **COP 17**.

The speaker thanked the DSI team of the Secretariat, UN partners (UNEP, UNDP), the Multi-Partner Trust Fund Office, and donors for their support and efforts and concluded by highlighting the pressing need to deliver results before 2030 and 2050, aligned with the biodiversity goals, despite limited time and resources. The full presentation is provided in Annex 3 of this report.

Input – Functionality of the Cali Fund - Key construction sites

Hartmut Meyer, ABS Capacity Development Initiative:

The speaker provided a summary of the **key foundational elements** and **ongoing challenges** ("**construction sites**") for making the **Cali Fund and the MLM** operational. The main points are:

1. Background & Purpose:

- The MLM and Cali Fund were established through a **CBD decision** (not a treaty), allowing them to become functional shortly after COP decisions.
- All **users of DSI** are required to share benefits, as established in COP 15 and confirmed in COP 16.

2. Contribution Structure:

- **Public databases and research institutions** are not required to make monetary contributions.
- **Commercial users** (those who benefit directly or indirectly from the use of DSI) are expected to contribute, but only if they meet certain **thresholds** (based on assets, sales, and profits).
- Businesses can choose to contribute either **1% of profits** or **0.1% of revenues**.

3. Fund Allocation:

- **Administered by UN Multi-Partner Trust Fund Office**, contributions will be distributed directly to **CBD Parties**, not through global project-based models like the GEF.
- Allocation must be **fair, transparent, accountable, equitable, and gender-responsive**.
- National entities will manage funds and may fund **country- or community-driven projects**.
- **At least 50%** of the fund should support **Indigenous Peoples and Local Communities (IPLCs)**, including women and youth.

4. Governance:

- Ultimate authority lies with the **CBD COP**.
- A **Steering Committee** (supporting COP) will oversee fund operations, consisting of 24 members: 15 from Parties, 6 from IPLCs, and 3 from UN entities. There will also be **6 observers** (2 each from civil society, science, and the private sector).

These provisions form the **framework for implementation** and the **basis for ongoing panel discussions** on how to fully operationalize the MLM and Cali Fund. The full presentation is provided in Annex 4 of this report.

Input – What enabling conditions does industry need to contribute to the MLM / Cali Fund

Daphne Yong-d'Hervé, International Chamber of Commerce (ICC):

The speaker emphasized the importance of collaboration among businesses, governments, and stakeholders to make the Multilateral Mechanism (MLM) for Digital Sequence Information (DSI) effective and workable. Businesses are committed to supporting a system that promotes biodiversity conservation, sustainable use, and innovation. However, the current MLM framework is still underdeveloped and needs significant work to function effectively in practice. To be successful, the MLM must be simple, legally clear, commercially realistic, and provide real incentives beyond reputational benefits.

Key enabling conditions include:

1. **True multilateral ABS compliance** offering an alternative, not an addition, to national systems, with a pathway for broadening the MLM's scope.
2. **Clarity and harmonization** on definitions and terms like “entity,” “use,” and “indicative rate” to ensure a level playing field and consistent national implementation.
3. **Realistic and proportionate benefit-sharing expectations** that take into account the diversity of DSI use to avoid disadvantaging businesses, and support the continued use and uptake of new technologies.
4. **No overlapping obligations** with national laws or other international instruments.
5. **Stronger business involvement** in MLM design and governance to ensure the system works in practice.

Daphne concluded by stressing the need for clearer frameworks and enhanced incentives to ensure broad business participation. The full presentation is provided in Annex 5 of this report.

Panel Discussions

Moderation: **Pierre du Plessis**, *ABS Capacity Development Initiative*

Panel 1: Industry¹

Jonathan Hicks, *Personal Care Products Council (PCPC), USA*

Markus Wyss, *dsm-firmenich, Switzerland*

Melchior Kuo, *International Federation of Pharmaceutical Manufacturers & Associations (IFPMA)*

Shivendra Bajaj, *Asia and Pacific Seed Alliance (APSA), New Zealand*

Julia Moreira Pupe, *National Confederation of Industry (CNI), Brazil*

¹ For short bios of panellist see Annex 1 of the report.

The moderator explained that this session is focused solely on **hearing from industry representatives** to gain a clearer understanding of the specific challenges businesses face. **The first round of statements** should feature sectoral perspectives.

Jonathan Hicks

The PCPC, a leading U.S. trade association for the cosmetics and personal care industry, is part of a global cosmetics coalition engaged in discussions on DSI. The industry values biodiversity as a key source of innovation, but shares concerns with other sectors about **legal uncertainties surrounding DSI**. The PCPC urges the **clear definition of DSI**, supporting the inclusion of only Group 1 and Group 2 (DNA, RNA, and proteins) as defined by the technical expert group. They oppose including Group 3 (metabolites), arguing these can exist without DSI use and that their inclusion would hinder sustainable practices by discouraging alternatives to natural harvesting. This would conflict with the goals of the CBD and the Nagoya Protocol.

Markus Wyss

dsm-firmenich, a leading B2B ingredient producer in the food, feed, and cosmetics industries, emphasizes its commitment to sustainability and innovation. While much of its portfolio is still based on synthetic or mineral-origin materials not involving genetic resources or DSI, the company increasingly uses biotechnology to develop more sustainable solutions. This includes microorganisms (often exempt from ABS obligations) and DSI—primarily proprietary or from countries without ABS rules. With thousands of ingredients in use, **current ABS mechanisms pose a heavy administrative burden and thus significant compliance costs**. Imposing additional obligations that result in an uneven level playing field and exacerbate legal uncertainty will hinder sustainability goals and slow the shift from fossil-based to renewable resources. The speaker emphasized that, for the MLM to become a success, the incentives must be set in a way that the vast majority of companies will subscribe to the MLM.

Melchior Kuo

The biopharmaceutical sector provides significant societal contributions, such as life-saving treatments, vaccines, and global health initiatives, emphasizing that these existing benefits should be acknowledged. The speaker stressed the unique challenges of the sector, including lengthy R&D timelines (10–15 years) and low success rates (10% at the clinical trial stage), which are not adequately considered in current policy decisions. He cautioned against **overlapping and burdensome obligations**, particularly between biodiversity-related frameworks and health sector agreements like the WHO pandemic accord. The speaker called for **greater legal clarity, safeguards, and practical incentives** to ensure participation in the evolving multilateral system, noting that current decisions, including those related to the Cali Fund, fall short of addressing these needs.

Shivendra Bajaj

Representing the Asia Pacific Seed Alliance and the broader seed sector, the speaker emphasized the challenges faced by seed companies operating globally under diverse and complex biodiversity laws. These companies rely on DSI and genetic resources from multiple sources, including public databases, the ITPGRFA system, and countries under Nagoya Protocol rules. The sector is calling for a **simpler, harmonized ABS mechanism that provides legal certainty and a clear multilateral compliance pathway**. The current proposal is too complex, requiring companies to navigate **overlapping obligations from various legal frameworks**. Instead of bilateral payment systems, the speaker advocated for stronger incentives to encourage participation in the Multilateral Mechanism (MLM).

Julia Moreira Pupe

Representing the Brazilian National Confederation of Industry (CNI), the speaker highlighted the importance of refining the MLM to reflect the diverse ways industries use DSI. While supporting

Decision 16/2 as a foundation, she emphasized that **rigid, revenue-based models** may not accurately capture the **complexity and variation of DSI use across sectors and companies** in Brazil. She also cautioned against classifying companies solely by size, noting that business models, DSI reliance, and technological maturity vary widely. The speaker stressed the need for further analysis and studies by the CBD Secretariat to guide informed and effective decisions moving forward.

The moderator opened the second round of statements to dive deeper into previously mentioned challenges and emphasized the urgency of the biodiversity crisis with a new metaphor: building a life raft while navigating a flood of extinctions.

Shivendra Bajaj

The speaker from the seed industry emphasized the need for **legal certainty** and a **clear, universally accepted multilateral compliance option** under the MLM that would replace overlapping national and international obligations. He explained that global seed companies face complex challenges due to sourcing DSI and genetic resources from multiple countries, making benefit-sharing difficult to trace. A **single, accepted system** would simplify compliance. The speaker also called for **greater government awareness and stakeholder engagement**, stressing that the seed sector contributes to biodiversity through plant breeding, germplasm sharing, and support for gene banks. The sector requests a **simpler process, legal clarity, no overlapping rules, and better guidance on obligations and payments**.

Jonathan Hicks

The speaker from the cosmetics sector **strongly supported the need to avoid duplication with national ABS laws** and stressed the importance of **clarifying definitions**, particularly around “indirect use,” warning that including downstream entities could lead to **multiple payments for the same use**. He advocated for a **single point of payment responsibility**, suggesting that the **Nagoya Protocol's definition of "utilization"** could help prevent overlap. Additionally, the speaker emphasized that **transparency and accountability in fund allocation** are essential—not just centrally, but also at the **national and grantee levels**. For businesses, this transparency is a **legal and reputational necessity**, and misuse of funds could lead to serious consequences. While he acknowledged that transparency requires resources, he urged minimizing administrative costs to **maximize the impact of the Cali Fund on biodiversity conservation**.

Markus Wyss

The speaker emphasized the **critical importance of achieving a level playing field** to make the Multilateral Mechanism (MLM) successful. They noted that **current modalities lack strong incentives** for companies to join, and **broad industry participation** is essential for two reasons:

1. **Low participation means a small payer base** and those who do join may face **competitive disadvantages**, prompting pressure for **lower contribution rates**.
2. Since the MLM is still **voluntary**, companies can choose between it and national ABS laws. Given the **complexity of supply chains**, **partial participation** would force contributing companies to both **pay into the fund** and **maintain complex tracking** for non-participating partners.

The speaker concluded that a **simple, globally harmonised system** is needed to encourage widespread participation and truly create a level playing field.

Julia Moreira Pupe

The speaker agreed with previous comments, particularly around concerns about **indicative rates** and **double payments**, and highlighted that **most Brazilian industries are still in early R&D stages** when it comes to using DSI, with limited application in commercial products.

She warned that the current MLM model, which applies **uniform rates based on revenue or profit**, could **create economic distortions** - taxing companies equally regardless of how much DSI they actually use. This could **penalize innovation and investment in technology**, especially in countries like Brazil with fewer resources.

To address this, they advocated for a **complementary model** that includes **product-based criteria**, ensuring assessments are based on **actual DSI use**. This would create a more **equitable, accurate, and innovation-friendly system**, particularly benefiting developing countries.

Melchior Kuo

The speaker focused on two key issues: **certificates** and the **rationale for contribution rates** under the multilateral mechanism (MLM).

1. **Certificates:** There is **lack of clarity** around what certificates offer, how they are issued, and how they are recognized by governments. The speaker argued that certificates could be a **key operational tool** to address concerns such as **legal certainty** and **overlapping obligations**, if they legally guarantee that participation in the MLM ensures **full compliance** with ABS laws across all CBD member countries for any use, for any purpose and at any time in all 196 countries that are parties to the CBD.
2. **Contribution rationale:** The speaker criticized the decision for **lacking justification** for contribution rates. They emphasized the need to reflect differences across sectors—such as **profit margins**, **R&D investment levels**, and **success rates** (noting only 0.1–0.2% of synthesised compounds in their sector reach the market). Without this context, the system lacks incentives and will not **attract industry participation** effectively.

Panel 2: Industry and Parties²

Birgit Winkel, *Federal Ministry for the Environment, Nature Conservation, Climate Change and Nuclear Safety (BMUKN), Germany*

Charlotte Blom, *Novonesis, Denmark*

Henry de Novion, *Ministry of Environment and Climate Change (MMA), Brazil*

Jasmina Muminovic, *Bayer Crop Science, Spain*

Katie Beckett, *Department for Environment, Food and Rural Affairs (DEFRA), UK*

Saipriya Kamath, *London School of Economics (LSE), UK*

The moderator introduced the second panel and highlighted the discussion will focus on **potential solution pathways** addressing the specific challenges mentioned by Daphne and the business representatives at the first panel. Panellists were asked to reflect on what would need to change and how, while considering two levels of action needed, to operationalize the Cali Fund and multilateral mechanism (MLM):

1. **National and company-level measures**, and
2. **International/multilateral actions**, including guidance from the COP to ensure the system is inclusive and effective.

The audience was encouraged to comment and/or post their ideas for potential solution pathways in the chat. Chat contributions are documented in Annex 2

The panellists discussed various potential solutions to improve the implementation of the MLM and the Cali Fund for biodiversity conservation, focusing on building trust, addressing industry concerns, and ensuring effective contributions.

² For short bios of panellist see Annex 1 of the report.

Points of Convergence among speakers:

1. Need for Collaboration:

- All panellists agreed that both **industry and governments must work together** to ensure the success of the MLM and the Cali Fund. They recognized the importance of coordinated efforts and **collaborative dialogue** to bridge gaps and build trust.
- **Birgit, Katie, Saipriya, and Charlotte** all emphasized the importance of communication and **stakeholder engagement**, including **national consultations, roundtables, and workshops**, to create a shared understanding and alignment between governments and industry.

2. Gradual Approach and Flexibility:

- **Henry, Katie, Birgit, and Saipriya** shared the view that a **phased, flexible approach** is necessary. They argued for starting the process **early** with **voluntary contributions** and **iterative improvements**, rather than waiting for the mechanism to be perfect. This approach would allow for **learning by doing**, helping to build momentum while refining the system.
- **Saipriya** highlighted the importance of **starting now** to generate trust and **momentum**, even if the system is not yet perfect.

3. Avoidance of Duplication and Double Payments:

- Several speakers (**Katie, Charlotte, Jasmina, Birgit**) emphasized the need to **avoid "obligation stacking"**, ensuring that companies do not face overlapping obligations at the national and multilateral levels.
- They all stressed the need for a **clear system** where contributions to the Cali Fund can also be recognized as fulfilling national ABS obligations.

4. Role of Early Movers:

- **Birgit, Saipriya, Henry, and Katie** all highlighted the importance of **early movers** in establishing a reputation-driven foundation. They suggested that companies should **self-assess their ability to contribute** early on, with the possibility of gaining **reputational benefits** and setting the tone for broader industry engagement.

5. Need for Legal Certainty:

- **Katie, Charlotte, and Jasmina** noted that companies require **legal certainty** to engage effectively. They agreed that it is crucial to have clear definitions, obligations, and assurances that contributions to the MLM will not result in additional, duplicative national obligations.
- The need for a solid **compliance framework** that provides companies with confidence in the system was mentioned by multiple speakers.

Points of Divergence among speakers:

1. Timing of Contributions:

- **Jasmina and Charlotte** were more cautious about expecting **immediate contributions**, emphasizing the need to resolve **fundamental issues** first (e.g., clarity on what DSI is and its direct impact on businesses) before expecting companies to contribute.
- **Saipriya, Katie, and Birgit**, on the other hand, pushed for **starting contributions now** despite the imperfect state of the mechanism. They argued that early contributions are essential for generating trust and momentum for future improvements.

2. Approach to Defining the Mechanism:

- **Jasmina** proposed a **one-stop shop** mechanism that would integrate both DSI and genetic resources benefit-sharing, reflecting their practical inseparability in research. She also called for stronger **business representation** in governance to ensure industry concerns are addressed.
- **Charlotte** and **Henry** proposed a **cautious, phased approach**, ensuring that the mechanism aligns with existing agreements (e.g., the Nagoya Protocol) and focusing initially on **simplicity and compatibility**.
- **Jasmina** proposed to expand the scope of the MLM, while **Henry** emphasised the necessity to **streamlining** the process to avoid unnecessary complexity.

3. Incentivizing Contributions:

- **Saipriya** suggested using **reputational incentives**, such as **public registers** of contributors and **recognition for top contributors** at the national level, to encourage early participation.
- **Katie** focused more on **industry-led actions** and **voluntary contributions**, suggesting that governments should provide clarity and avoid creating overlapping obligations, while **Charlotte** warned against prematurely claiming that the MLM is unsuccessful if no early contributions are made, stressing the need for developing a solid and **long-term workable framework** first.

4. Legal and Practical Frameworks:

- **Charlotte** argued that without **legal certainty** and **clear definitions**, early contributions would not effectively address the challenges businesses face, and thus, companies should not be expected to comply with uncertain rules.
- **Saipriya** and **Katie** were more optimistic about the current flexibility of the system, advocating for **adjustments along the way**, but starting contributions as soon as possible to avoid delays.
- **Henry** and **Birgit** saw the **pilot phase** and voluntary contributions as a way to test the mechanism, but also expressed concern that a failure to make progress by COP 17 (or COP 18) could lead to **national regulations** undermining the multilateral effort.

5. Role of Governments vs. Industry:

- **Jasmina** and **Charlotte** leaned more toward a **government-led process** to ensure that the legal and regulatory framework is clarified before companies fully engage.
- **Katie**, **Birgit**, and **Saipriya** stressed the importance of **industry taking the lead** in contributing voluntarily and driving momentum, while governments provide the necessary support through **clear guidance** and ensuring that national obligations do not conflict with multilateral commitments.

In summary, while there was **general agreement** on the need for **collaboration**, **gradual implementation**, and **avoiding duplication of obligations**, there were **differences** in **timing** (immediate vs. delayed contributions), the **scope** of the mechanism (single vs. dual focus on DSI and genetic resources), and the **balance of responsibility** between industry and governments. Some panellists favoured **starting contributions now** to build momentum, while others stressed the importance of **resolving foundational issues first** for the system to be truly effective.

Closing Remarks

Gaute Hanssen, Norwegian Ministry of Climate and Environment concluded the webinar with thanks to all speakers and participants for their valuable input. He emphasized the urgent state of biodiversity and reminded everyone that protecting it is a shared responsibility.

Annex 1: Short bios of panellists

Panel 1: Industry

Jonathan Hicks, *Personal Care Products Council (PCPC), USA*

Jon Hicks is Senior Director, International Trade and Regulatory Affairs for the Personal Care Products Council (PCPC). Hicks represents cosmetic and personal care products companies on various global regulatory harmonization initiatives, including the International Cooperation on Cosmetics Regulation (ICCR). Hicks led PCPC's portfolio on U.S. Food and Drug Administration's (FDA) cosmetic facility registration and product listing program. Prior to joining PCPC, Hicks served as Policy Analyst at FDA.

Markus Wyss, *DSM-Firmenich, Switzerland*

Markus serves as a Senior Director of Regulatory Affairs at dsm-firmenich, overseeing the company's compliance with the Nagoya Protocol and Access and Benefit-Sharing (ABS) legislation. With a decade of experience in following international ABS discussions, he is dedicated to contribute to effective and proportionate means of benefit-sharing.

Melchior Kuo, *International Federation of Pharmaceutical Manufacturers & Associations (IFPMA), Switzerland*

Melchior works at IFPMA with a focus on issues related to biodiversity and access and benefit-sharing, specifically the Convention on Biological Diversity and the Nagoya Protocol. Prior to joining IFPMA, Melchior worked with the Intellectual Property Unit of the United Nations Conference on Trade and Development (UNCTAD). Melchior holds a master's degree in international law from the Graduate Institute of International and Development Studies and a bachelor's degree in Anthropology and Law from the London School of Economics.

Shivendra Bajaj, *Asia and Pacific Seed Alliance (APSA), New Zealand*

Shivendra has a PhD in Genetics from the University of Delhi. He has over 2 decades of experience in biotechnology, seed, and regulatory affairs. Currently, he is working as Technical Advisor in Asia and Pacific Seed Alliance (APSA) and represent APSA in Genetic Resources Coordination Group of the International Seed Federation (ISF).

Julia Moreira Pupe, *National Confederation of Industry (CNI), Brazil*

Julia is a biotechnologist with a master's degree in biological sciences and an MBA in sustainable development and circular economy. She works as a Policy and Industry Specialist at the Brazilian National Confederation of Industry (CNI) since 2020, with a focus on advocacy in the bioeconomy and biodiversity agenda. She coordinates the Industry Biodiversity Network and participates in national and international committees related to bioeconomy, biodiversity, and ABS.

Panel 2: Industry and Parties

Birgit Winkel, *Federal Ministry for the Environment, Nature Conservation, Climate Change and Nuclear Safety (BMKN), Germany*

Birgit is a trained microbiologist and experienced in international negotiations. She works at the German Federal Ministry for the Environment, (Climate Change, Nature Conservation and nuclear safety). As head of the division "Genetic engineering and Bioeconomics" she is responsible for the Nagoya Protocol and the DSI-MLM in Germany.

Charlotte Blom, *Novonesis, Denmark*

Charlotte is a Senior Technology Policy Manager at the industrial biotech company Novonesis in Denmark. She works in Research and Development, overseeing CBD and Nagoya compliance procedures. She co-leads the DSI subgroup in the ICC ABS task force. She has a scientific background with experience working with genetic information and resources.

Henry de Novion, *Ministry of Environment and Climate Change (MMA), Brazil*

Henry is a biologist, head of the genetic heritage department of the Brazilian Ministry of Environment; Executive Secretary of the ABS National Competent Authority (CGEN); and Executive Secretary of the National Benefit-Sharing Fund. He has been working with ABS since 2003, and is one of the key negotiators of the Brazilian ABS law reform, the Nagoya Protocol, and the BBNJ agreement.

Jasmina Muminovic, *Bayer Crop Science, Spain*

Jasmina, with a PhD in plant breeding and population genetics, has over 20 years of experience in managing genetic resources for agricultural crops. As Head of Genetic Resources at Bayer Crop Science, she leads ABS compliance and sustainable biodiversity initiatives. Additionally, she supports ABS policy advocacy for Bayer and the global industry through her roles in key committees, including the International Chamber of Commerce and the International Seed Federation.

Katie Beckett, *Department for Environment, Food and Rural Affairs (DEFRA), UK*

Katie heads up the International Nature Finance and Benefit-Sharing team in DEFRA, UK Government. She has worked as part of the CBD negotiating team since 2018, and before that was responsible for the implementation of the Nagoya Protocol in the UK. Before joining Government, she worked with the natural product trade association for Southern Africa – PhytoTrade Africa – where she was first involved in issues relating to ABS.

Saipriya Kamath, *London School of Economics (LSE), UK*

Saipriya is an Associate Professor of Education at the LSE where she heads the undergraduate program in Accounting & Finance. She specialises in accounting, regulatory measures and corporate governance, and her research in these areas has been used by the European Parliament, India's Ministry of Finance, and has influenced Indian banking regulations.

Annex 2: Chat contributions to panel 2 in consecutive order

Participants were requested to post their ideas for solution pathways, following the logic of the two levels (COP guidance / measures at national level). Selected ideas were picked up in the panel discussion. Chat contributions listed as bullet points are direct responses of participants to questions or comments of other participants.

At the multilateral level, in the longer term, and to provide greater legal certainty, might there be a need for an amendment to TRIPS which would facilitate the policy objectives of the CBD ABS Initiative?

How are ethical and governance issues taken into account in the fund's mechanism? How does the fund's mechanism plan to identify knowledge holders to enable them to benefit from the fund, given that the majority of developing countries, particularly in Africa, have not yet implemented the regulatory tools required by the Nagoya Protocol?

Thank you for organizing this exploration of Cali fund and modalities of engagement. How will activities around DSI clarify which States have successfully negotiated agreements with Indigenous People to form unified governments or which Indigenous Peoples' governments are not allied with State governments? How is the Secretariat working with Indigenous Peoples' governments, State governments, and business to formulate best practices for negotiating access to biodiversity and DSI with Indigenous Peoples' governments, which promote biodiversity through different legal systems than do State governments?

I heard transparency in the distribution as key. Is industry willing to reciprocate this transparency in the use of DSI and determination of contribution to the fund?

Daphne spoke of “level-playing field” and that “benefit-sharing expectations” be “reasonable & proportionate”. All intellectual property right grant limited-in-time monopolies that allow titleholders to secure rents over artificial information. Would a “level-playing field” justify rents over the natural information of genetic resources, no matter the medium be biological matter, paper print, celluloid film or digital? (see Decision IX/9).

Is the contribution to the Cali fund legally binding for contributors being private entities and the like?

Je suis avec beaucoup d'intérêt les questions de DSI en Côte d'Ivoire. (*DeepL translation: I'm following DSI issues in Côte d'Ivoire with great interest.*)

How do we measure compliance in the use of DSI by users?

How does Jon deal with “fungibility” (aka “adverse selection”) in the allocative mechanism, meaning funding something that would have been funded anyway? This issue was broached in the ABS Capacity-Development Report by the SPDA titled “Fairness, Equity and Efficiency in the CBD and NP.” (2021)

Extending the MLM to genetic resources could be convincing if the current design of DSI works.

What is desirable in terms of visibility for contributing companies (e.g. dedicated page CBD website, recognition by governments where companies are registered) and how would a certificate be communicated to consumers as a best industry standard (with understanding ABS is not widely known)?

The MLM-DSI, created by Decision 16/2, was intended to simplify global benefit-sharing for DSI. In reality, it runs alongside national ABS laws and other regimes like the ITPGRFA, PIP Framework, and upcoming Pandemic Treaty. This creates no single compliance path, risks multiple payments (=double taxation), and leaves users with legal uncertainty. Annual contributions offer limited value—covering only some DSI, for one year, without shielding users from other legal claims. Without reform, the MLM-DSI offers little incentives for businesses to join. A key solution is establishing a universally recognised compliance certificate that ensures that once a company contributes, it has met all its benefit-sharing obligations at national and international level.

Melchior cites the “efficiency” criterion in Decision 15/9. The word invokes a mental frame of formal economics. Could the contribution rates be based on the Ramsey Rule of Public Finance, which assures both efficiency and equity through royalty rates on intellectual property that are inversely proportional to the price elasticity of demand?

Can't the first set of panellists be more specific on what kinds of incentives would make them voluntarily contribute to the Cali Fund? From the views shared, it appears that there are many conditions that are being proffered before they will contribute and if that's the case, then perhaps no one will be enticed to contribute because of that competitive disadvantage cited by one speaker in panel 1.

I understand that MLM is required to contribute to the Cali fund if there is direct or indirect use of the DSI, regardless of the development stage and completion of the product. Listening to the panel discussion, it seems that the industry is saying that the development period of the product or whether the product contributes to DSI should be considered, but doesn't this bring us back to the initial discussion of DSI?

Do you think its better to have a sort of “one certificate to rule them all “ for DSI, one you only get if you contribute according to the provisions of 16/2, or perhaps a tiered -gold-silver-bronze - approach where you get a better one based on contribution?

In this blog I tried to explain very concretely what companies mean when they say "we need legal certainty" <https://www.insideeulifesciences.com/2025/03/03/the-cali-fund-and-why-legal-certainty-matters-for-life-sciences-rd/>.

Another area where obligation stacking may occur is in Areas Beyond National Jurisdiction under the BBNJ Agreement. It would be helpful for the SCBD to engage with UNCLOS as soon as possible to establish means of mutual support. At the very least COP 17 should agree on how to recognise other international ABS instruments on DSI (16/2 Annex para 27), given the failure so far under the Nagoya Protocol to do this.

I appreciate industry coming forward asking for definition on DSI. Also appreciated the call for legal certainty and transparency. Hope these applies both ways, legal guarantee of benefit sharing as well as transparency on the use of genetic resources and DSI, curbing down biopiracy as well as digital biopiracy.

Tauko's metaphor of Decision 16/2 as a “plane being built as it is flying”. I have used the more prosaic “cart before the horse”, where the cart is out of sight of the horse. There is no agreement on the scope of “DSI on genetic resources”, the official definition or whether DSI is the appropriate term. Ten years have now lapsed since DSI was first uttered. My question for Tauko is whether DSI will become a “sunk cost” and enjoy acceptance through the illogic of the fallacy of sunk costs?

A question for Henry: Can you explain a bit more on what additional feature an MLM-IRCC would have over the Decision 16/2 "certificate"? Is it that it would be more transparent to all and public? Or some other additional feature(s)? Also how would the "one stop shop" work if we consider the BBNJ provisions? Would a payment into the Cali Fund, if a user clicked a "BBNJ" checkbox then also generate a clearinghouse notification?

- I am not sure how it would work, but most definitely we should invest in harmonisation of instruments, including FAO and WHO ABS mechanisms with the Cali Fund.

Businesses are expected to be "first movers" contributing to the Fund. Let's mirror that in order to achieve trust between the stakeholders: Which biodiverse countries are willing to move first in letting go of "without prejudice to national ABS laws", and make legal commitments to that effect?

Le fonds de Cali doit vraiment prendre en compte les pays en developpement qui sont généralement des pays fournisseurs de ressources génétiques. C'est à cette condition que le Protocole de Nagoya pourra s'appliquer dans l'intérêt des CAL est des pays fournisseurs. (*DeepL Translation: The Cali Fund must truly take into account developing countries, which are generally providers of genetic resources.*)

It is on this condition that the Nagoya Protocol can be applied in the interests of ILCs and supplier countries.)

How could a DSI mechanism draw on the Universal Declaration of Human Rights (UDHR), and core international instruments to hold all UN Member States accountable for protecting and promoting biodiversity by informing such a DSI mechanism of their relationship with the governments of Peoples who pre-existed the State form of national government? What is the first appropriate business method of interaction with Indigenous Peoples who govern human interaction with ecosystems to cultivate the biodiversity that is used?

Much has been said about trust building. But should we not try to construct a Global MLM on genetic resources that does not rely on trust?

What do you think about the suggestion of alternative payment mechanism based on product revenues that directly utilizes DSI? And also what if it is considered a differentiated treatment based on the relevance of the digital sequence to the product, as is the case in Brazilian legislation, which only mandates the obligation to pay benefit sharing for products that use biodiversity components as the primary value-adding element? For the pharmaceutical sector, for instance, this means that products using DSI for the development of excipients should not be subject to the payment obligation, but only those using DSI as an active ingredient (APIs).

Hi all, I would like to take the opportunity to share some information from the EU side. As European Commission, we are in the process to conclude our UNEP support contract framework with the CBD Secretariat, and I'm pleased to tell you that a considerable contribution is foreseen to support the operationalization of the Cali Fund, including work on guidance and other necessary material to build common understanding.

Saipriya Kamath: Please see link below for LSE's submission to the SCBD detailing most of the points I will be covering in this session: https://chm.cbd.int/api/v2013/documents/54BFC7B7-1938-9F05-3BB9-B2D704A94DC1/attachments/616770/LSE%20submission_additional%20modalities.pdf

- Who was/were the economist(s) in the drafting of the LSE model? I ask as the Decision 16/2 seems "unencumbered by economic thinking" (Mongabay, February 2025)
- Was the LSE model peer reviewed? (*several questions in this regard*)
- Siva Thambisetty: The LSE model was developed and presented at a Global Roundtable with many, diverse stakeholders; at a side-event at COP16; and at a technical briefing for States. So it was pressure tested on the ground, and published as a Policy Brief. We have also submitted responses to notification 114 to further explain the reasoning. And we continue to work on it.

I'm curious about options for other forms of recognition of industry contributions to the Cali Fund. If Parties do not agree on whether Cali Fund contributions meet all ABS obligations at COP 17 in 2026, it will not be on the agenda again for consideration until COP 18 in 2028. It would feel like a missed opportunity to not have conditions that support contributions until 2028 or later. Are there other forms of recognition - formal or informal - that might meet the certainty and transparency needs of potential industry contributors? Asking in my personal capacity, thank you.

- Some possible frames:
 - Technical issues of proportionality, stages of product development, avoiding obligations stacking, GR-DSI hybrid solutions with eye on future proofing
 - Accountability issues to ensure "effective contribution to conservation and sustainable use"
 - AHTEG and criteria: needs definition. Asymmetries of quantifiability/measurability of some benefits versus others
 - Socioeconomic issues of reputation/license to operate
 - National reporting and NBSAPs

- Cali Awards? Cali Principles? Awards can bring visibility, raise awareness among all stakeholders and rights holders, support accountability. Awards and principles could be participatory with Steering Committee-like structure for selection
- Side incentives? As long as not counter to 15/9 and 16/2. nations can work on aligning ABS and DSI at the national level, providing experimental field at national level to gain experience

Is obligation stacking related to recognition of rights at different levels? Who is receiving the payments? Are there studies showing the different structures at different levels indicating the actual destination of funds?

Then, I would also like to comment on some of the previous speakers' intervention: I heard about the need to define DSI, about the definition of utilization - are these really necessary elements? The more detail we go, the more complex and burdensome the MLM would be. We heard carefully to our stakeholders who were calling (on the way to COP 15 and COP16) for a flexible system. COP 16/2 goes in that direction. now we hear that more definitions and rules would be needed. I see some contradictions here.

COP needs to define many of the terms used in COP 16/2, especially 'DSI' and 'use'. If COP does not do this, those countries that develop legislation are likely to do this independently. Some are already defining DSI in their legislation to implement the BBNJ Agreement. Even without national legislation, users may be uncertain if they fall within scope or not. Some of the 'carrot / stick' incentives, such as the transparency register, rely on a common understanding of what use of DSI is.

If I may address an elephant in the room: in the current geopolitical circumstances, reputational benefits are of limited value (and in some instances even a risk). Nonetheless, lots of companies continue to do the right thing on DEI, ESG etc -- all outside of the limelight. Hence the need for technical solutions. I like Mr de Novion's suggestion on an IRCC for the Cali Fund.

If company A's product development process involves two proprietary products from company C and company D, will company A follow the demands of company C and D? Or will it argue they will pay a token amount to an association of companies and then the association can allocate money to company D and C?

On ne reçois pas bien l'interprète Français actuellement (*DeepL translation: We're not getting a good reception from the French interpreter at the moment*)

Open question, who do you think should verify the exception of paragraph 5 of the annex of 16/2? the party or the entity?? Where should the burden of proof be?

If I understood correctly, Mr. Novion raised an interesting point in support of the self-declaration system. Thank you for the thoughtful reflections.

- You got it right.

India, they have adopted regulations a week ago that require payments to India on DSI. They do not mention Cali fund at all...

- Is there a link for more information?
- Kenya same
- This observation is telling.
- India-- NATIONAL BIODIVERSITY AUTHORITY NOTIFICATION, Chennai, the 29th April, 2025 (7) When the biological resource including digital sequence information or knowledge associated thereto, is accessed for commercial utilisation, the applicant shall have to pay benefit sharing amount [TABLE] ...[Percentage of annual gross ex-factory sale price of product excluding Government taxes] ... 0.6%
- National ABS vs Cali Fund?
- Thanks for sharing.

- How do you communicate to the Chief Financial Officer that India asks 0,6 %; and the Cali Fund should also receive 1% on the same product?
- Do you have any links you can share?

It must also be emphasized that while the MLM is not perfect, this was adopted so that everybody can see how it can be implemented in real life, these problems are expected but solutions must be developed to make the MLM work because if it will not work, then CBD Parties may then look for ways to make the system perhaps not voluntary; maybe that is not an outcome the industry will also like; globalizing the approach may also be useful though that flies in the face of countries asserting their sovereignty and that's a clear recipe for diversity of ABS systems, which is a given.

Great comment Katie! Time is running out. I wonder if this is what occurred on Mars, perhaps eons ago? 😊

The fact that certain parties are actively implementing new ABS regimes in direct conflict with and after the Cali agreement will unfortunately only further harm trust in MLM from the private sector. It is great that the UK is apparently working on coordinating a solution to this problem. But all parties must be engaged.

Does anyone see a point where the US is a participant?

For Jasmine, I thought the elephant in the room was jurisdiction shopping of access in the non-Party, which is mega-diverse and is headquartered the largest database, and also jurisdiction shopping of site location for R&D expansion.

MLM is a good mechanism. It respects sovereign rights of States, it respects other international organisations ability to make their specialized approaches. it invites Parties and these organisations to use the MLM wisely. I think It's Parties who should take proper stance. take control of their resources, don't place them without food governance, and take measures that the identified users of DSI share benefits with relevant systems.

How do governments justify making funding a global crisis voluntary on the part of a specific stakeholder?

The developers of biodiversity did not necessarily give permission to make the genetic information publicly available. The developers of biodiversity may lack access to the benefits of the use of this stolen genetic information, including health benefits that would sustain their lives to continue protecting biodiversity. States are responsible for this situation and States must work with Indigenous Peoples and Business to fulfil their obligations to uphold the Charter, which is the basis of CBD.

It is quite striking that whilst some of us are still trying to figure out what "DSI" is, others consider this is clear and has been answered. If we have no agreement on the scope of the subject matter, how can we develop the tool/mechanism to address the said subject matter

Does industry communicate with the academic literature that is critical of ABS?

What do panellists feel is % likelihood of any funds being contributed to the fund before COP17?

We definitely need more spaces to discuss!

The can. The kick. The road.

Thank you Henry for responding to my point.

Thanks for the comments and questions everyone. As a Steering Group member, I welcome views from industry, IPLC reps and other stakeholders - my email is manu@enquire.co.nz if anyone wants to send further views and evidence on your suggestions/priorities.

Perhaps these sessions will build a foundation for more meaningful forums and discussions as we move forward with conceptualizing these critical issues. All voices need to be heard in order to build a broad consensus on the issues!

This conversation is missing all the things many companies are already doing to support biodiversity conservation e.g., funding good projects through legitimate conservation organizations.

Mission for the steering committee!

Is there an economist on the Steering Committee?

What are the legal challenges in implementing this MLM across countries with diverse issues on legal, political, economic and social systems, among others?

Economists are loathe to predict but I will do anyway: you will get no significant money.

I agree with Henry Phillippe that having an operational MLM will be an incentive for not developing national systems for DSI.

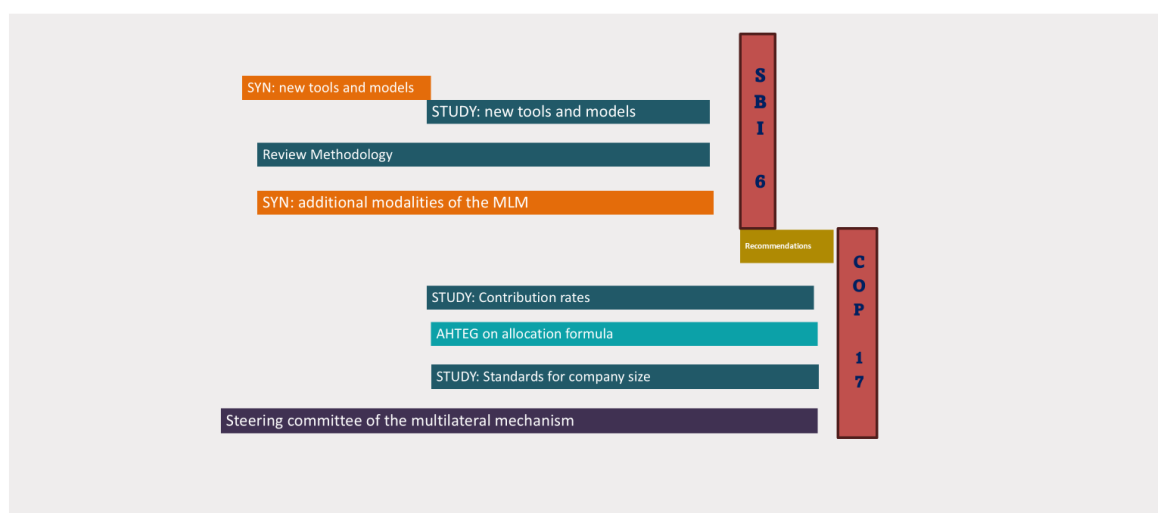
Parties are free to regulate as they see fit, there is no changing that, but reality is a great teacher and everyone is free to build their own plane with no wings.

I expect the Steering Group and Secretariat will be looking carefully at how things are structured moving forward to ensure quality input from the wide range of stakeholders.

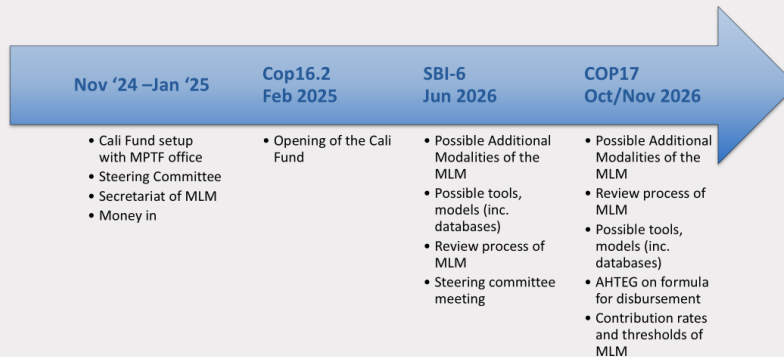
Annex 3: Presentation “DSI intersessional process Towards COP 17” by SCBD



DSI intersessional process towards COP-17 SCBD 08 May 2025



Intersessional milestones on DSI



SOME RESOURCES

Cali Fund Video

https://www.youtube.com/watch?v=maU_dNOelZw

Cali Fund page at MPTFO

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

Thank You!



Kunming-Montreal
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Convention on
Biological Diversity



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UN
environment
programme



Convention on
Biological Diversity

Annex 4: Presentation “Functionality of the Cali Fund: Key construction sites” by Hartmut Meyer

THE ABS
CAPACITY
DEVELOPMENT
INITIATIVE

L'INITIATIVE DE
RENFORCEMENT
DES CAPACITES
POUR L'APA

Functionality of the Cali Fund

Key construction sides

Global webinar
08 May 2025

Hartmut Meyer, ABS Capacity Development Initiative

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Confédération suisse
Confederazione Svizzera
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Swiss Confederation


Implemented by

giz Deutsche Gesellschaft
für Internationale
Zusammenarbeit (GIZ) GmbH

Federal Department of Economic Affairs,
Education and Research EADR
State Secretariat for Economic Affairs SECO

Building Blocks „Contributors“

Key provisions of CBD Decision 16/2

- 
2. **All users of DSI** under the MLM should share benefits arising from its use in a fair and equitable manner.
 9. **public databases and public research and academic institutions are not expected to make monetary contributions**
 3. Users of DSI 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. ... **total assets: 20 million USD, sales: 50 million USD, and profit: 5 million USD) .. 1 per cent of their profits ... 0.1 per cent of their revenue, as an indicative rate.**

Building Blocks „Contributors“



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Building Blocks „Allocation“



Key provisions of CBD Decision 16/2

17. Funding from the global fund should be allocated in a **fair, equitable, transparent, accountable and gender-responsive** manner.
- 19./20. Funding to Parties will be disbursed through **direct allocations to countries** ... A **formula** will be determined by COP17
20. National entities may allocate resources .. on the basis of **projects developed through a country-driven or community-driven process.**
21. **at least half of the funding ... should support the self-identified needs of IPLCs, including women and youth**

Building Blocks „Governance“



Key provisions of CBD Decision 16/2

28. MLM will operate under the **authority and guidance of and be accountable to the COP ... a steering committee is established**

IV/1.1. **Provide oversight of the operations ... ensuring that the fund disburses monies according to the present modalities**


IV/2.5. **initial composition:**

(a) **24 members**, comprising:

- 15 members from **Parties** (3 from each region)
- 7 members from **indigenous peoples and local communities** (1 from each sociocultural region)
- 2 members from United Nations entities

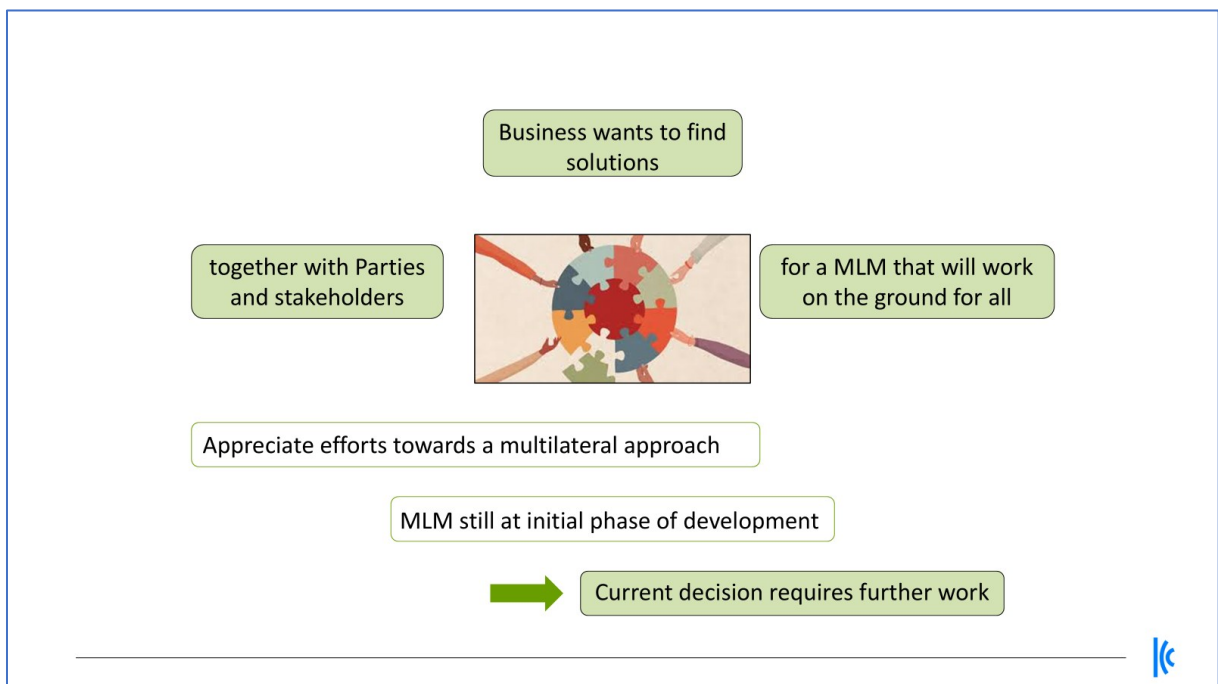

(b) **6 observers** from **civil society, scientific institutions and the private sector** (2 from each category).

Annex 5: Presentation “What enabling conditions does industry need to contribute to the MLM / Cali Fund” by Daphne Yong-d'Hervé



What enabling conditions does industry need to engage in the MLM / Cali Fund?

Daphne Yong-d'Hervé
8 May 2025



A workable MLM is in everyone's interest

- Facilitate increased benefit sharing flows for biodiversity conservation and sustainable use
- Support research and innovation
- Reduce frictions and costs in the current ABS system for providers and users

Simple, proportionate and commercially realistic

Provides legal certainty and a level playing field

Contributes meaningfully to conservation and the sustainable use of biodiversity

Supports sustainable economic development, including a bio-based economy

Enabling conditions + stronger incentives
- beyond reputational - needed to engage business



Enabling conditions and incentives for business engagement

A clearly multilateral option for ABS compliance

- Alternative compliance option to national systems – not additional
→ need assurance of compliance with national ABS laws
- Pathway for broadening scope to cover all “DSI” as well as genetic resources

Common understanding on modalities and key terms - with stronger global incentives - to ensure a level playing field

- Key terms to be clarified: entity ; “use” and “direct” versus “indirect” use, “digital sequence information”, “indicative rate”
- Common understanding of modalities to avoid divergent national implementation and provide clarity to stakeholders
- Convergence of national measures
- Stronger global incentives - beyond reputational- to attract broad participation



Enabling conditions and incentives for business engagement

Benefit sharing expectations

- Aligned with current scope
- Reasonable and proportionate
 - avoid competitive disadvantage and discouraging uptake of new technologies
 - encourage continued investment in biodiversity conservation and sustainable use
- Takes into account diversity of use of DSI

Avoidance of overlapping obligations or payments

- National obligations
- Other international instruments

Strengthened business participation in MLM and Fund governance

- Business input → design of MLM and Fund + use of funds for biodiversity conservation and sustainable use
- Full and increased representation by business in decision-making

