

PRESS RELEASE

The Cali Fund launches in the margins of the resumed session of COP16

By leveraging funding from the private sector, the Fund ushers in a new era for biodiversity finance

- Companies making commercial use of data from genetic resources in nature in a range of lucrative industries are now expected to contribute a portion of their revenue to the Fund.
- Contributions to the Cali Fund will be allocated to the implementation of the Convention on Biological Diversity, including by supporting the implementation of the Kunming-Montreal Global Biodiversity Framework (KMGBF).
- At least 50 per cent of the Cali Fund resources will be allocated to indigenous peoples and local communities, recognizing their role as custodians of biodiversity.

Rome, 25 February 2025 – In a major development under the Convention on Biological Diversity (CBD), the Cali Fund for the Fair and Equitable Sharing of Benefits from the use of Digital Sequence Information on Genetic Resources (DSI) -- the Cali Fund'-- which will receive contributions from private sector entities making commercial use of DSI, launched today in Rome in the margins of the second day of the resumed session of COP 16 of the CBD at the Headquarters of the Food and Agriculture Organization of the United Nations (FAO).

The Cali Fund will mobilize new streams of funding for biodiversity action worldwide, in support of the three objectives of the CBD: the conservation of biological diversity, the sustainable use of its components, and the fair and equitable sharing of the benefits arising from the use of genetic resources. Recognizing their role and contributions as custodians of biodiversity, 50 per cent of the resources of the Cali Fund will be allocated to the self-identified needs of indigenous peoples and local communities, including women and youth.

The disbursements of the Fund will also serve to boost the implementation of the Kunming-Montreal Global Biodiversity Framework (KMGBF), the universal masterplan to halt and reverse biodiversity loss adopted under the CBD, notably by supporting the delivery of National Biodiversity Strategies and Action Plans (NBSAPs) by developing country Parties, and by bolstering scientific research on biodiversity and bridging existing gaps in the way countries generate, access, use, analyze and store DSI.

In line with <u>decision 16/2</u>, which Parties to the CBD adopted on 2 November 2024 at COP 16 in Colombia, the Cali Fund will be hosted by the Multi-Partner Trust Fund Office (MPTFO) in a partnership between the United Nations Development Programme (UNDP) and the United Nations Environment Programme (UNEP), and with the Secretariat of the Convention on Biological







Diversity (CBD) hosting the Cali Fund Secretariat. A Memorandum of Understanding reflecting this institutional arrangement was signed during the launch ceremony today.

"I commend the CBD Secretariat for the hard work that went into preparing the Cali Fund launch a mere four months after the adoption of the decision operationalizing it," said H.E. Susana Muhamad, the COP 16 President. "Colombians are proud that this major achievement under the CBD saw the light of day at La COP de la gente in Cali."

"Today's launch is the culmination of multilateralism that delivers," said the UNEP Deputy Executive Director Elizabeth Mrema. "The ball is now in the court of businesses around the world. Those who pay into the Fund will go down in history as pioneers and will reap the benefits as the public increasingly recognizes the importance of giving back to nature."

Large companies and other major entities benefiting commercially from the use of DSI are expected to contribute a portion of their profits or revenues in sectors and subsectors highly dependent on the use of DSI, including pharmaceuticals, cosmetics, plant and animal breeding and agricultural biotechnology, industrial biotechnology, laboratory equipment associated with the sequencing and use of digital sequence information on genetic resources, and information, scientific and technical services related to digital sequence information on genetic resources, including artificial intelligence. Academic, public databases, public research institutions and companies operating in the concerned sectors but not relying on DSI are exempt of contributions to the Cali Fund.

Marcos Neto, Director for Bureau for Policy and Programme Support at UNDP and UN Assistant Secretary General, said "Success of the Cali Fund will be critical for providing finance to people on the ground who are custodians for species and genetic diversity. We are proud to be a founding partner for this groundbreaking Fund. The Multi-Partner Trust Fund Office, hosted by UNDP, brings a transparent, dynamic and collaborative approach to running the Fund for nature and for people."

Alain Noudehou, Executive Coordinator of the UN Multi-Partner Trust Fund Office (MPTFO) said: "The launch of the Cali Fund today goes beyond the establishment of a financial instrument, it signals a new era of collective action in support of biodiversity worldwide. The MPTFO, as the UN center of expertise on pooled funds, is proud to serve as the Administrative Agent for the Cali Fund and we look forward to supporting the efficient realization of its objectives."

"Something truly promising for biodiversity and those who protect it is underway," said Astrid Schomaker, the Executive Secretary of the CBD. "For the first time since the inception of the Convention, a global fund under the Conference of the Parties will receive contributions from the private sector in the form of levies from business income generated thanks to the use of digital sequence information on genetic resources. This is an eloquent and concrete expression of business commitment to give back to nature, and a major win under the CBD."

NOTES TO EDITORS

The Cali Fund is part of Multilateral Mechanism on the fair and equitable sharing of benefits arising from the use of digital sequence information on genetic resources adopted at COP 15 of the CBD in December 2022 alongside the Kunming-Montreal Global Biodiversity Framework. Two years later, Parties to the CBD reached a historic consensus on the operationalisation of the Multilateral

Mechanism, including how the Cali Fund will function. That is where the Cali Fund acquired its name.

The Multilateral Mechanism that encompasses the Cali Fund has been designed with versatility in mind, to adapt to future scientific innovations, financial tools and shifting needs for biodiversity protection and conservation. Its inclusive and transparent governance model will ensure its efficiency and efficacy.

About the Convention on Biological Diversity (CBD)

Established in 1992, the CBD is an international treaty for the conservation of biodiversity, the sustainable use of the components of biodiversity, and the equitable sharing of the benefits derived from the use of genetic resources. With 196 Parties, the CBD has near universal participation among countries. It helps to address threats to biodiversity and ecosystem services through scientific assessments, the development of tools, incentives and processes, the transfer of technologies and good practices and the active involvement of relevant stakeholders, including indigenous peoples and local communities, youth, women, NGOs, sub-national actors, and the business community.

The Cartagena Protocol to the CBD that entered into force in 2003 and currently having 173 Parties aims to safeguard biological diversity from potential risks posed by genetically modified organisms (GMOs) resulting from biotechnology. It focuses on safe transport, handling, and use of living modified organisms, considering their potential adverse effects on biodiversity and human health. It also has a supplementary protocol on liability and redress.

The Nagoya Protocol to the CBD entered into force in 2014 and has 141 Parties. It provides a transparent bilateral legal framework to providers and users for the fair and equitable sharing of benefits derived from genetic resources.

The Kunming-Montreal Global Biodiversity Framework

The Kunming-Montreal Global Biodiversity Framework (GBF) was adopted during the fifteenth meeting of the Conference of the Parties (COP 15) following a four year consultation and negotiation process. This historic Framework, which supports the achievement of the Sustainable Development Goals and builds on the Convention's previous Strategic Plans, sets out an ambitious pathway to reach the global vision of a world living in harmony with nature by 2050. Among the Framework's key elements are 4 goals for 2050 and 23 targets for 2030.

For more information:

Results of COP 16 - <u>https://www.cbd.int/article/agreement-reached-cop-16</u> Information on operationalization of the mechanism - <u>https://www.cbd.int/article/dsi-operationalization-2024</u> Status of the latest activities on DSI - <u>https://www.cbd.int/dsi-gr/whatdone/2023-24.shtml</u>

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