



The Cali Fund: What businesses need to know

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A note on terminology:

Digital sequence information is a placeholder term used within the Convention on Biological Diversity (CBD) framework to refer to unspecified types of digitally stored data derived from genetic resources, such as DNA or RNA. This explainer uses the terms “digital sequence information” and “digital genetic information” interchangeably. It also uses both “biodiversity” and “nature.” “Biodiversity” is the formal term used in the Global Biodiversity Framework and CBD framework, mainly when referencing those frameworks’ specific language, such as in discussions of “biodiversity finance” targets or CBD goals. “Nature” is used in parts that aim to reflect the broader concept that includes ecosystems, natural capital and the full range of nature-related dependencies and innovation. Biodiversity – i.e. the variety of ecosystems, species and genes – is the foundation for all nature.

Acknowledgements

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Key takeaways

- **The Cali Fund is part of a new global mechanism** that links business value derived from nature's digital genetic information to biodiversity finance, helping channel resources toward conservation.
- **For business, the Cali Fund is more than compliance** – it represents an opportunity to support the natural systems that underpin innovation, resilience, supply chains and long-term economic value.
- **The Fund aims to advance fair and equitable access and benefit-sharing** – one of core objectives of the Convention on Biological Diversity. It aims to ensure value generated from nature contributes to conserving biodiversity and supporting Indigenous Peoples and local communities, who are expected to receive at least half of its resources.
- **The mechanism is still being designed, with key decisions expected at COP17.** Businesses have an opportunity to help shape a system that is practical, effective and capable of attracting broad participation.
- **Companies do not need to wait for the final rules to engage.** Now is the time to understand how digital genetic information contributes to business value and consider access and benefit-sharing as part of a broader nature strategy.

Introduction

Nature is the foundation of our economies, livelihoods and businesses. It underpins supply chains, economic resilience, product development and innovation across sectors ranging from agriculture and food to pharmaceuticals, biotechnology and cosmetics. As businesses increasingly look to nature for solutions to global challenges, from disease to climate resilience, the value of biodiversity to the economy is becoming ever more apparent.

Much of this innovation is enabled by the genetic information found in plants, animals and microorganisms. Advances in technology now allow this information to be accessed, analyzed and shared digitally at speed and scale, accelerating research and creating new opportunities for business.

This raises a fundamental question: if businesses begin deriving value from digital information from nature, how can some of that value be directed back into conserving the on-the-ground biodiversity that makes future innovation possible?

This issue is central to **access and benefit-sharing (ABS)**, a core objective of the **Convention on Biological Diversity (CBD)**. The principle is straightforward: when value is created from nature, part of the benefits should support its conservation, restoration, sustainable use and the communities that help to conserve it.

The **Cali Fund** and the multilateral mechanism on **digital sequence information (DSI)** benefit-sharing are important, recent steps in advancing this principle. The Fund, [launched at COP16](#), is the product of many years of international dialogue on how to value nature and genetic information's contribution to innovation, and ensure fair and equitable benefit-sharing.

For business, this is about more than compliance or fairness. A well-designed Cali Fund has the potential to strengthen the long-term availability of the natural assets that underpin innovation, help close biodiversity financing gaps, create greater international consistency around benefit-sharing and demonstrate how economic value can be aligned with nature-positive outcomes. As discussions continue ahead of and at COP17, businesses have a critical opportunity to help shape a mechanism that is ambitious, practical and capable of attracting broad participation.

Ahead of Business for Nature's full position and policy asks to governments, this explainer outlines what businesses need to know about the Cali Fund (for now) - and why it matters.

What is the Cali Fund?

As the use of nature's digital genetic information has grown, governments have been working to create a common global system for sharing the benefits from this data. This system is officially known as the **Multilateral Mechanism for the fair and equitable sharing of benefits arising from the use of Digital Sequence Information (DSI) on genetic resources**.

The Cali Fund is part of this mechanism. It is the vehicle through which financial contributions from companies using publicly-available digital sequence information commercially can be collected and directed toward biodiversity action. It represents a new approach to international biodiversity finance by explicitly linking private-sector contributions to the value businesses derive from nature.

This new mechanism and fund aim to strengthen the fair and equitable sharing of benefits. The goal is to create a positive cycle, where innovation supports conservation over time. The Fund is designed to direct financing toward:

- Biodiversity conservation;
- The sustainable use of nature;
- Research, capacity-building and scientific cooperation

At least half of the Fund's resources are expected to be directly allocated to Indigenous Peoples and local communities, recognizing their roles in conservation and knowledge sharing.

The Cali Fund is still under construction. Although officially launched in 2025, many operational details are still being finalized. These include who contributes, when and how they do so, how the funds will be allocated, and what incentives will be offered for contributions. These topics will be part of the discussions at COP17.

Beyond COP17, the Cali Fund is part of a broader trend. As the use of digital genetic information grows, governments are exploring how to integrate benefit-sharing measures in other frameworks, such as the Biodiversity Beyond National Jurisdiction (BBNJ) Agreement and the World Health Organization (WHO) Pandemic Agreement. While all these cover different types and uses of digital genetic information, all reflect the shared recognition of the importance of the fair and equitable sharing of benefits from genetic resources.

The Cali Fund, therefore, is part of a wider international effort to ensure nature's value is recognized and supports long-term conservation, sustainable use and stewardship of biodiversity.

Why the Cali Fund matters for business

Nature as a source of value and innovation

The principle behind access and benefit sharing, and in turn the Cali Fund, is all about how economies recognize the value of nature – and reinvest in it to sustain long-term prosperity.

Biodiversity underpins healthy ecosystems, innovation, economic activity and business resilience. Access and benefit-sharing is a way to embed nature's value into economic systems, and for businesses to play a role in sustaining the natural capital they depend on.

Today, there remains a clear imbalance. Many of the ecosystems, species and communities that make nature-based innovation possible receive little economic return, [while the majority of value](#) is taken further along the value chain¹. Meanwhile, the actual conservation of natural resources is often in the hands of local communities and countries. This imbalance creates long-term economic risk – it weakens the incentives to keep effectively conserving biodiversity and puts increasing pressure on the natural systems businesses rely on.

This matters not only for today's biodiversity, but also for tomorrow's innovation. Many of the genetic resources that could lead to future medicines, climate-resilient crops, industrial applications or consumer products have yet to be discovered². Healthy ecosystems form a part of the world's innovation pipeline. When nature is lost, so too is the potential for future discoveries and breakthroughs.

Benefit sharing helps address this by linking value creation with value protection. By encouraging channeling finance back into conservation, sustainable use and local stewardship, it can help ensure that the ecosystems underpinning future innovation continue to exist and thrive.

The Cali Fund puts this principle into practice. It reflects a growing recognition that nature is not a free input, but a source of long-term value that requires investment, stewardship and collective action.

For businesses, benefit-sharing is therefore not only about fairness. It is also about resilience, risk management and securing future value. A well-designed multilateral system can help strengthen incentives for conservation, support more stable access to natural resources, and provide greater predictability and legal certainty as expectations around nature continue to evolve.

Aligning incentives for nature

The global nature finance gap is estimated at [\\$700 billion per year](#) and, under the Global Biodiversity Framework, countries have committed to mobilize \$200 billion per year globally by

¹ The rosy periwinkle, native to Madagascar, is vital for the production of anti-cancer medicines (vinblastine, vincristine and vinorelbine). Although these have saved countless lives and generated substantial economic value, the country of origin [received little direct financial return](#) from their commercialization.

² Flowering plants in tropical forests alone [are estimated](#) to hold a median of USD 714 billion (range USD 382-1,176 billion) in undiscovered commercial drug-discovery value.

2030. Governments increasingly recognize the importance of broadening and diversifying financing sources and expanding on innovative finance. Closing the gap will require a broader range of financing sources, including private-sector contributions.

The Cali Fund is the first international mechanism designed to explicitly link the economic value derived from digital genetic information with biodiversity finance. While it is only one part of the [wider solution](#), it demonstrates how economic incentives can be better aligned with biodiversity outcomes.

Beyond its direct financial contributions, the Cali Fund represents an opportunity for biodiversity finance, innovation and economic value. It complements broader efforts to mobilize finance for nature and highlights the important role businesses can play in supporting the long-term health of the ecosystems on which they depend.

What is access and benefit-sharing?

Access and benefit-sharing emerged as a key principle in 1992, when 196 countries adopted the Convention on Biological Diversity. To address nature degradation and loss, they agreed on three main objectives:

1. The conservation of biological diversity
2. The sustainable use of the components of biological diversity
3. The [fair and equitable sharing](#) of the benefits arising from the utilization of genetic resources

The third objective is known as access and benefit-sharing.

Its core logic is simple: when nature – through genes – creates commercial value, that value should be shared fairly. Today, many industries, including pharmaceuticals, biotechnology, agriculture, food and cosmetics, depend on nature for products and innovation. But the benefits from this have not always been shared with the countries, communities and Indigenous Peoples who hold knowledge about and conserve these natural resources.

Benefits can take different forms. They might be financial, such as royalties or license fees, or non-financial, including research partnerships, knowledge sharing or building local skills and expertise. Each of these is equally critical in benefit-sharing.

The importance of access and benefit-sharing for business

For companies, sharing benefits has long been associated with responsible business practice. As well as building trust and strengthening the relationship with their supply chain stakeholders, it can also enhance a company's risk management, resilience and reputation by acknowledging its reliance on nature and the communities that maintain and conserve it.

Beyond responsible business practice benefit-sharing also plays a key role in halting and reversing biodiversity loss by helping to generate the resources and incentives needed for conservation and sustainable use.

The Convention on Biological Diversity's three objectives – conserving nature, using it responsibly and sharing benefits – are closely linked and depend on each other. Conserving ecosystems supports future innovation, while sharing benefits, and effectively allocating them, guarantees the supply of resources and incentives needed to keep that conservation going.

This relationship acts as a reinforcing cycle:

Conserve nature -> Use it responsibly -> Share the benefits -> Conserve nature

When benefits from nature are shared fairly, they can help fund conservation, support local communities, and encourage better care of natural resources. Benefit-sharing, therefore, helps ensure that biodiversity can continue to support business innovation and economic activity over the long term.

The Nagoya Protocol: Walking the talk on benefit-sharing

To help turn the principle of benefit-sharing into practice, governments adopted the [Nagoya Protocol](#) in 2010. The agreement established a framework for countries to develop national rules governing access to physical genetic resources and the sharing of benefits arising from their use. Today, [over 100 countries have introduced these national requirements](#).

The requirements are reflected in bilateral contracts. For example, a cosmetics company researching plant extracts for new ingredients would need a contract with the provider country before collecting samples for commercial research under the Nagoya Protocol.

The Nagoya Protocol set the precedent that using biodiversity creates obligations to share benefits. But putting this into practice has not always been straightforward. Implementation has often proven complex, and benefits have not always reached countries, Indigenous Peoples, local communities or biodiversity conservation as effectively as intended.

As research and product development evolved, [new questions also emerged](#):

- What if the origin of the sample is unclear?
- What if it comes from a gene bank with no traceability?
- Who should receive the benefits, and how should they be shared?

These questions became harder to answer as research and product development moved into the digital world. Today, much of nature's genetic information is stored and shared digitally, what the CBD has termed **digital sequence information** (DSI).

The discussion around access and benefit sharing is now evolving to reflect that fact that, 1) existing policy frameworks and systems were not designed to address new digital technologies, and 2) there is a broader opportunity to strengthen how benefit-sharing works in practice so that it delivers meaningful outcomes for both nature and people.

Why digital sequence information changed the conversation

Advances in science and technology have transformed how we access and use biodiversity. Traditionally, companies and researchers collected physical samples from plants,

microorganisms or other resources to access genetic information for research and development.

This information can now be stored and shared digitally through public and private global databases. Although this practice began in the 1980s, its use has accelerated [as costs declined](#), including for commercial purposes.

This shift has driven major breakthroughs across industries such as pharmaceuticals, vaccines, agriculture, biotechnology and cosmetics³. It enables [faster research](#), broader collaboration and greater access to scientific knowledge. As a result, digital sequence information has become a key resource for innovation and economic activity.

At the same time, it exposed a gap in the existing benefit-sharing systems. Digital genetic information moves quickly across borders, is often combined from multiple sources and is increasingly used with technologies like AI. This makes it difficult to track its origin and how it is used in final products.

As a result, bilateral approaches (country-by-country agreements for each use) can be [difficult to implement](#) for digital sequence information. While some countries⁴ have tried this under the Nagoya Protocol, many governments and companies question whether existing benefit-sharing mechanisms can meet today's scale and complexity.

It was in this context that governments began exploring new approaches in 2016, with the goal of keeping data accessible, ensuring the system works in practice for businesses, sharing nature's value fairly and, possibly, in a more impactful way than before.

This led to the creation of a multilateral mechanism to share digital sequence information benefits and the adoption of the Cali Fund.

How can companies practically engage with the Cali Fund?

The Convention on Biological Diversity has developed [guidance](#) to help businesses understand the objectives and details of the multilateral mechanism and how they can engage with the Cali Fund.

Ahead of COP17, businesses have an opportunity to:

- Contribute practical implementation perspectives
- Engage with policymakers to help shape a mechanism that is impactful, workable and capable of attracting broad participation.
- Amplify and support messaging on the relevance of benefit-sharing and valuing nature.

³ For instance, researchers used [genetic sequence information to identify the Sub1 gene](#), which enables rice plants to survive prolonged flooding. They then developed crops that have improved yields by up to three tonnes per hectare in flood-prone regions across South and Southeast Asia.

⁴ Over [15 countries](#) cover DSI benefit-sharing, either explicitly or by interpretation in their national legislation.

Although the Cali Fund is still being operationalized, businesses do not need to wait until every detail is finalized to begin engaging. A practical first step is understanding whether nature's digital genetic information contributes to their products, research, innovation or value chains, and considering how access and benefit-sharing fits within their broader nature strategy and responsible business practices.

To help businesses take credible, structured action, Business for Nature and partners developed Assess, Commit, Transform and Disclose (ACT-D), a [high-level framework](#) used globally. It offers a clear, high-level structure for integrating nature considerations across the business.

What businesses can do now

Businesses looking to take credible, structured action for nature can follow the ACT-D framework and ask themselves these questions:

- **Assess:** Identify how your business depends on and impacts nature.

Do you understand how biodiversity and genetic resources contribute to your business, innovation and long-term growth? Do you know how their availability and cost may evolve over time?

- **Commit:** Set clear, time-bound, science-based goals that reflect your organization's ambition.

Will your commitments, actions and policies ensure you are operating within the limits of the planet, and aren't degrading ecosystems that could provide future value through genetic resources?

- **Transform:** Integrate nature into decisions, shift practices in your operations and supply chain, and collaborate across your sector and regions.

Are your business practices, investments and incentives helping maintain the biodiversity and genetic resources that underpin future innovation and resilience? Are you advocating for businesses to contribute – including monetarily – to protecting, restoring and sustainably using natural resources?

- **Disclose:** Report progress transparently and build trust through consistent communication.

Are you transparently reporting your nature-related dependencies, actions and, where relevant, compliance with access and benefit-sharing requirements, including stakeholder engagement with Indigenous Peoples and local communities?

Using these guiding questions helps companies align with Target 15 of the Global Biodiversity Framework, reducing negative impacts and boosting positive ones. Reporting on access and

Conclusion

The Cali Fund reflects a growing recognition that nature is not only something to be conserved, but also a source of innovation, economic value and resilience. As the use of digital genetic information continues to grow, governments, businesses and other stakeholders are exploring how the benefits generated from nature can be shared more fairly and effectively to support its long-term conservation and sustainable use.

For businesses, this discussion extends beyond compliance or financial contributions. It is part of a broader shift towards recognizing nature-related dependencies, managing risks, supporting resilient supply chains and helping maintain the ecosystems that underpin future innovation and growth. A well-designed multilateral mechanism can also provide greater predictability, legal certainty and international consistency in how benefit-sharing is implemented.

The Cali Fund is still evolving, and important decisions will continue to be shaped through international negotiations, including at COP17. This creates a timely opportunity for businesses to engage constructively, share practical perspectives and help ensure the mechanism is ambitious, workable and capable of attracting broad participation.

Ultimately, the Cali Fund represents an opportunity to strengthen the connection between innovation and conservation. By helping align economic incentives with biodiversity outcomes, it can contribute to a future where conserving nature, using it sustainably and creating economic value are mutually reinforcing objectives. For business, engaging in that conversation is not only about supporting biodiversity, it is also about helping secure the natural foundations of long-term prosperity and innovation.



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