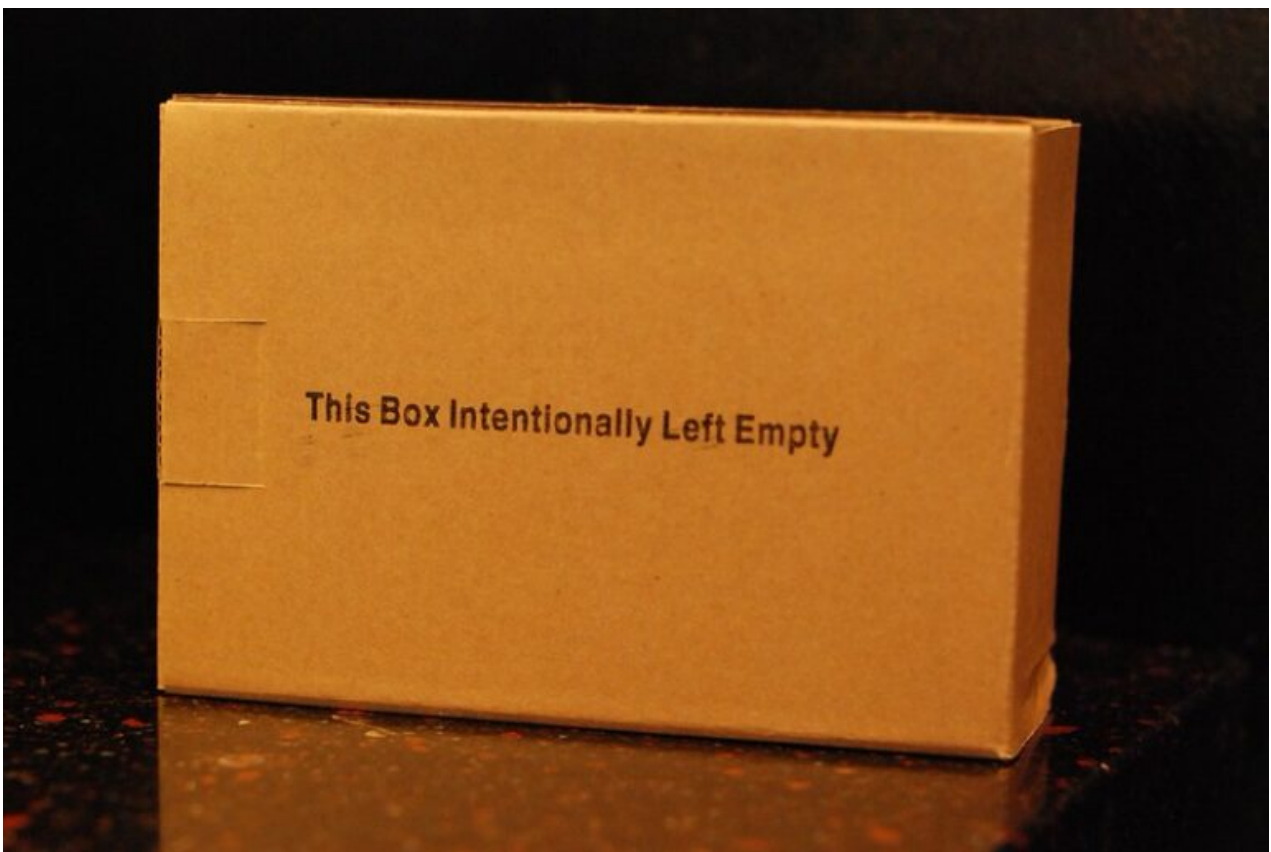


The Cali Fund: one year on, the promise is fading

Par Denis MESHAKA

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Adopted at the COP16 on biodiversity in November 2024, the Cali Fund was officially launched on 25 February 2025. Its aim is to collect a share of the revenue generated by the use of digital sequence information (DSI), which is predominantly exploited by industries in the Global North and identified in biological resources that very often originate from the Global South. The fund's promise is to ensure the sharing of benefits arising from the use of this DSI, which in particular fuels numerous patent applications. But one year after its launch, the fund remains largely ignored by the main users of DSI.



Joe Shlabotnik

Launched over a year ago, the Cali Fundⁱ has still not garnered the support of the main contributors concerned. Companies using digital sequence information ("DSI"), also known as "*digital sequencing data*" or "*genetic information*", remain on the sidelines. They cite, among other things, a supposed lack of clarity regarding the rules and incentives for contributingⁱⁱ. To date, only one European company has made a contribution, of a symbolic amount, illustrating the gap between stated ambitions and the reality of the funding raised.

What is the principle behind the Cali Fund?

The Cali Fund is based on a simple observation. For the past fifteen years or so, vast quantities of DSI have been filling databases, particularly following the fall in the cost of sequencing the genomes of living organismsⁱⁱⁱ. Thus, biodiversity no longer circulates solely in the form of biological samples, but increasingly in the form of highly reductionist digital representations, namely DSI. A very large number of these DSIs are now freely accessible online in public databases, available free of charge to those with the resources and means to use them. They have become a strategic raw material for the pharmaceutical, cosmetics and agricultural sectors, as well as other users of biotechnology.

Given the scale of these databases and their uses, the traditional tools for sharing the benefits arising from the use of genetic resources have been called into question and declared inadequate. Designed for plants under the ITPGRFA (International Treaty on Plant Genetic Resources for Food and Agriculture) and for other genetic resources under the Nagoya Protocol, both of which implement the Convention on Biological Diversity (CBD), they are based on a bilateral system involving providers of physical genetic resources and their users. Such a model should, in theory, have been extended to DSIs, but its implementation has been hampered in particular by a lack of political will and foresight.

So, how should access to these DSIs be negotiated? It was to answer this question that a multilateral mechanism, backed by the CBD, was devised, the principle of which was adopted by Decision 16/2 of COP16 in Cali (Colombia) in 2024. The "*Cali Fund*" is its financial instrument. It aims to capture a portion of the added value generated by the use of DSIs, primarily by industry in the Global North ("*North*"), in order to redistribute it to countries in the Global South ("*South*") that are rich in biodiversity - and therefore in as yet unknown and unexploited DSIs^{iv} - as well as to indigenous peoples and local communities.

Still ineffective operation

When the Cali Fund was launched, governance bodies were established and a "*multi-stakeholder steering committee*" began its work. Several studies initiated by the CBD Secretariat are currently underway to clarify the Fund's operational procedures. We have repeatedly requested the study on the position of companies using DSI from the CBD Secretariat, which has not provided us with any response. Furthermore, during an online meeting co-organised in February 2026 by the Secretariat, the various invited speakers (DSI experts, development agencies, NGOs and companies) emphasised that, whilst political agreement on the Cali Fund had now been reached, the bulk of the work remained to be done. Some, including Bayer, thus reiterated the need to transform the Cali Fund into a mechanism that is both operational and credible.

Behind the institutional implementation of the Cali Fund, some grey areas remain. The first, and most significant, is the very definition of DSIs, on which there is still no official international consensus. Furthermore, contributions to the Cali Fund remain voluntary, the terms of contribution

for DSI users have yet to be determined, and the rules for redistributing any funds have yet to be clarified. At present, it is proposed that only entities in sectors likely to use DSIs and meeting at least two of the following three thresholds should be encouraged to contribute:

- \$20 million (M) in total assets,
- \$50 million in turnover,
- \$5 million in profits calculated as an average over the previous three years.

They would be required to contribute 0.1% of their turnover or 1% of their profits to the fund^v. It should be noted that the public sector also uses DSI and grants the industrial sector patent licences for patent rights derived from this data. COP17, scheduled for October 2026 in Yerevan (Armenia), is expected to ratify these terms or reopen negotiations.

To date, only one contribution to the Cali Fund has been recorded, that of the British start-up *Tierre Viva*^{vi}. Amounting to barely \$1,000 (approximately €850), it is more symbolic than a financial lever. This illustrates the stark disconnect between the ambitions set out by the CBD – to mobilise billions of dollars for biodiversity – and the reality of current funding flows. This observation comes as little surprise to critics of the Fund, particularly certain international NGOs, which, having initially welcomed its establishment, now doubt its effectiveness. The NGO Third World Network^{vii} points out, for example, that the contribution mechanism lacks clarity, particularly regarding how DSI users will actually finance the Cali Fund, as well as the monitoring of financial flows. This NGO also fears that the Fund's implementation relies on non-harmonised national schemes, which may lead to disparate rules and reduce overall contributions^{viii}. The IPC (International Planning Committee for Food Sovereignty), on the other hand, calls on governments to reject this “*tool of legalised biopiracy*”^{ix}.

International governance under strain

The question of how multilateral mechanisms and national legislation interact remains unresolved. Some countries are considering introducing their own rules on the sharing of benefits arising from the use of DSI, whilst around twenty others have already adopted them. Furthermore, the Cali Fund, which operates under the CBD, is part of an increasingly complex international landscape, where several agreements now address DSIs, whether in the fields of health (WHO), agriculture (ITPGRFA) or marine biodiversity (BBNJ), not to mention the direct links with national, regional or international intellectual property offices.

This proliferation of international legislative frameworks raises questions of consistency and coordination. It also appears to be at odds with the fact that the main users of DSI – industry in the Global North – wish to be entirely free of obligations, or at least to accept only the least restrictive ones. In fact, they want the Fund to be financed by voluntary contributions from states – that is, taxpayers – as is the case under the TRIPS Agreement. They are also pushing to turn the implementation of the Cali Fund to their advantage, as we shall see in a forthcoming article.

COP17: a bold break with the past or yet another mirage?

The issue of the fair and equitable sharing of benefits arising from the use of DSIs is a recurring theme that has been circulating for the past decade in various meetings, working groups, committees and conferences... without ever having been the subject of a resolution acceptable to all parties. It is worth recalling that this dispute stems from the observation that access to DSIs circumvents the obligations arising from access to physical genetic resources. More recently,

certain states and industrial actors have contested that DSIs are genetic resources in the strict sense and therefore claim that the existing framework should not apply to them^x. The question that arises is therefore: are DSIs genetic components of physical genetic resources or research products? In this context, COP17 and, above all, COP18 appear to be important meetings, but they could once again prove to be nothing more than mirages.

At COP17 next October, the Parties must discuss several points, including the mandatory nature of contributions, the clarification of financial arrangements and the procedures for redistributing funds. Attaching binding conditions to these decisions will require courage and firmness on the part of negotiators from the South, who are often at a disadvantage compared to their counterparts from the North. The very credibility of the mechanism underpinning the Cali Fund is at stake. Just like the ITPGRFA Fund, which is still unable to recover the expected funds after 20 years of operation, its effectiveness cannot be judged solely on the basis of its principles, but also on its potential concrete results. The Cali Fund must demonstrate its ability to guarantee contributions, ensure their equitable distribution, and effectively support biodiversity conservation in DSI-supplying countries, particularly those in the Global South.

The European Commission organised, from 10 to 12 March 2026, an "*Informal Global Dialogue on DSI at the Cali Fund*"^{xi}. Representatives of governments, biotechnology companies, researchers and international experts gathered to explore concrete ways to strengthen the fund ahead of COP17. The meeting focused on the "*the fund's operationalisation, including how to mobilise contributions, how resources should be allocated, and how to ensure transparency, trust and effectiveness*". Discussions also "*explored ways to encourage early engagement from companies relying on digital sequence information across sectors as biotechnology, pharmaceuticals, agriculture, food innovation and cosmetics*". To our knowledge, no summary report of this exchange has yet been published by the Commission. What did the participants in this meeting discuss? Did they propose concrete steps to ensure the Cali Fund fulfils its potential?

An effective Cali Fund – one that imposes a truly binding mechanism – remains, for now, an unfulfilled promise. This promise does, however, reflect a genuine awareness of the challenges associated with the digitisation of the industrial representation of living organisms, but it has yet to be translated into action. Caught between "*institutional innovation*" and economic inertia, the Cali Fund is moving forward on promises that are still illusory and will be staking part of its future in the coming months.

ⁱ CBD, UNEP and UNDP, "[Cali Fund, for our Biodiverse Future](#)", 2025.

ⁱⁱ Bayer claims that COP 16 "*fell short by introducing an additional layer of obligations and uncertainties*". According to the multinational, the multilateral system on which the Cali Fund is based demonstrates, in particular, "*a mismatch between expectations regarding benefit-sharing and the commercial value derived from publicly available ABS, as well as a lack of legal certainty, which would explain why it has not yet attracted significant contributions from the private sector, reflecting a disconnect from the realities of the business world*".

See also:

Jesse Chase-Lubitz, "[Industry groups say Cali Fund for biodiversity "not the right approach"](#)", *Devex*, 3 March 2025.

ⁱⁱⁱ Denis Meshaka, "[Digital sequencing information: Appropriating life without touching it?](#)", *Inf'OGM*, 16 April 2026.

^{iv} The concept of the Global North/Global South refers more to a historical and economic structuring of power relations than to a legal categorisation.

Countries that can be considered part of the Global North with strong technological and scientific capabilities are: the United States, the European Union, Canada, Japan, Australia and New Zealand.

Countries that can be considered part of the Global South and rich in biodiversity include: Kenya, Nigeria, South Africa, Brazil, Mexico, Peru, China, India, Indonesia and the Philippines.

Some hybrid countries combine high biodiversity with technological and scientific power: China, India, Brazil, South Africa, but also the United States.

v Orla Dwyer, "[Revealed: "Cali Fund" for nature still empty as emails show industry hesitation](#)", *CarbonBrief*, 6 August 2025.

vi Aruna Chandrasekhar and Orla Dwyer, "["Cali Fund' aiming to raise billions for nature receives first donation – of just \\$1,000](#)", *CarbonBrief*, 12 December 2025.

vii [Third World Network \(TWN\)](#) is an international network of organisations and individuals committed to environmental, development and North-South relations issues, including the problem of Third World debt.

viii TWN, "[COP16: Cali Fund for DSI benefit sharing kicks off, but will money flow in?](#)", 20 November 2024.

ix International Planning Committee for Food Sovereignty (IPC), "[Governments at COP16 legalise digital biopiracy](#)", 20 November 2024.

x Nagoya Protocol HuB, "[Digital sequence information on genetic resources \(DSI\)](#)".

xi European Commission, "[One year on: EU helps drive momentum for Cali Fund for biodiversity ahead of COP17](#)", 16 March 2026.

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