INCEPTION REPORT

Working Group on Innovative Finance Modalities

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Executive Summary

The Inception Report for the Working Group on Innovative Finance Modalities (WGIFM) outlines the objectives, scope, deliverables, and course of action proposed to advise CGIAR in addressing the evolving and challenging funding landscape through innovative finance modalities. Based on the need for diverse and sustainable funding streams to support CGIAR's mission in tackling global challenges like food security, poverty, and climate change, and over the course of the next 12 months, the Working Group will perform analysis, design/implement pilot projects and develop recommendations to support CGIAR in building a long-term financial sustainability for the system.

This process has already initiated with a preliminary analysis through a survey to Working Group members and analysis of case studies within and outside CGIAR. The exercise will be furthered in more depth and breadth in order to be able to properly identify the innovative mechanisms that have a best fit and larger potential for CGIAR.

In this process, it is important to note the following early observations by the Working Group:

a) Need for constituencies to agree on the scope of the work of the Working Group, including:
   - **Definition of Innovative Finance,** which, according to the Working Group, refers to grant and/or non-grant modalities that go beyond traditional ODA portfolio or programmatic investments.
   - **Type of target funding**, mainly core funding, while maintaining a wider and non-limiting perspective to also include other types of funding that help advance the CGIAR mission.

b) The process to prioritize and pilot innovative finance modalities will require:
   - **Fitness, ROI and scalability analysis**, to ensure suitability of the innovative finance modality to CGIAR;
   - **Partnerships**, as a key enabler for the operationalization of the innovative finance modalities;
   - **Capacity and expertise**, which will need to be addressed or acknowledged and communicated to the corresponding constituencies should these not be able to be resolved by the Working Group;
   - **System and Centers commitment** to the design and testing of the innovative finance pilots will be a key of success, so it will be the role of the specific champions engaged.
   - **A culture of continuous improvement** approach and innovation;
   - **Identification of legal, structural and regulatory limitations** that may condition the impact of the pilots or that need to be adjusted in order to support new financing modalities.

c) Initial discussions and analysis of the Working Group suggests that the group should explore financing modalities in a twofold strategy, as a more comprehensive way to support a longer-term sustainable, and diversified funding model for CGIAR, based on pursuing:

i. **Untapped traditional funding sources**, recognizing the existence of more traditional funding sources that are currently not fully explored, including:
   - *Funds from the Green Climate Funds (GCF) or the Global Environment Facility (GEF)*, as funds for which the CGIAR SO is already accredited (in the case of GCF), and that could be further leveraged in the coming years;
   - *International Finance Institutions (IFIs)*, which manage large-scale public and private sector investment portfolios in agriculture, food systems, climate adaptation, and rural development, which could be targeted by CGIAR exploring, for instance, its technical assistance potential.

ii. **Advanced innovative financing sources,** recognizing the potential to unlock new, sustainable streams of capital currently available in the market, including:
   - *Blended finance*, leveraging funds from Multilateral Development Banks (MDB) that combine grants with loans and guarantees, increasing concessionality and reducing risks for private sector investors;
   - *Asset backed securitization*, leveraging the vast and valuable portfolio of intellectual assets of Centers, and whose economic potential could be further leveraged via commercialization, licensing, offering technical advisory services, etc.;
   - *Impact funds* that specialize in scaling impact and which could directly benefit from the output of CGIAR's research in niche areas like rice seeds that do not require paddy fields, methane reducing feedstock or improvements in soil carbon;
   - Other sources such as *tax credits or carbon markets.*

Note that some of the innovative finance modalities presented above might require CGIAR to adapt its business model and regulatory/structural framework, for instance, to give space for closer relationships with the private sector, and enhanced partnerships with other actors.

1. Background and rationale

An evolving and challenging funding landscape that makes CGIAR rethink its funding model. CGIAR plays a critical role in addressing global challenges such as food security, poverty, and climate change through agricultural research and innovation. To effectively fulfil its mission, CGIAR requires consistent, growing, and diverse funding streams. The current, increasingly challenging funding landscape resulting from the recent significant cuts in the Official Development Assistance (ODA) budgets of traditional donor countries, is evidence of the need for CGIAR to enhance the diversification of funding sources and ensure the long-term sustainability of CGIAR's funding streams, thereby enabling the organization to continue effectively fulfilling its mission of addressing global challenges.

Working Group on Innovative Finance Modalities set up by System Council request in December 2024. It is in the context mentioned above that the System Council requested the creation of the Working Group on Innovative Finance Modalities (WGIFM), which was effective in Q1 2025.

2. Objectives, scope and deliverables of the Working Group

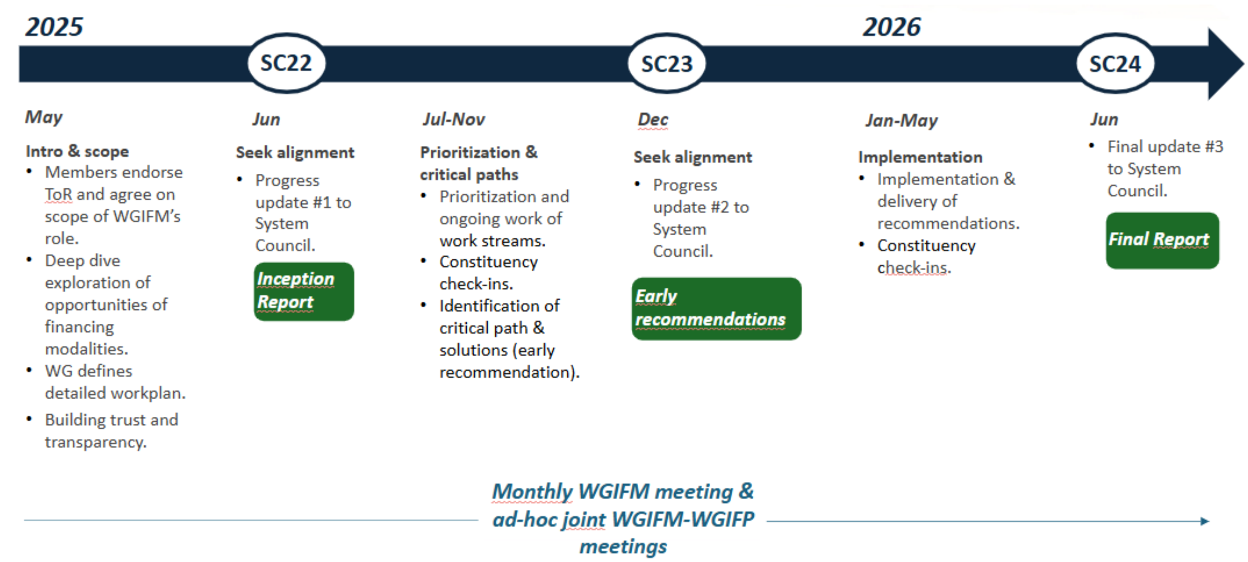
Diversification of sustainable funding streams into innovative finance spaces. The WGIFM has been therefore established to explore options to address the evolving and challenging funding landscape faced by CGIAR. Particularly, the WGIFM aims to identify and assess potential innovative finance mechanisms suitable for supporting CGIAR research and innovation. This includes exploring options such as market-based mechanisms (e.g., carbon credits or biodiversity offsets), capital asset funding, impact investing, or pay-for-success models. (Refer to Annex 1 for further details of the Terms of Reference of the Working Group, and Annex 2 for its composition)

A 12-month period to develop recommendations for innovative finance mechanism implementation and scale up. The working group will work collaboratively over the next 12 months to develop recommendations for prioritizing and implementing selected innovative finance mechanisms, including potential ROI and growth rates, identifying partners and stakeholders, establishing appropriate governance structures and risk management frameworks, and designing pilot projects to test and refine selected mechanisms. Specific outputs, as defined in the Terms of Reference (ToR), will include the following:

- *Inception Report.* An inception update will be provided at the System Council 22 meeting in June 2025, which will be supported by the current Inception Report. This includes a preliminary analysis of previous and ongoing efforts in innovative finance modalities, and aims to set the direction of the Working Group's work, with an initial prioritization of innovative finance modalities, and a proposed roadmap for the next year. Note that the Final version of the Inception Report will be shared one input and alignment with the Global Leadership Team and Science Leadership Team is received, as requested in the ToR.

- *Final Report.* Presented at the System Council 24 meeting in June 2026, the final report will include a set of recommendations for implementing selected innovative finance mechanisms at CGIAR, based on the analysis of the results of the pilot. Considering the limited timeline of the working group to pilot such mechanisms, we anticipate that while results might not be conclusive, they will shed light on scalability potential and will allow the Working Group to issue a set of recommendations for next steps in securing a diversified and long-term sustainability of new funding streams.

Note that in addition, the Working Group also contemplates additional deliverables directly linked to the implementation and piloting of the Innovative Finance Mechanisms, which could potentially include but are not limited to draft policies related to innovative financing, specialized capacity, agreements with partners, or stakeholder engagement plans, to name a few. Besides, a set of preliminary findings and recommendations will be presented at SC 23 for alignment.



3. Methodology and approach

Monthly meetings serving as a platform for regular check-in and discussion, coupled with core sub-group advancing the Working Group agenda on a daily basis. The Working Group has set a core group within the Working Group that is formed by the Chair, Working Group support staff and selected Working Group members with wider experience in Innovative Finance. This core group is responsible for coordinating and conducting the workplan that the Working Group agrees on, with inputs from the different members. Besides, the Working Group holds regular meetings with the wider Working Group members. Since its kick-off in April 2025, it has met on a bi-weekly basis, and it is expected that meeting periodicity will be, at least, monthly. The Working Group meetings serve as a platform for regular check-ins and discussion points on both strategic direction and also on technical and content-related issues. Additionally, the WGIFM will hold ad-hoc joint meetings with the Working Group in Incentives for Portfolio Funding, should this be considered necessary, in order to ensure coordination of efforts in building a long-term sustainable and diversified funding profile for CGIAR.

Desk and primary research as the basis for data collection and analysis, in close coordination with ongoing relevant initiatives. The methodology of the Working Group is based on the following: (1) *Desk review*: Revision of existing reports, documentation and previous work conducted that is deemed relevant for this Working Group (e.g. documents and reports of CGIAR

Working Group on Asset Strategy, or reports on the development and application of Innovative Finance mechanisms by other International Finance Institutions); and (2) *Primary research*: Qualitative and quantitative surveys and interviews with relevant stakeholders have and will be organized to gather additional, complementary information. This information will provide relevant data for further analysis, will feed review processes, and will allow to conduct specific studies to inform and confirm the direction of travel. When performing so, the Working Group will be mindful and will proactively leverage synergies with efforts being conducted by other working groups or initiatives with CGIAR.

Design and roll-out of pilot projects to test applicability and scalability of innovative finance in CGIAR. The identification and implementation of pilot projects will represent the culmination of the work of this Working Group, and will serve to issue a set of recommendations to further advance the CGIAR agenda in innovative finance, in line with feasibility, growth potential, and return on investment indicators, taking into consideration risk management frameworks as well as legal and regulatory limitations. The pilot projects will involve the selection of champions within CGIAR willing to get involved in this exercise, as well as the collaboration with partners and stakeholders to ensure comprehensive testing and refinement of the piloted models. The results of these pilot projects will provide valuable insights into the scalability and applicability of innovative finance mechanisms within CGIAR, enabling the organization to make informed decisions about future, diversified funding strategies relevant to the System or individual Centers. It is important to note the following:

> (i) the full implementation of the pilots might be limited given the operational timelines of this group, and recommendations issued for the System Council 24 meeting might be preliminary and based on initial findings; and,
>
> (ii) in some cases, a pilot project (defined as a reduced-scope testing exercise) may not be the most suitable approach, as the initial steps of the initiative might inherently align with those of a full-scale implementation from the outset.

4. Progress to date

Launching the Working Group and setting the direction of travel. During the month of March, the Working Group composition was set, and in the last two months efforts have been focused on building trust and in setting the direction of work. Refer to Annex 3 for details about the Working Group meetings agendas and minutes, and Annex 4 for their respective support presentations. As part of it, two main exercises have been conducted to set the foundation of the work, which include a survey to WGIFM members, and case study mapping and analysis related to innovative finance. We hereby present further detail of each of them.

4.1 Sense-making of survey results

A survey to ensure alignment and set the baseline, including ensuring a common understanding of the concept "innovative finance". To refine the scope of work of the Working Group, the first exercise conducted was a survey to the group members to capture the opinions and insights on various aspects relevant to the Working Group in line with the following three points:

- *Defining the scope of work of the Working Group*: *understanding 'innovative finance', and type and volume of target funding;*
- *Preliminarily identifying successful models from CGIAR and the level of understanding and involvement of the different members of the group;*
- *Get a first sense of potential most suitable innovative finance modalities for CGIAR and main challenges to be faced.*

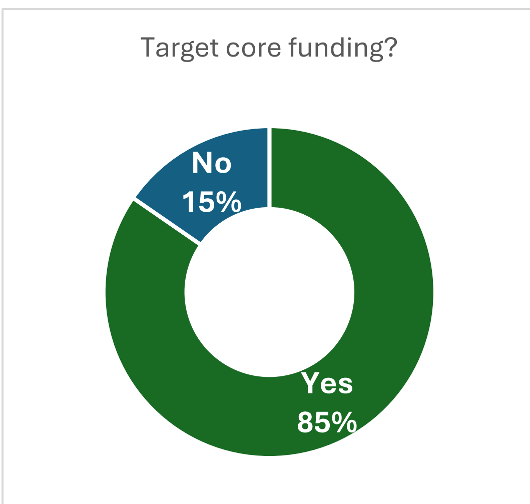
Questions of the survey

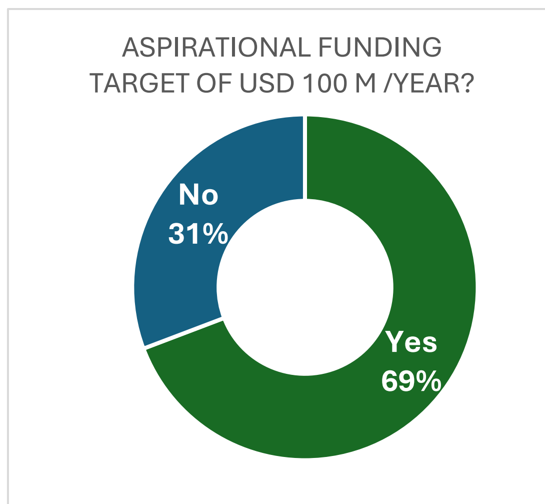
1. *What would be your definition of "innovative finance" in the context of this CGIAR Working Group?*
2. *Do you agree that this working group work should target core funding? If not, please elaborate.*
3. *Do you agree that the aspirational funding target of this working group should be 100 million USD per year? If not, please elaborate.*
4. *Can you share any successful models or case studies of innovative financing mechanisms that CGIAR could learn from?*
5. *From what you know about CGIAR, what are the top 3 innovative finance modalities you think we should explore to build a sustainable, diversified and stable financing model for CGIAR?*
6. *From what you know about CGIAR, what innovative finance modalities should we not include in our study?*
7. *In your opinion, what are the main challenges CGIAR faces in implementing innovative financing mechanisms, and how could they be addressed?*

By synthesizing the responses received (Refer to Annex 5 for detailed anonymized responses to the survey), we can identify trends, highlight key themes, and draw meaningful conclusions to further inform the scope of work of the Working Group and its future direction. A summary of the responses is presented below (note the response participation rate by working group members of 85%).

Innovative finance understood as grant and/or non-grant modalities that go beyond traditional ODA programmatic investments. There is a common interest to identify funding strategies beyond CGIAR traditional funding models that complement the efforts of CGIAR donors, and that help build a long-term sustainable Portfolio investment model. Emphasis is also placed on enhancing effectiveness, transparency, and scalability of programs.

Leaning to target core funding with an aspirational target of USD 100 M per year, but non-conclusive. However, there are opinions that funding should not only target core funding, but also include any funding that advances the CGIAR mission and portfolio objectives, and also that the funding target should be at a higher threshold. Opinions also questioned the accountability of the Working Group in regard to the suggested budget threshold, considering the advisory nature of the Working Group.





A number of case studies are mentioned, deeming a followed up more in-depth analysis. Some of the mentioned examples include:

- *Blended Finance Mechanisms*, involving Multilateral Development Banks (MDB) that match grants with loans and guarantees to increase concessionality and reduce risks for private investors. Examples include EFSD+, AFD, and Lives and Livelihoods Fund, which focus on infrastructure and development projects. CGIAR's involvement in research and technical assistance linked to broader financial packages is highlighted.
- *Development Impact Bonds (DIBs)*, explored as a way to finance long-term programs, tying returns to measurable outcomes. Examples include WFP's test case in Mozambique focusing on resilience-building and developmental goals, World Bank Rhino bond case in South Africa, Educate Girls DIB in India, or Gavi and IFFM's Vaccine Alliance DIBs.

- *Endowments and Campaigns*: Endowment structures, such as university models, and funding campaigns are discussed as mechanisms for financial sustainability.
- *Monetization of Research and Technology*: The monetization of research through shared capital investment and royalties is highlighted, with examples like Fundacion Chile's commercialization of technology in the Salmon Industry.
- *Other innovative financing models* like nature bonds, debt swaps, and Voluntary Carbon Markets (VCM) are mentioned, with organizations like The Nature Conservancy, Gates Foundation, Bezos Earth Fund leading efforts.

A range of innovative mechanisms are suggested for prioritization, all of them requiring close partnerships and engagement with stakeholders. These include:

- *Blended finance and impact bonds* would help leverage private, public and philanthropic funds to support research, development and scaling of agricultural and environmental innovations.
- *Carbon and nature credits (VCM)* is also highlighted as a means to attract private sector and philanthropic contributions to fund environmental and climate-related initiatives.
- *Strategies related to commercialization and asset monetization*, including licensing, royalties of specific intellectual property, strategic industry partnerships, tax incentives, and leveraging CGIAR's brand equity, would help bring private funding into agricultural and environmental landscapes.
- *Market incentives and partnerships* such as advance market commitments, prizes and performance payments are also proposed to encourage private sector participation in markets with uncertain demand. CGIAR could also leverage its large data capabilities to partner with companies in the form of Public Private Partnerships (PPP) and create value adding services.
- *Philanthropic and Individual Contributions*, targeting high net worth individuals to attract private contributions as potential funding sources, aiming at creating endowments and leveraging philanthropic donors for public goods.

Importance of prioritizing instruments that are a good fit for CGIAR, being in line with CGIAR's mission and its operational capabilities. A note is made on the importance of identifying those mechanisms that are feasible and that are a good fit for CGIAR and Centers, taking into account, for instance, that CGIAR is primarily a research institution that relies on other partners for product development and delivery through markets and national public sector institutions. Therefore, financing options will be more applicable when tied to specific products or innovations rather than upstream work. Caution is also advised for complex financing instruments, for those with high conditionality and for those requiring deep government engagement. Impact bonds, blended finance, endowments or capital markets are some of the modalities suggested to be avoided, despite having also been mentioned as potential prioritized instruments. This will therefore require further analysis and review.[1]

Main challenges identified are internal and could be addressed via cohesive action and further integration. Most of the challenges listed in the survey are linked to institutional and structural limitations of CGIAR, and include reliance on traditional funding, limited capacity, lack of expertise in innovative finance, institutional resistance to market-oriented approaches, complexity and size of CGIAR, internal competition and misaligned interests, and long timeline before agriculture R&D impact takes place. Survey respondents, however, already indicated some mitigation measures, most of them, leading to the need of further integration for cohesive action (e.g. creation of a one-stop-shop to facilitate third parties entering into a PPP with CGIAR and thus ensure aggregation and scalability capacity). Besides, additional recommendations include supporting a shift in mindset from grant-reliance research to solution-oriented platform, and improve the balance between core funding and project-specific interest of funders, along with the importance of aligning traditional funders with new models and expectations.

4.2 Case studies related to innovative finance

Applying a case study approach to inform potential adoption across CGIAR. The exploration of case studies —either within or outside of CGIAR— is a foundational strategy for the Innovative Financing Modalities Working Group to identify and assess practical, context-specific applications of non-traditional financing mechanisms. This approach offers concrete evidence of how innovative finance strategies have been implemented in diverse agricultural research-for-development settings, drawing out lessons that can inform adaptation across the CGIAR system.

Evidence and lessons learned leading to context-sensitive recommendations. By examining real-world examples, the Working Group can move beyond theory to understand the actual outcomes, risks, and enabling conditions associated with innovative financial mechanisms—such as blended finance, outcome-based contracting, pooled donor funds, private sector co-investment, and ecosystem service payments. The purpose is threefold:

- *Evidence generation:* To analyse how such mechanisms have contributed to funding sustainability and program impact.
- *Learning and comparison:* To assess successes, limitations, and replicability across initiatives.
- *Strategic input*: To build a foundation for actionable, context-sensitive recommendations during the 12-month mandate of the Working Group.

[1] Following the discussion and presentation of survey results, member group participants emphasized and highlighted the importance of exploring funds such as GCF and GEF, the role of IFIs and CGIAR Technical Assistance, and leveraging the untapped value of CGIAR's knowledge and assets. While these might not have been properly reflected in the survey results, there was a general interest to continue addressing and studying them as potential options for CGIAR.

The table below represents an initial exploration of innovative finance case studies from within CGIAR and external, highlighting emerging modalities and challenges. This preliminary analysis shall be complemented with further investigation to capture the full scope and potential of these approaches.

Case study	Modality	Funds leveraged	Policy influence	Scale achieved	Challenges
CGIAR Hub for Sustainable Finance (Impact SF)	Co-design with investors and financial institutions of impact focused investment solutions and lending products targeting food systems. Blended finance models	Approx. USD 750 M target for food systems investments through 5 funds co-designed with asset managers Climate Smart Food System Fund (rA, in operation), Amazon Biodiversity Fund (Impact Earth, in operation), FASA (I&P, in operation), Ag360 (Big Valley, in fundraising) and TREF (Impact Earth, in development)	Contributes technical evidence that can influence financial regulations and risk assessments	Global model – supports investment decision-making in climate-smart food systems	Complexity in aligning technical/scientific outputs with investor needs and timelines
CropTrust Concessional Loan Facility	Concessional loan to temporarily boost endowment proceeds	€50 million concessional loan from KfW; grants from BMZ and Government of the Netherlands	Strengthened financial resilience of the CropTrust for genebank operations; demonstrated innovative financing for conservation	Provided increased short-term funding flow to genebanks; long-term scalability limited due to cost of servicing and capital conservation requirements	Cost of servicing, uncertainty of annual returns, and need to conserve capital challenged growth potential of loan
Ballmer Group	Donor Advised Fund (DAF) - Donar Advised Funds are usually set up by individual or family charities that are managed by large investment funds like Goldman Sachs, Vanguard, etc. by their	Provides a simplified pathway to funding from small and medium-sized individual and family charities. These funds are often managed by major financial institutions like	Encourages CGIAR Centers to register as 501(c)(3) organizations in the US (which they already are) to be eligible for DAF contributions. Also highlights the	High potential scale through multiple charitable contributions once a connection is established with a wealth management group; however, actual scale depends	Finding the charities utilising these mechanisms

Case study	Modality	Funds leveraged	Policy influence	Scale achieved	Challenges
	Asset and Wealth Management Divisions	Goldman Sachs and Vanguard through their wealth management divisions	importance of connecting with wealth management groups to access pooled charitable giving opportunities	on successfully identifying and engaging with charities utilizing these mechanisms	
Corporate Biodiversity Bond (CBB)	Biodiversity Bond - The CBB is a bond jointly issued by a company and a conservation organization to fund the implementation of biodiversity offsets (or other conservation driven activities) in accordance with mitigation hierarchy	Provides low-cost capital through a joint bond issuance between a corporation and a conservation organization. It offers attractive cash flow benefits and strong reputational value ("powerful optics") for the corporate partner	Emphasizes the importance of aligning with the mitigation hierarchy and establishing effective partnership frameworks between corporations, donors, and implementing partners	Currently at a pilot or early stage, but demonstrates high potential for replication with other corporations, particularly in the conservation or agriculture sectors. Suggests possible involvement of IFM (Impact Fund Managers) for broader scaling	Finding the right combination of corporate sponsor, donors, and impact
Infrastructure Bond for Red Cross support	Bond to finance infrastructure for humanitarian services - Bond issued to raise capital for Red Cross infrastructure, with financial structuring by an investment bank	Mobilized private sector capital through bond issuance, with financial structuring by an investment bank and participation from institutional investors	Emphasized the need for transparent impact reporting to build investor confidence, suggesting potential influence on policy related to impact measurement and financial disclosure in humanitarian finance	Exact scale not provided, but it is noted as potentially replicable for sectors such as health, education, and agri-infrastructure, indicating scalable potential across multiple domains. Quantitative scale information is not available yet (pending further discussion)	Need for transparent impact reporting and investor confidence

Case study	Modality	Funds leveraged	Policy influence	Scale achieved	Challenges
Rhino Bond (World Bank Wildlife Conservation Bond)	Outcome-based bond for wildlife conservation - A financial instrument where returns are linked to conservation outcomes—specifically growth in black rhino populations	$150 million raised for rhino conservation, mobilizing capital from private investors through the World Bank	Highlighted the need for reliable conservation outcome metrics and illustrated the complexity of structuring outcome-based financial instruments, potentially influencing standards and frameworks for conservation finance	While currently focused on rhino conservation in South Africa, the bond shows high potential for replication across other conservation areas and even agricultural landscapes, provided outcome verification systems are in place	Ensuring reliable conservation outcome metrics; complexity of structuring outcome-based instruments
International Maize Improvement Consortium (IMIC)	Membership-based financing for breeding and R&D services	Membership fees from public and private sector institutions	Supports national and regional seed policy harmonization	Operational in Africa, Asia, Latin America – scalable, demand-led service structure	Maintaining relevance and service value across diverse members; managing IP and equitable access
Bioversity International USA/UK	Establishing an accredited foundation for tax exempt purposes in UK and US	Enables the channelling of philanthropic funding from U.S. and UK donors Can bid for competitive funding calls available to 501(c)(3) organizations Potential to attract unusual or one-off major gifts from	Establishes a legal and financial structure to receive and manage philanthropic funds in key donor geographies (USA/UK) Supports CGIAR/Alliance positioning in donor markets with favourable tax treatment for giving	Acts as a platform to build relationships over time Requires initial investment and strategic effort for portfolio development Long-term tool to grow philanthropic income stream, supporting broader CGIAR objectives	Takes time to develop donor relationships – often 1+ year before first donation Risk of "unusual gifts/lack of public support" status, which could impact nonprofit standing

Case study	Modality	Funds leveraged	Policy influence	Scale achieved	Challenges
		wealthy individuals or foundations			Risk of losing 501(c)(3) status if not properly managed Managing internal systems for accepting, tracking, and reporting on philanthropic funds Hitting the "tipping point" in terms of volume/frequency of donations to ensure sustainability Requires Board and fundraising governance capacity
CGIAR Global Bean Program / PABRA (Pan-Africa Bean Research Alliance)	CGIAR partnership with market actor for commercialisation	Multiple donors including BMGF, GAC, ACIAR, national governments, and private sector	Influenced government and private sector investments into bean research and adoption of demand-led seed systems	Scaled across sub-Saharan Africa; PABRA platform being extended to other crops (e.g., sorghum, groundnut) and to ICIPE (The International Centre of Insect Physiology and Ecology)	Uncertainty around CGIAR's direction—from earlier initiatives to current science programs —affects donor budget allocations and can disrupt ongoing research activities

Preliminary deductions from the case review include:

- *Blended and co-financing approaches* have enabled risk-sharing with private and development finance actors but often require strong technical assistance and guarantees to de-risk investments.
- *Performance-based models* are still limited but gaining interest (e.g., outcome-based financing for digital extension or climate-smart agriculture), suggesting a shift toward accountability-driven finance.
- *Private sector engagement* is strongest where market opportunities are clear (e.g., seed systems, data products), but requires capacity building and regulatory alignment.
- *Policy engagement* often follows successful financial innovation, particularly when co-designed with public agencies (e.g., climate-resilient finance instruments influencing national CSA frameworks).
- *Scalability* remains constrained in many pilots, often due to time-limited donor funding, lack of institutional anchoring, or insufficient pipeline development.

These patterns indicate both opportunities and bottlenecks that can inform the next stage of design and scaling.

Implications for Working Group Objectives. The emerging evidence base of case studies supports the core objectives of the Working Group in several ways:

- *Diversification of Sustainable Funding Streams*
    - Case studies demonstrate pathways to broaden CGIAR's funding ecosystem, incorporating banks, philanthropic capital, social enterprises, and impact investors.
    - They also reveal where existing financing silos can be enhanced through pooled instruments or hybrid models.
- *Informed Mechanism Design and Scale-up*
    - The insights allow the Working Group to tailor recommendations grounded in what works (and why) across varied contexts.
    - Case-based evidence can be used to develop typologies of financing models suitable for replication or adaptation by other Initiatives or Centers.
- *Risk and Opportunity Profiling. Learning from implementation challenges will help de-risk future scaling efforts and increase confidence among donors and investors.*
- *12-Month Recommendation Pathway. C*ase studies provide the empirical backbone for actionable outputs—including a proposed framework for mechanism selection, success criteria, and institutional integration strategies.

A case study-driven approach offers the Working Group a rich, practice-based lens into the evolving space of innovative finance across CGIAR. As a foundational component of the 12-month work plan, this analysis supports the development of well-informed, context-appropriate recommendations that aim not just to diversify funding but to transform the system's financial resilience and responsiveness to complex global challenges.

5. Workplan and future direction

5.1 Workplan and suggested course of action

The results and findings from the survey conducted and the initial analysis of case studies have served to define and agree on the lines of work of the Working Group. The following is suggested:

1. **Analysis of innovative finance experiences within CGIAR,** including a mapping exercise of centers' experiences to expand on the 4.2 exercise. This will involve individual interviews and desk research to gather insights, best practices and lessons learned. By leveraging the expertise of key collaborators, the group aims to identify successful models that can be adapted from a center experience to CGIAR as a system.

2. **Benchmark analysis of case studies outside of CGIAR**, including those suggested under section 4.1 and 4.2. This will also involve desk research and individual interviews to gather insights, best practices and lessons learned. This comprehensive analysis will provide a solid foundation to identify successful models that could potentially be adapted to CGIAR's unique context.

3. **Prioritization and analysis of fitness and suitability of innovative finance modalities,** including those that the Working Group and relevant stakeholders consider should be prioritized. As a preliminary example, the table below presents a selection of potential modalities.

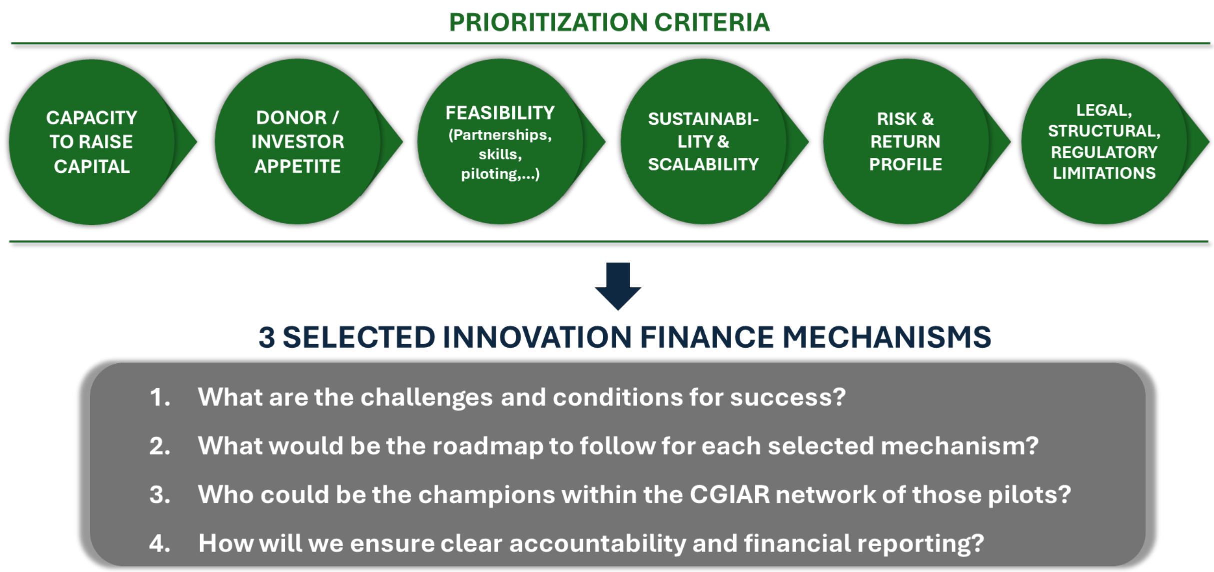
Modality	Description	Opportunity
Funds (GCF, GEF, etc.)	There are a number of funds, whose missions are in line with CGIAR's and provide funding for the implementation of projects worldwide. For instance, GCF accelerates transformative climate action in developing countries through a country-owned partnership approach.	CGIAR is already an Accredited Entity for GCF category C (i.e. activities with minimal or no adverse environmental and/or social risks and/or impacts), which includes small size projects (USD 10-50 M). There is therefore room to access funding for that category level, as well as to gain accreditation for other categories which have higher budget bandwidth.
IFIs and TA	IFIs like the World Bank or African Development Bank or Asian Development Bank, just to name a few, manage large-scale public and private sector investment portfolios in agriculture, food systems, climate adaptation, and rural development. While many of those relate to	This represents an untapped potential for CGIAR through the provision of targeted technical assistance (TA). TA requires high-quality, evidence-based technical inputs to inform design, implementation and evaluation of programmes, and CGIAR could be a strong service provider for IFIs' TA. CGIAR's global research

Modality	Description	Opportunity
	infrastructure related projects, they also offer interesting technical assistance opportunities.	footprint, deep technical expertise and worldwide presence makes it uniquely positioned to undertake science-based and policy-relevant TA.
Blended Finance	Strategic use of public or philanthropic capital to de-risk and mobilize private investment, and thus mobilize additional private sector investment in projects that can deliver both financial as well as social or environmental returns. Blended finance addresses the perceived risks that deter private investors from entering sectors like agriculture or climate adaptation, and in doing so, closes financing gaps.	CGIAR could engage in blended finance strategies and potentially to partner with IFIs, philanthropic foundations or impact investors, which would represent a powerful mechanism to, for instance, scale the uptake of CGIAR innovations while addressing funding and financing limitations. CGIAR could potentially serve as a trusted partner in blended finance initiatives.
Asset backed securitization	Monetization involves generating revenue from existing knowledge and assets, which may include (not limited list): data, tools, research findings, intellectual property (IP) infrastructure, licensing, advisory services, etc. Initiatives related to commercial activities could support CGIAR build a long-term financial sustainability while maintaining its public good missions if such activities are developed together with market partners and in line with the Principles on the Management of Intellectual Assets, among others.	CGIAR has a vast and valuable portfolio of intellectual assets at Center level, with an unknown economic potential that could be further explored. While some centers have engaged in commercialization or licensing activities, this currently represents scattered initiatives across CGIAR. The Assets Study together with the work on Intellectual Property being conducted by one of the CGIAR Community of Practice, could be leveraged and further valorized if connected with the work conducted by this Working Group.

Other mechanisms mentioned during the discussions of the Working Group and that will also deserve further attention include tax credits or carbon markets.

Note that the wide variety of mechanisms that are included in this list range from more traditional and untapped financing mechanisms (or harnessed to a limited extent) (e.g. funds, technical Assistance of IFIs) to more innovative modalities (e.g. blended finance, tax credits, carbon markets).

These will need to be prioritized. Preliminary prioritization criteria shall include the capacity of the innovative finance modality to raise capital, the donor/investor appetite, its feasibility (including the piloting feasibility), the sustainability and scalability potential, the risk and return profile, as well as the legal, structural and regulatory constraints. The group will make sure that all potential challenges and risks are identified and addressed proactively. In addition, it is important to also acknowledge that aspects like a clearer relation between CGIAR programs and impacts may enable CGIAR to be more attractive for financing, and therefore this Working Group would also analyze such aspects.



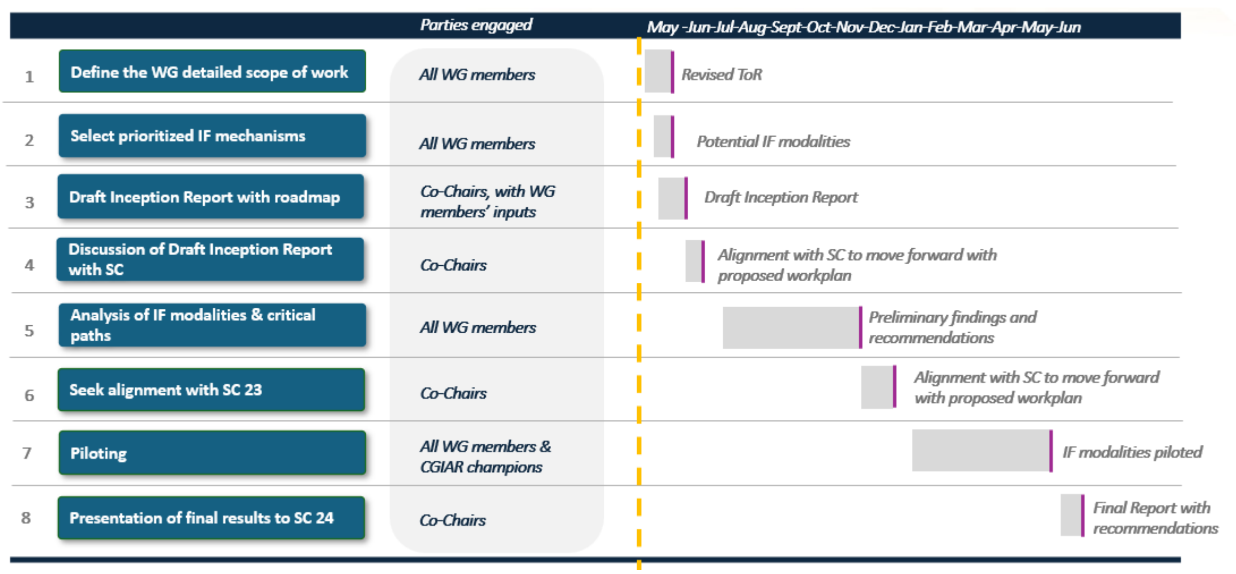
4. **Selection of top innovative finance mechanisms and pilot design.** Following the prioritization exercise, the Working Group will draft three roadmaps to pilot (or to initiate implementation of) each of the selected innovative finance mechanisms. Note that, initially, the scope and scale of each of the pilots will be adjusted in order to match the timeline of the current Working Group. The limited timeline for testing and delivery might determine to which degree the suggested pilots will be tested (rolled out vs. full implementation and gathering of conclusive findings).

5. **Launch of pilots.** The Working Group will proceed to test the designed innovative finance pilots. These pilots will aim to evaluate, in practice, the feasibility, scalability, and impact of various innovative finance mechanisms identified during the preliminary analysis phase. The pilots will involve close collaboration with key stakeholders, including CGIAR Centers, external partners, and funding bodies, to bring in diverse perspectives and expertise, and to ensure comprehensive testing and refinement of the selected models. Note that the Working Group will foster a culture of continuous improvement and innovation. Besides, the Working Group will employ a structured approach to monitor and analyze the initial results, focusing on key performance indicators such as return on investment, growth potential, and risk.

6. **Analysis of pilot results and recommendations.** The insights gained from these pilots will provide valuable data to inform the final recommendations for implementing innovative finance mechanisms at CGIAR, aiming to ensure long-term sustainability and diversification of funding streams. These will be presented in the System Council 24th session in June 2026.

Note that throughout all this process, regular meetings and progress reviews will be scheduled to ensure alignment with the objectives of the working group and to address any emerging challenges promptly. By adopting a structured and collaborative approach, the working group aims to drive the project forward effectively and achieve its objectives of issuing valuable recommendations to enhance CGIAR's funding streams while ensuring long-term sustainability and impact.

A Working Group workplan with milestones is presented below.



5.2 Assumptions and risks

The focus of the Working Group is based on the following assumptions:

- Innovative finance refers to grant and/or non-grant modalities that go beyond traditional ODA programmatic investments.
- Core funding is the main target of this Working Group.
- Centers remain committed to the design and testing of the innovative finance initiatives.

Besides, the following risks will be taken into consideration and proper mitigation measures will be put in place (non-exhaustive):

- **Shortage of expertise in innovative finance.** Should there be a need of specific and highly technical expertise, the Working Group will identify and recruit experts in innovative finance to support the successful achievement of the Working Group objectives.
- **Limited capacities**. An exercise to identify capacities needed for pilot implementation will be conducted to ensure that there are no major capacity gaps.
- **Regulatory and legal constraints**. The analysis conducted in the context of this exercise will also identify regulatory, structural and legal constraints, as well as identify how these can be addressed. If needed, legal experts will be mobilized.
- **Institutional limitations and possible resistance to market-oriented approaches.** While CGIAR complexity and size may pose institutional limitations and may offer resistance to implement market-oriented approaches, the Working Group will work to identify and engage champions across CGIAR that are open to test new modalities of financing.
- **Misaligned interests.** The engagement of a diverse representation of CGIAR governance and management bodies as members of the Working Group aim to be able address this challenge, and identify measures to promptly align expectations and objectives.

6. Conclusions

In conclusion, the WGIFM has embarked on the critical mission to address the challenges posed to CGIAR by the evolving funding landscape by exploring diverse and alternative sustainable finance mechanisms. Over the next 12 months, the group will focus on developing pilot projects and recommendations to support CGIAR's long-term financial sustainability. The innovative finance mechanisms identified, which shall include more traditional and untapped financing sources (such as funds like GCF) or more innovative financing modalities (like blended finance or monetization of the CGIAR knowledge and asset base), hold significant potential to lead to the diversification of CGIAR's funding streams and to enhance its ability to successfully tackle the global challenges of food security, poverty, and climate change in the long term. The insights gained from these pilots will provide valuable data to inform the final recommendations for implementing innovative finance mechanisms at CGIAR.

7. Annexes

Annex 1

Terms of Reference of the Working Group on Innovative Finance Modalities

The System Council requested that two working groups be formed in Q1 2025, focusing on the following, and with diverse membership (including from the IPB and System Council) drawn from those with direct experience in the respective areas:

i. Innovative finance modalities

ii. Incentives for portfolio funding (Windows 1 & 2), including the role of cost sharing mechanisms

The Working Groups should work together collaboratively and would be asked to provide updates on progress and any recommendations for System Council decision in advance of the 2025 regular System Council meetings.

Terms of Reference: Working Group on Innovative Finance Modalities

1. **Overview:** CGIAR plays a critical role in addressing global challenges such as food security, poverty, and climate change through agricultural research and innovation. To effectively fulfill its mission, CGIAR requires diverse and sustainable funding streams. This Working Group will explore and recommend innovative finance mechanisms to diversify funding sources and contribute to the long-term financial sustainability of CGIAR research operations.
2. **Objectives:** Identify and assess potential innovative finance mechanisms suitable for supporting CGIAR research and innovation. This includes, but is not limited to, exploring options such as:
    a. **Market-based mechanisms:** Developing and implementing market-based instruments, such as carbon credits or biodiversity offsets, to generate revenue for CGIAR research.
    b. **Capital asset funding:** Providing the critical funding needed to upkeep labs, equipment and strategic assets in order to deliver on program ambition.
    c. **Impact investing:** Mobilizing private capital for agricultural development through impact funds, blended finance, and other investment vehicles.
    d. **Pay-for-success:** Linking funding to the achievement of specific development outcomes, such as improved agricultural productivity or reduced poverty.
    e. **Crowdfunding:** Leveraging online platforms to engage individuals and communities in supporting CGIAR research.
3. **Outputs:** Develop recommendations for implementing selected innovative finance mechanisms. Including potential ROI and growth rates; potential partners and stakeholders; developing appropriate governance structures and risk management frameworks; designing

and implementing pilot projects to test and refine selected mechanisms; building the capacity of CGIAR Centers, Programs and partners to effectively utilize innovative finance mechanisms.

4. **Membership:** The Working Group will comprise a diverse group of individuals with expertise in:
    a. Funding and Finance: Investment banking, impact investing, development finance, and financial markets.
    b. Development: International development, poverty reduction, and sustainable development goals.
    c. CGIAR governance and management: Representatives from CGIAR Centers, Integrated Partnership Board, and the System Council Membership or delegates.

The Working Group will be chaired/co-convened by the Director of Donor Relations & Business Development and co-chaired by the Director of Business Operations & Finance and be composed of up to 6 members comprising up to **two System Council representatives,** up to two Integrated Partnership Board members (linked to the IPB committee on RM), and up to two Global Leadership Team members or their delegate. The Working Group will be supported by SO and Centers staff from the Business Operations and Finance, and Donor Relations and Business Development functions. The Deputy Executive Managing Director will be an observer.

Reporting, timeline and resources for both working groups

5. **Reporting and Communication:** The Working Groups will provide an inception update at System Council 22, and a final report and recommendations by or before System Council 24. The inception report will seek input and alignment from the Global Leadership Team and Science Leadership Team in advance of all formal reporting.

6. **Timeline**: The Working Group will operate for a period of 12 months from inception or until the work is completed. Following a nomination period of 14 days, each Working Group will meet periodically, with joint sessions across both Working Groups as appropriate.

7. **Resources:** The Working Groups will have access to necessary resources, including funding history, policies, financial reports from Centers, and access to relevant data and information on research funding, private partnerships, and intellectual property.

    Support will be made available from the approved CGIAR Business Functions operating budgets or specific contributions for meeting support, facilitation, and research. All meetings will be held virtually, except if in-person meetings can be linked to existing travel or meeting schedules. Additional financial support can be provided by stakeholders via CGIAR's Special Projects window.

8. **Amendment:** These Terms of Reference may be amended from time to time by mutual agreement of the members of the Working Groups, with the approval of the CGIAR Integrated Partnership Board.

Annex 2

Composition of the Working Group on Innovative Finance Modalities

Working group member	Governance body that represents	Organisation
Tom Bui	System Council	Canada
Rinn Self	System Council	Gates Foundation
Fatema Almulla	System Council	UAE
Kristofer Hamel	System Council	UAE
Richard Paton	System Council	UAE
Jonathan Wadsworth	System Council	World Bank
Shoba Shetty	System Council	World Bank
Shenggen Fan	IPB	
Enrica Porcari	IPB	
Simon Heck	GLT	CIP
Johan Swinnen	GLT	IFPRI
Luis Felipe Mendes	Co-chair	CGIAR SO
André Zandstra	Co-chair	CGIAR SO
Micheline Ayoub	Observer (on behalf of DEMD)	CGIAR SO

Annex 3

Agendas and minutes of Working Group meetings

Provisional Agenda

Inaugural Meeting - Kick-off of Working Group on Innovative Finance Modalities

April 14, 2025 (tentative)

Introduction: The System Council requested that a working group is formed in Q1 2025, with the objective of exploring and recommending innovative finance mechanisms to diversify CGIAR funding sources and contribute to the long-term financial sustainability of CGIAR research operations.
Date & time: 14 April, 14:00-15:00pm CET (tentative)
Location: online
Co-chairs/co-conveners: Luis Felipe Mendes & André Zandstra
Attendees:

- System Council: Fatema Almulla (UAE), Tom Bui (Canada), Kristofer Hamel (UAE), Richard Paton (UAE), Rinn Self (Gates Foundation), Shoba Shetty (World Bank), Jonathan Wadsworth (World Bank)
- IPB: Shenggen Fan, Enrica Porcari
- GLT: Simon Heck (CIP), Johan Swinnen (IFPRI)
- CGIAR SO: Micheline Ayoub (on behalf of DEMD), Luis Felipe Mendes, Laura Torà, Louise Towers, André Zandstra

TIME (CET)	AGENDA POINT
14:00 – 14:10 10 min	**Welcome and Introductions** • Welcome and opening remarks • Composition of the Working Group and individual introductions
14:10 – 14:25 15 min	**Where are we at?** • Overview of CGIAR's funding model • Challenges & opportunities
14:25 – 14:45 20 min	**The Way Forward - Discussing the Terms of Reference** • Overview and discussion of the current ToR • WorkPlan and Timeline
14:45 – 14:55 10 min	**Operating Modality** • Membership & roles • Communication channels • Meetings (frequency, recording, etc.) • Additional resources
14:55 – 15:00 5 min	**Next steps and Action Items**

Working Group on Innovative Finance Modalities

Meeting summary of the working group kick-off meeting

Date & time: 14 April, 14:00-15:00pm CET

Location: online

Co-Chairs/co-conveners: Luis Felipe Mendes & André Zandstra

Participants:

- System Council: Fatema Almulla (UAE), Tom Bui (Canada), Kristofer Hamel (UAE), Richard Paton (UAE), Rinn Self (Gates Foundation), Jonathan Wadsworth (World Bank)
- IPB: Shenggen Fan, Enrica Porcari
- GLT: Johan Swinnen (IFPRI)
- CGIAR SO: Micheline Ayoub (on behalf of DEMD), Luis Felipe Mendes, Laura Torà, Louise Towers, André Zandstra

Regrets: Shoba Shetty (World Bank) and Simon Heck (CIP)

Meeting summary

1. Introduction:

- André introduced the kick-off meeting for the working group on innovative finance and finance modalities, explaining the group's purpose to move forward conversations on innovative finance and report back to the System Council.
- André also emphasized its importance as a platform to unite System Council members, IPB and CGIAR Global leadership Team.

2. Objective and Working Group Structure:

- The group's objectives are to define, evaluate, and promote innovative finance mechanisms aligned with CGIAR's goals, in line with the Terms of reference distributed. André stressed the importance of staying focused on the right problems and outcomes.
- André described the working group's structure, which included 2 Co-Chairs, and representatives from the System Council, the IPB, and GLT. The question of whether the Co-Chair structure of the Working Group should be amended to include a SC member was raised for group discussion (in line with the request received through the IPB and SC Secretariats), but it was agreed that it would remain the same, as no participants expressed any preference or volunteered to act as a Co-Chair. It was agreed that the option would

remain open should a SC representative be interested in participating as Co-Chair to the Working Group.

3. Member Introductions and Leadership Roles:

- Members introduced themselves, sharing their experiences and expectations for contributing to the working group. Perspectives ranged from blended finance and fundraising to development finance and various models of private-public-partnerships. Expectations included coming up with implementable innovative finance solutions that contribute to building a sustainable funding model for CGIAR, and that are implementable. Members referred to the importance of being agile and selecting specific wins. Also, it was recognized that some institutions are not set up to work with these innovative finance modalities, and if that is the case of CGIAR, it is important to identify what needs to change.
- Members experience and expectations in relation to the Working Group:
    - Micheline Ayoub – Chief of Staff at CGIAR SO, and acting as observer on behalf of DEMD. Experience in blended finance; expects the Working Group to come up with solutions to diversify CGIAR's funding.
    - Tom Bui – Director of Food Systems and Nutrition in Global Affairs Canada, with extensive experience in international finance organizations and blended finance; aims to address problems with private sector involvement.
    - Shenggen Fan – Chair Professor and Dean of the Academy of Global Food Economics and Policy at China Agricultural University (CAU) in Beijing, and former DG at IFPRI. Background raising funds for research institutions, as well as with ADB in innovative finance mechanisms; interested in further exploring innovative finance mechanisms.
    - Fatema AlMulla – Director of Partnerships and Special Projects at the Ministry of Climate Change and Environment, UAE. Interested in better understanding what it takes to create an innovative finance model, and in connecting key players.
    - Jonathan Wadsworth – retired from full staff member of the World Bank (including acting as CGIAR Fund Executive Secretary), Special Advisor to Chair of CGIAR System Council, and professional experience in DfID. Voices the importance to define a new, agile and implementable model that goes beyond grants.
    - Kristofer Hamel – representing the UAE International Affairs Office, with background in development finance (private sector and project finance with the World Bank) and in IFAD's replenishment model; interested in implementing a sustainable funding model.
    - Felipe Mendes – Director of BO&F, background in innovative finance, including carbon offset programmes, building PPP scheme for Sao Paulo on water funds, and creation of endowment fund for CIP; aims to build a sustainable funding model for CGIAR.

- Richard Paton – advisor to UAE government, and EY leader at MENA. Extensive experience in various finance mechanisms; emphasizes implementable and sustainable solutions, as well as the importance to focus on following the money rather than searching for the best theoretical model.
- Rinn Self – representing Gates Foundation, 15 years' experience with philanthropic and blended finance; interested in building institutional capacity for innovative finance as not all institutions are set up to work with innovative finance mechanisms.
- Johan Swinnen – IFPRI DG and co-lead of the finance lever of the UN Food Systems Summit. Focused on addressing the lack of core funding and exploring private sector connections.
- Enrica Porcari – Member of the resource mobilization committee of the Board with background in technology (CERN); aims to diversify funding streams and to mobilize untapped streams from the private sector.
- Laura Torà – Special Advisor to the Deputy Executive Managing Director, with experience in resource mobilization from philanthropies and international organizations, also familiar with PPPs and impact investing; aims to find suitable sustainable innovative finance solutions, and emphasizes the importance to do so in an agile manner.
- Louise Towers - Project Coordinator within BO&F, currently engaged in the asset study conducted by CGIAR; emphasizes fit-for-purpose solutions and capacity building.
- André Zandstra – Director of DRBD with extensive experience in fundraising; focused on bringing additional financing to CGIAR's core funding.

- This session aimed to leverage the group's varied expertise to steer efforts toward impactful solutions, and the group complementarity was noted.

4. Key Problems and Success Metrics:

- The group discussed the key problems they aim to solve, including the need for stable core funding for CGIAR and its Centers, the need for longer-term and forecastable funding, the need to increase funding to be able to better use CGIAR potential and capacity, the need to diversify funding sources, and, overall, the need to ensure financial sustainability for CGIAR.
- The development of a robust, sustainable, implementable financial model to support CGIAR's bottom line and long-term research agenda was also mentioned.
- Success metrics were proposed, such as achieving a funding mechanism that contributes at least $100 million annually to CGIAR (aspirational target) in support of core or Portfolio (programmatic) funding.

5. Defining Innovative Finance Mechanisms:

- During the meeting, André referred to the need to define what innovative finance mechanism means for this Working Group, as participants may have different understandings.
- Participants shared ideas for innovative finance mechanisms, including blended finance, carbon credits, AI partnerships, and leveraging family foundations.
- Richard from UAE gave a quick overview of ongoing efforts by the UAE (e.g. conversations with World Bank Treasury, income/outcome bonds of private sector, capital accounts, tax credits, etc.).

5. Next steps and timeline

- André outlined the next steps and timeline for the working group, including the need to prepare an inception report for the System Council 22 meeting (June 2025), prioritize and develop work streams, and aim for tangible outcomes by System Council 23.
- The group agreed to meet twice in the coming weeks (and before the SC 22 meeting) to achieve these goals.
- It was suggested to conduct a survey to gather information and knowledge from the working group members in relation to innovative finance.
- The group noted the need to further explore what CGIAR has done in terms of innovative finance, and to dig deeper into other relevant/ongoing innovative finance initiatives, as this could serve as a quick start for the Working Group.

Provisional Agenda

Meeting no. 2 - Working Group on Innovative Finance Modalities

April 28, 2025 (tentative)

Introduction: The System Council requested that a working group is formed in Q1 2025, with the objective of exploring and recommending innovative finance mechanisms to diversify CGIAR funding sources and contribute to the long-term financial sustainability of CGIAR research operations.

Objectives:

- To precisely define the scope of work of the Working Group and select prioritized innovative finance modalities to further explore
- To agree on the narrative of the deliverable the SC22 meeting

Date & time: 28 April 2025, 14:00-15:00h CET (tentative)

Location: online

Co-chairs/co-conveners: André Zandstra & Luis Felipe Mendes

Attendees:

- System Council: Fatema Almulla (UAE), Tom Bui (Canada), Kristofer Hamel (UAE), Richard Paton (UAE), Rinn Self (Gates Foundation), Shoba Shetty (World Bank), Jonathan Wadsworth (World Bank)
- IPB: Shenggen Fan, Enrica Porcari
- GLT: Simon Heck (CIP), Johan Swinnen (IFPRI)
- CGIAR SO: Micheline Ayoub (on behalf of DEMD), Luis Felipe Mendes, Laura Torà, Louise Towers, André Zandstra

TIME (CET)	AGENDA POINT
14:00 – 14:05 5 min	**Opening & meeting objectives**
14:05 – 14:25 20 min	**Survey results sense-making** • Overview of responses • Presentation of previous and ongoing innovative finance attempts
14:20 – 14:40 20 min	**Discussion on prioritization** • Agreeing on what Innovative Finance means for CGIAR and defining the scope • Prioritizing Innovative Finance solutions • Challenges and conditions for success (partners, governance structures, etc.) • Identification of potential pilots

TIME (CET)	AGENDA POINT
14:40 – 14:55 15 min	**Workstreams articulation** • Narrative for System Council 22 meeting • Structure and content of the Inception Report: (i) rationale, scope and objectives; (ii) analysis of previous/ongoing efforts; (iii) prioritization of innovative finance modalities; (iv) proposed roadmap/workplan for the remaining 12 months; (v) assumptions and risks
14:55 – 15:00 5 min	**Next steps and timeline** • Draft Inception report shared for validation and submitted for EMD, IPB and SC approval

Working Group on Innovative Finance Modalities

Meeting summary of the working group meeting no. 2

Date & time: 28 April, 14:00-15:00pm CET

Location: online

Co-Chairs/co-conveners: André Zandstra

Participants:

- System Council: Fatema Almulla (UAE), Tom Bui (Canada), Kristofer Hamel (UAE), Richard Paton (UAE), Rinn Self (Gates Foundation)
- IPB: Shenggen Fan
- GLT: Simon Heck (CIP), Johan Swinnen (IFPRI).
- CGIAR SO: Laura Torà, Louise Towers, André Zandstra

Regrets: Micheline Ayoub (observer, on behalf of DEMD), Luis Felipe Mendes (co-Chair), Enrica Porcari (IPB), Shoba Shetty (World Bank), Jonathan Wadsworth (World Bank)

Meeting summary

1. Meeting objectives:

- André outlined the meeting objectives which include (1) To provide an update on the survey results; (2) To discuss prioritization of innovative finance modalities; (3) To agree on the narrative for the deliverable to the SC 22 meeting.

2. Survey results

- André shared the survey results, noting that only 6 responses have been received out of 12 (one of them not being a member of the WG). The survey aims to inform the trajectory of the conversation, and the results highlighted the need for more time and engagement from the working group.
- Overview of specific survey questions:
  - Question #1 – Definition of Innovative Finance in the context of CGIAR. It is agreed that the Working Group will focus on non-traditional funding modalities, including grant and / or non-grant, that go beyond traditional ODA programmatic investments.
  - Question #2 – Target core funding. Agreed that core funding should be targeted. It is highlighted the need for complementary of funding flows and the importance of targeting transformational funding for CGIAR.

- Question #3 – Aspirational funding target. Through the survey, most of respondents agree that the aspirational funding target should be around 100 million/year.
- Question #4 – successful models or cast studies of IF modalities. Richard and Shenggen shared successful models and case studies that could be learned from, including asset-backed models, structured bond markets and voluntary carbon markets. Tax incentive structures was also mentioned as an option to explore, and for which Richard mentioned that by mid-June there would be more concrete information and findings from his current work on it. Kristofer Hamel also mentioned to the potential of AI and how CGIAR is already championing it through the AI Hub in Abu Dhabi. Rinn Self referred to the importance of creating one-stop-shop of bankable assets. The discussion emphasized the complexity of these processes and the need for specialize capacity.
- Question #5 & #6 – IF modalities that should be explored, and that should not be included in the study (respectively). André mentioned some of the innovative finance modalities suggested by the group (blended finance, tax credits, asset backed, etc.) and referred to the fact that no decisions need to be made yet on selecting or discarding specific IF modalities.
- Question #7 – Challenges in innovative finance for CGIAR. Some of the main challenges discussed include the lack of capacity and need of specialized skill sets and dedicated staff that can move the agenda forward on IF, the need for new ways of working and engaging across the system. Besides the public good edge was also mentioned as a key challenge. Johan Swinnen mentioned the link between innovation and the private sector, and the fact that CGIAR has only some small initiatives, but not organized at scale, and that there is a need of a more structured and longer-term approach. Simon Heck agreed to that and added that he can share some successful examples and how they are constructed from an IP perspective.

3. Discussion on prioritization

- André mentioned that as all ideas come forward, they need to be judged against some formal criteria, and referred to preliminary proposed prioritization criteria, including the capacity to raise capital, donor interest, feasibility of implementation, sustainability and scalability, risk and return profile, and legal and structural limitations. Working group members agreed to these.

4. Roadmap and next steps, mainly on the inception report

- André outlined the roadmap and next steps for the working group, including the preparation of the inception report for the System Council meeting in June. He referred to a tentative outline, which includes rationale, scope and objectives; analysis of previous efforts; prioritization; workplan with milestones for the year; and assumptions and risks.

- Views from the group on the preparation of the inception report:
    - It was mentioned that the report doesn't need to be very detailed. It should address the direction of travel, and if there are any promising ideas or partnerships with the private sector.
    - It was mentioned that the Inception Report should focus on some specific initiatives like funds like GCF, etc.; IFIs and CGIAR TA, etc., and address the importance of leveraging untapped value of CGIAR's knowledge and assets.
    - The roles and contributions of the working group members was also discussed, emphasizing the need of request of concrete tasks to the working group members.
- It was agreed that the core group formed by André, Richard, Louise and Laura would prepare a draft to be shared with the rest of WG members for comments and additional inputs. André also asked to the group members that if they want to be part of the core group, to please let the co-chairs know.

Annex 4

Presentations for Working Group meetings

CGIAR
Science for a food-secure future

Working Group on Innovative Finance Modalities - WGIFM

Kick Off Meeting

14 April 2025

Co-Chairs:
André Zandstra, Director, Donor Relations and Business Development

Felipe Mendes, Director, Business Operations and Finance (TBC)

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Welcome and introductions

*What **perspectives** and **experiences** do you bring to the Working Group?*

*What are your **expectations** of this Working Group?*

Working Group Structure

WORKING GROUP ON INNOVATIVE FINANCE MODALITIES

- To be discussed: inclusion of SC member as Co-Chair -

Co-Chairs

- ***André Zandstra, Director, Donor Relations and Business Dev.***
- ***Luis Felipe Mendes, Director, Business Operations and Finance***

System Council members

- ***Canada (Tom Bui)***
- ***Gates Foundation (Rinn Self)***
- ***World Bank (Jonathan Wadsworth & Shoba Shetty)***
- ***UAE (Fatema Almulla, Kristofer Hamel & Richard Paton)***

IPB members

- ***Shenggen Fan***
- ***Enrica Porcari***

GLT members

- ***CIP, Simon Heck, Director General***
- ***IFPRI, Johan Swinnen, Director General***

DEMD (observer)

Support from CGIAR SO & Centers staff

WORKING GROUP ON INCENTIVES FOR PORTFOLIO FUNDING (W1&2)

Overview of the current ToR

Objective: To identify and assess potential innovative finance mechanisms suitable for supporting CGIAR research and innovation. This includes, but is not limited to, exploring options such as:

a. Market-based mechanisms (e.g. carbon credits or biodiversity offsets);
b. Capital asset funding;
c. Impact investing (impact funds, blended finance, and other investment vehicles);
d. Pay-for-success (funding linked to improved agricultural productivity or reduced poverty);
e. Crowdfunding.

Outputs: Recommendations for implementing selected innovative finance mechanisms (including potential ROI and growth rates; partners and stakeholders; appropriate governance structures and risk management frameworks; pilot projects to test and refine selected mechanisms; building the capacity of CGIAR Centers, Programs and partners to effectively utilize innovative finance mechanisms).

1. What problem are we trying to solve?

2. What does success look like?

Operating modality

1. **Membership & roles:**
   - 2 co-chairs, and representatives from SC, IPB, and GLT. DEMD (or his delegate) as observer.
   - Co-Chairs will lead both WG, with support from their staff as necessary, and drawing on expertise from the CGIAR System Organization, CGIAR staff, and other parties as necessary.
   - Members shall serve on the group until formal closing of the WGIFM mandate, expected by June 2026, and are expected to actively participate in meetings and respond to requests for feedback or input in a timely manner.
2. **Communication channels:** email as main communication channel & SharePoint as repository of documents (to be shared).
3. **Meetings**:
   - The WGIFM shall meet as often as determined by the Co-Chairs and in consultation with the other members, on average once a month, over a period of 12 months (or less if objectives reached earlier).
   - A majority of members, one of whom is the Co-Chair or his/her delegate, shall constitute a quorum for any meeting.
   - Joint sessions between both working groups shall be organized as appropriate.
4. **Additional resources:**
   - External consultants – The WGIFM shall count on the support of external consultants, if deemed necessary.
   - Facilitator – the Co-Chairs shall collaborate with an external facilitator, if considered necessary.

Key questions

The current state of CGIAR's funding landscape has some limitations that could be addressed by tapping into innovative finance modalities.

1. Are there already existing efforts that we can build on? What have the centers done in innovative finance, and what has/has not worked?
2. What could be some of the benchmarks outside of CGIAR?
3. Which are more relevant to CGIAR? Which should be prioritized for exploration?
4. What are the benefits, risks and challenges of these innovative financing modalities?
5. How does the inception report look like (review of CGIAR experience, benchmarking, prioritization of IF modalities & proposal/scope for CGIAR)?

How can the Working Group members contribute to the Inception Report?

The way forward | Workplan and Timeline

CGIAR

2025

SC22

SC23

2026

SC24

May

Intro & scope

- Members endorse ToR and agree on scope of WGIFM's role.
- Deep dive exploration of opportunities of financing modalities.
- WG defines detailed workplan.
- Building trust and transparency.

Jun

Seek alignment

- Progress update #1 to System Council.

Inception Report

Jul-Nov

Prioritization & critical paths

- Prioritization and ongoing work of work streams.
- Constituency check-ins.
- Identification of critical path & solutions (early recommendation).

Dec

Seek alignment

- Progress update #2 to System Council.

Early recommendations

Jan-May

Implementation

- Implementation & delivery of recommendations.
- Constituency check-ins.

Jun

- Final update #3 to System Council.

Final Report

Monthly WGIFM meeting & ad-hoc joint WGIFM-WGIFP meetings

Working Group on Innovative Finance Modalities - WGIFM

Meeting no. 2

28 April 2025

Co-Chairs:

André Zandstra, Director, Donor Relations and Business Development

Felipe Mendes, Director, Business Operations and Finance

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Meeting objectives

1. To precisely define the scope of work of the Working Group and select prioritized innovative finance modalities to further explore and pilot

2. To agree on the narrative-arc for the deliverable to the SC 22 meeting

Survey results sense making (I)

***Kick-off survey*: Summary of responses (6/12 – observer included, as well as an additional response from a funder)**

1. Definition of Innovative Finance in the context of the CGIAR Working Group?

Anything that can **leverage new money**

Any and all financial flows **other than traditional ODA grants or loans**

Non grant resources from sources **other than traditional development agencies**

Strategies to **go beyond the traditional model**: blended finances, climate related finances, impact finances...

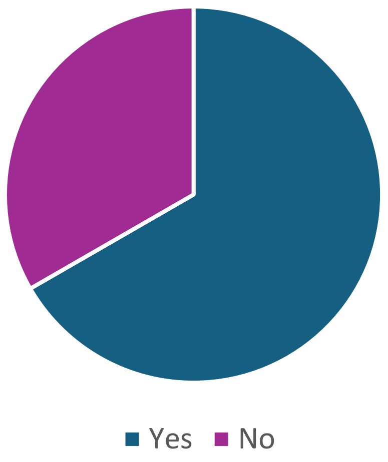
Pool know-how on **options towards a sustainable capital structure** for CGIAR

It means **different modalities** and **sources of funding**

➡ **Focusing on grant and/or non-grant modalities that go beyond traditional ODA programmatic investments**

Survey results sense making (II)

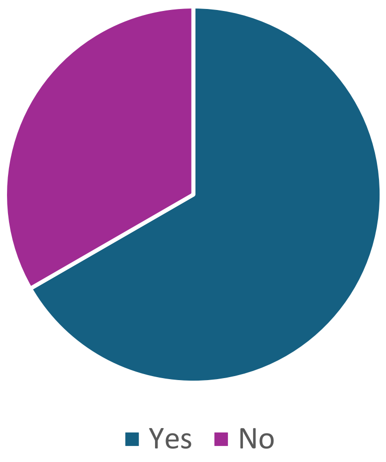
2. Do you agree that the Working Group should target core funding?



Only from new emerging bilateral donors and from philanthropies where possible

We should work for the whole system. Centers have complained that we only work for the core funding or funding through the systems. This type of funding is often more restrictive than bilateral funding of centers. If we work for the whole systems including centers' funding, we will be able to bring all centers together to deliver the vision and strategy of the system.

3. Should the aspirational funding target of this WG be USD 100 M per year?



Potential for higher levels if staff in place dedicated to it over time

We should not micro manage the system. It is the system office's responsibility to delver $ amount. This is simply an advisory group. We must make the system management accountable and responsible.

From the results, we are leaning to targeting core funding and 100 USD M per year, but these are non conclusive (50% missing from survey)

Survey results sense making (III)

CGIAR

4. Can you share successful models or case studies of IF mechanisms that CGIAR could learn from?

IF mechanisms

- MDBs de facto endowment structure
- Blue finances
- Membership and fee for service of Convergence
- Development and sale of emerging markets index by IFC
- Blended finance with MDB (EFSD+, Lives & Livelihoods Fund, Gavi, etc.) matching grants with loans/guarantees, or use loan buydowns to reduce risk and increase concessionality CGIAR can take on research/TA components linked to a grant/loan package (e.g. AICCRA, AIM4Scale, TAAT,…)
- Nature bonds (i.e. Nature Conservancy)
- Debt swaps
- Voluntary Carbon Markets (WB in India emerging)
- TNC

What are the learnings?

- Public good angle is tricky
- Blended finance with MDB mostly used for large infrastructure projects, traditionally favored by countries taking on sovereign debt.
- Bonds, debt swaps, VCM are complex to design/manage.

What are some of the initiatives that have already been piloted within CGIAR?
What are some case studies that are worth analyzing, and their lessons learned?

Survey results sense making (IV)

5. Which are the top 3 IF modalities we should explore to build a sustainable, diversified and stable financing model?

Tax credits

Asset backed

Securitization

(Voluntary) Carbon markets

Blended finance *(e.g. CGIAR paired with advisory, inputs, or product development companies to develop/scale CGIAR products, or monetize tools/models)*

Top 3 IF modalities?

Market incentives *Advance commitments, prizes, performance payments*

Impact financing *(linked to outcomes - water, land, biodiversity)*

MDBs de facto endowment structure

Membership & fee for Convergence service

Development & sale of emerging markets index by IFC

6. Which IF modalities should we NOT include in our study?

Impact/outcome bonds

Bonds (Development Impact Bonds,…).

Equity / revolving capital investments

Check-in with Working group – does this make sense to the group?

Survey results sense making (V)

7. In your opinion, what are the main challenges that CGIAR faces in implementing innovative financing mechanisms, and how could they be addressed?

Public good, difficult to ring fence outcomes (might not be desirable)

Research institution creating intermediary innovations that are productized by others in value chain, thus need to develop extensive partnerships (lack of one-stop-shop for third parties to enter into a PPP or blended finance engagement with CGIAR, and that would facilitate scaling up). – Potential to focus on few specific innovations to go deep on and scale.

***See survey response for further detail and specific examples.*

Business and finance acumen and accreditation to GCF to be secured through partnerships with World Bank and IFAD for instance

Available instruments
Culture change
Expertise in new financing models
Pitch development

Lack of capacity in innovative financing. We are too traditional and we must recruit new talents.

Dedicated staff capacity
Balancing core funding needs with program interests of funders
Selling self-interest argument to new governments

Prioritization discussion

CGIAR

PRIORITIZATION CRITERIA

- CAPACITY TO RAISE CAPITAL
- DONOR / INVESTOR APPETITE
- FEASIBILITY (Partnerships, skills, piloting,...)
- SUSTAINABI-LITY & SCALABILITY
- RISK & RETURN PROFILE
- LEGAL, STRUCTURAL, REGULATORY LIMITATIONS

3 SELECTED INNOVATION FINANCE MECHANISMS

1. What are the challenges and conditions for success?
2. What would be the roadmap to follow for each selected mechanism?
3. Who could be the champions within the CGIAR network of those pilots?
4. How will we ensure clear accountability and financial reporting?

Workstream articulation and roadmap

1. Narrative-arc for SC 23 meeting
2. Workplan after June 2025
3. Role of the Working Group
    - Guide process
    - Technical input
    - Contributions

TENTATIVE OUTLINE OF THE INCEPTION REPORT

1. Rationale, scope and objectives
2. Analysis of previous/ongoing efforts
3. Prioritization of innovative finance modalities
4. Proposed roadmap/workplan for the next year
5. Assumptions and risks

Timeline and next steps

		Parties engaged	May -Jun-Jul-Aug-Sept-Oct-Nov-Dec-Jan-Feb-Mar-Apr-May-Jun
1	Define the WG detailed scope of work	*All WG members*	*Revised ToR*
2	Select prioritized IF mechanisms	*All WG members*	*Potential IF modalities*
3	Draft Inception Report with roadmap	*Co-Chairs, with WG members' inputs*	*Draft Inception Report*
4	Discussion of Draft Inception Report with SC	*Co-Chairs*	*Alignment with SC to move forward with proposed workplan*
5	Analysis of IF modalities & critical paths	*All WG members*	*Preliminary findings and recommendations*
6	Seek alignment with SC 23	*Co-Chairs*	*Alignment with SC to move forward with proposed workplan*
7	Piloting	*All WG members & CGIAR champions*	*IF modalities piloted*
8	Presentation of final results to SC 24	*Co-Chairs*	*Final Report with recommendations*

Annex 5

Responses to the survey of the Working Group

Respondent id	What would be your definition of "innovative finance" in the context of this CGIAR Working Group?	Do you agree that this working group work should target core funding?	If no, please elaborate.	Do you agree that the aspirational funding target of this working group work should be 100 million USD per year?	If no, please elaborate.1	Can you share any successful models or case studies of innovative financing mechanisms that CGIAR could learn from?	From what you know about CGIAR, what are the top 3 innovative finance modalities you think we should explore to build a sustainable, diversified and stable financing model for CGIAR? Please, feel free	From what you know about CGIAR, what innovative finance modalities should we not include in our study?	In your opinion, what are the main challenges CGIAR faces in implementing innovative financing mechanisms, and how could they be addressed?
1	Anything that can leverage new money	Yes		Yes		Too many to mention here. But public good angle is tricky	Asset backed Securitization Tax credits	Impact / out come bonds	Public good, difficult to ring fence outcomes (might not be desirable)
2	Pool know-how on options towards a sustainable capital structure for CGIAR	Yes		Yes		MDBs de facto endowment structure; membership and fee for service of Convergence; and development and sale of emerging markets index by IFC.	The above three plus carbon and nature credits.	Bonds (DIBs and so on).	Business and finance acumen and accreditation to GCF to be secured through partnerships with World Bar
3	strategies to go beyond the traditional model: blended finances, climate related finances, impact finances...	Yes		Yes		Blue finances	Impact financing (linked to specific outcome) Blended financing (PPP) Carbon markets	not sure	Available instruments Culture change Expertise in new financing models Pitch development...
4	Any and all financial flows other than traditional ODA grants or loans	Yes		Yes		Blended finance mechanisms like with EIB (EFSD+), AFD, Lives and Livelihoods Fund which match grants with loans or guarantees, or use loan buydowns to increase concessionality, or to reduce risk for private capital investors. (A challenge with these mechanisms that blend grants with MDB lending is that most of have been used to fund larger infrastructure projects traditionally favored by countries taking on sovereign debt, but some like AFD and LLF are leveraging involvement of development actors (bilateral and philanthropic) to incentivize development projects and in the case of CGIAR could be focused on product or research system projects). I can share more on LLF, the mechanism I'm most familiar with, if needed. Mechanisms like this, where CGIAR takes on a component of research or technical assistance linked to a broader packages of grants/loans with additional delivery or scaling partners can be interested models to learn from and build on, especially where CGIAR is already doing this. For example, AICCRA, AIM4Scale, the TAAT mechanism, the new ADB mechanism, the Green Climate Fund proposals, etc. Other models that could be interesting to explore would be nature bonds, debt swaps, and Voluntary Carbon Markets, though I would caution that our analysis has show that these can be very very complex to design and manage. The Nature Conservancy is a leader in nature bonds, and colleagues at Gates Foundation have expertise on debt swaps and VCMs.	Blended finance like the mechanisms noted above that pair CGIAR with private sector data, AI, advisory, inputs, fertilizer, diagnostic tools, or other product development companies to develop and scale CGIAR products, or could help CGIAR to package and monetize tools and models directly. Market incentives (advance commitments, prizes, performance payments, etc) to bring private sector into ag products/innovations in markets with low certainty of demand but where CGIAR has significant capacity and experience. For example, pull mechanisms for the R&D on improved varietals targeting a specific crop disease/constraint, or an advanced market commitment for veterinary drugs/products.	I would suggest that we anchor our work in the reality of CGIAR's work and be realistic about the degree to which Centers are set up to receive and use complex financing instruments, especially those like equity investments or revolving capital investments that are likely not a good fit. The CGIAR is primarily a research institution, relying on other partners for product development and delivery through markets or in many cases, national public sector institutions. So many types of private capital will be applicable only if it can be tied to specific products or innovations in partnership with seed/drug/infrastructure companies, rather than more upstream work like breeding technologies and platforms, policy strengthening, etc. that CGIAR typically does. While domestic resource mobilization may have some knock-on benefit to CGIAR's NARS partners, I don't think it's high ROI to pursue those channels to fund CGIAR work beyond a few random projects in host countries. (though it may be helpful to look at examples where centers have had success and actually secured significant funding this way). I think we can also safely avoid the rabbit hole of going after foreign exchange reserves/SDRs as this would require DEEP engagement with governments and likely limited actual $$ for CGIAR.	Note answers above. 1) CGIAR is in the research business, and mostly creates intermediary solutions/innovations that then need to be adapted and productized by others in value chain, so you aren't set up well to engage directly with financing institutions to create products or build infrastructure at scale. Therefore, 2) CGIAR can't really go it alone on "selling" most of its innovations and will need to develop extensive partnerships with those adaptation and development partners in the private sector or in government to ensure a piece of the pie from any innovative financing modalities. 3) CGIAR does have a lot of networks of partners, but the challenge is that there are almost too many spread across so many Centers and projects. There is no one-stop-shop for a specific company to enter into a PPP with CGIAR, or for a government to enter into a blended finance engagement like on GCF, and each one would have to be negotiated individually at project or country level as has been done in the past. You risk having a million tiny flowers blooming but no way to aggregate or scale up those engagements without a significant level of effort. A mitigation to this could be to focus on a few specific innovation areas to go deep on and scale, perhaps with a couple that are underway and working, and another few as moon shots to try for a few years. For example, AI data from CGIAR being used as the basis for an agri-LLM and crowding in sovereign funders and tech companies. Or climate risk models being leveraged with SMEs and crop insurance companies. Or livestock vaccine research as part of a PPP pull mechanism or prize with companies like Pfizer or Zoetis. Or a nature bond with a country that includes irrigation systems or climate smart staple crop varietal development. Another mitigation would be to build on some of the existing blended finance mechanisms CGIAR has already engaged in but with the goal of expanding, replicating, or increasing the amount of funding to CGIAR from models like AICCRA, GCF, or the AfDB and ADB clearinghouse mechanisms. This would require careful analysis of what is working and what resource implications these kinds of partnerships have, and then going all-in with leadership to and ensure Center-level buy-in, resourcing, and prioritization.
5	Non grant resources from sources other than traditional development agencies	No	Only from new emerging bilateral donors and from philanthropies where possible	No	Potential for higher levels if staff in place dedicated to it over time	Voluntary Carbon Market opportunities - work of World Bank in India emerging; GAVI innovative finance solutions;	voluntary carbon markets; asian/african philanthropies; emerging bilateral donors in middle east	blended	dedicating staff with experience to this over the long term; balancing core funding needs with project/program interests of funders; selling self-interest argument to new governments
6	It means different modalities and sources of funding.	No	We should work for the whole system. Centers have complained that we only work for the core funding or funding through the systems. This type of funding is often more restrictive than bilateral funding of centers. If we work for the whole systems including centers' funding, we will be able to bring all centers together to deliver the vision and strategy of the system.	No	We should not micro manage the system. It is the system office's responsibility to delver $ amount. This is simply an advisory group. We must make the system management accountable and responsible.	TNC, GAVI, etc.	Carbon credit funding, nutrition impact funding, environmental (water, land, biodiversity ...) impact funding	we should open our mind and keep all modalities open.	lack of capacity in innovative financing. We are too traditional and we must recruit new talents.
7	For us, I would define as funding streams outside the regular mechanisms applied by the CGIAR.	Yes		Yes	But split into different funding streams	Land restoration with agriculture, campaigns and endowments.	Endowment, campaigns and private contributions from individuals and companies.	Green bonds	Internal competition and lack of experience. The latter could be offset by bringing staff with these skills to the team.
8	Any promising modality mobilizing financial resources for the CGIAR that has not yet been piloted or brought to scale	Yes		Yes		IFFM (Donor Securitization); Gavi and Global Fund (philanthropy + bond issuance); Endowments (University models)	Approaches which bring private sector funding into the landscape: - Licensing / Royalties of specific IP and products - Tax incentives - Strategic partnerships where the CG or CG centers are commissioned to conduct R&D on behalf of food companies (mandate aligned only) - Deploying the CGIAR brand equity (name, logo, affiliation) in a concerted way Targeting high-wealth individual donor/s (not countries) to create an endowment like Ted Turner did for the UN Foundation in the 90s.	not much to contribute here	1) The System is designed to be country-donor financed and therefore requires following a short-term strategy of plugging budget shortfalls using (more) traditional funding while trying to transition business practices and funding sources over the medium term. So the old single engine prop airplane has to be flown and maintained in mid-air while simultaneously transforming it into a Dreamliner. 2) It is probably the case that not all interests in the system are aligned around the idea that additional mobilized resources should to flow to Window 1. However, in my view this is essential. Much like the EU, it access to the allocation of the centralized pot of resources provides a key incentive to serve as glue that keeps the CG institutions together under one banner/brand/approach and makes the "union" work. With this pot increased and secure, the prospects to align and collaborate is greatly strengthened...and without it, the entire system is fragmented and diminished in relevance.

9	Funding that does not depend on donors Funding that is continuous Funding that is sustainable Funding that goes into window 1	Yes	Yes		The AMC for pneumococcal vaccines led by Gavi, the Vaccine Alliance Development Impact Bonds - Rhino bond/Educate Girls DIB - India Blended Finance Platforms	1- Can we create advanced market commitments tailored for public goods? (Philanthropic donors and governments collectively guarantee uptake or financing, de-risking early-stage investments in innovations designed for smallholder farmers and marginalized communities.) 2- What kind of blended structures can we create that leverages not just private funds, but public and philanthropic 3- Tax incentives?	Anything that is short term, high conditionality	1- CGIAR outputs are public goods 2- It takes a long time for agriculture R&D and impact 3- institutional complexity and size 4- limited experience with non traditional finance - I think there needs to be a shift in mindset — from grant-reliant research to being a solution-oriented platform that engages with finance and private sector actors. - Deeper interaction with investors and businesses can help co-design scalable models and translate CGIAR's impact into investable language.
10	Anything outside of traditional ODA funding. Should prioritize efforts that access new sources of funding for CGIAR System.	Yes	Yes	This should be a targeted threshold or floor - could target more if the opportunity presents	FAO Investment Center, TNC Blue Bonds, BEF Debt for Nature Swaps, CFS (or any hospital / university) alumni / individual and monthly funding campaign appeals.	1. Structured engagement platform for MDB/IFIs 2. Access and capacity to to engage structured funds GCF ++ 3. Blended Finance - leveraging current CGIAR funding networks	Endowments.	Capacity to implement and drive forward as an integrated system.
11	seeking new funding streams to support the more traditional donors, whose long term grant-based support models needs to continue being acknowledged. CGIAR has many long term supporters who will continue to be there, their capabilities are stretched, the risk we run is that they are now perceived as 'old' as we look for 'innovative' funding rather than streams to complement traditional donor funding with creative approaches that continue enhancing the effectiveness, transparency, and scalability of our programs.	Yes	Yes		When I was in WFP we started exploring Development Impact Bonds (DIBs), similar to social impact bonds, to finance long-term programs focused on addressing food insecurity and building resilience in vulnerable communities. DIBs attracted private investment by tying returns to measurable developmental outcomes. Our test case was Mozambique, where WFP investigated DIBs to fund resilience-building programs - payout is tied to reducing the number of people requiring food assistance or increasing the local capacity to respond to crises.	PPP: leveraging our large data capabilities to partner with companies to create value adding services Impact investments - for example to fund research on climate-resilient crop varieties, sustainable pest management, renewable energy for farming.... The returns could come in the form of market-driven adoption of these innovations by farmers, leading to improved yields, environmental benefits, better livelihoods....	any model that has a short-term expected return or are not aligned with the mission-driven approach	some of the challenges may come from inside. CGIAR long history of relying on grants and donor-driven funding models may pose some institutional resistance to more market-oriented approaches (I recall the reluctance of our communities to refer to the donors as investors ...) -Alignment of traditional funders with new models expectations of new investors in providing evidence of progress which may not be aligned with our internal impact measuring
12	a) Tapping into alternative (existing) finance channels to the ones we are currently using. b) Creating novel finance options based on CGIAR's assets and value.	Yes	No	I think it should be higher. We should focus on exploring big options that can become game changers.	I think TNC have done a good job breaking into financing mechanisms that should in principle be available to CGIAR as well.	Developing commercial partnerships, e.g. by segmenting breeding pipelines and target markets to bring in commercial royalties. Negotiating long-term contracts with development banks as technical service providers.	Things like capital markets etc.	We lack core expertise and capacity in this area. We could establish and staff a 'business hub' or find a trusted financial advisor (company) to provide this service.
13	Funding flows that aren't the traditional core grants and project funding. New ways of thinking about funding - breaking the unwritten rules that GPGs can only be funded by Govts and not for profit organisations.	Yes	No	Should be much higher - getting a single funder could bring in 100m USD/yr. We';ve had a $2bn aspiration for a few years now - $100m is hardly ground breaking.	The early days of the Fundacion Chile when research was monetized through shared capital investment in commercializing technology (Salmon Industry etc). Realistic royalties charged on seed of new crop varieties (including farmer saved seed).	Private sector investment in research with equitable benefit sharing systems (Company, CGIAR, Farmers). Some form of AMC (Advanced Market Committments). Bond issues - with carbon credits	Endowments; Capital funds (require too much capital for low split returns)	Having a really persuasive, credible, narrative based on proven expertise and strong track record - the fear of widespread famine in the past was a big incentive - current climate crisis is probably just as relevant for marketing CG research