



REPORT ANNEXES

Working Group on Innovative Finance Modalities

November 2025

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CGIAR System Organization

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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

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: From the innovative finance modalities longlist to the shortlist

Scoring results

The table below presents the scoring of each of the longlisted innovative modalities.

INNOVATIVE FINANCE MODALITY	CRITERIA	Capacity to raise capital	Stakeholder interest/ investor appetite	Existing capacity & partnership readiness	Sustainability & scalability	Risk & return profile	Legal/ regulatory constraints	TOTAL
	Weight	15%	15%	20%	15%	20%	15%	100%
Funds (GCF, etc.)	Score	5	5	4	3	4	4	
	Weighted Score (WS)	0.75	0.75	0.8	0.45	0.8	0.6	4.15
IFIs & TAs (coordinated approach w/MDB)	Score	4	5	4	3	4	5	
	WS	0.6	0.75	0.8	0.45	0.8	0.75	4.15
Carbon credits	Score	4.5	5	3	4	3	3	
	WS	0.68	0.75	0.6	0.6	0.6	0.45	3.68
Tax credits	Score	3	4	3	4	3	3	
	WS	0.45	0.6	0.6	0.6	0.6	0.45	3.3
Development Impact Bonds	Score	2.5	2	2	3	3	3	
	WS	0.38	0.3	0.4	0.45	0.6	0.45	2.58
Blended Finance	Score	4	5	4	4	4	4	
	WS	0.6	0.75	0.8	0.6	0.8	0.6	4.15
Advanced Market Commitments	Score	3	2	2	3	3	3	
	WS	0.45	0.3	0.4	0.45	0.6	0.45	2.65
Intellectual Assets monetization	Score	4	3	3	4	2	4	
	WS	0.6	0.45	0.6	0.6	0.4	0.6	3.25
Licensing	Score	1	1	3	4	3	4	
	WS	0.15	0.15	0.6	0.6	0.6	0.6	2.7
Endowment & campaigns	Score	3	3	3	4	4	5	
	WS	0.45	0.45	0.6	0.6	0.8	0.75	3.65
Business model reinvention (work with PS)	Score	3	2	3	4	3	3	
	WS	0.45	0.3	0.6	0.6	0.6	0.45	3
Democrasing donations	Score	1	2	4	3	4	3	
	WS	0.15	0.3	0.8	0.45	0.8	0.45	2.95
Licensing CGIAR brand name	Score	1	1	2	2	2	1	
	WS	0.15	0.15	0.4	0.3	0.4	0.15	1.55
Fellowships (friends of CGIAR, etc.)	Score	1.5	2	4	3	4	4	
	WS	0.23	0.3	0.8	0.45	0.8	0.6	3.18
Others (in-kind donations, cost-savings, top-up to results, etc.)	Score	1	2	2	3	4	4	
	WS	0.15	0.3	0.4	0.45	0.8	0.6	2.7
Micro-philantropy platforms	Score	2	4	3	2	4	4	
	WS	0.3	0.6	0.6	0.3	0.8	0.6	3.2
Nature credits	Score	3	4	3	4	3	3	
	WS	0.45	0.6	0.6	0.6	0.6	0.45	3.3

The table above summarizes the scoring of each long-listed innovative financing modality. The highest-scoring options were shortlisted and subsequently reviewed with the working group and selected advisors to validate their inclusion for more detailed assessment. In some cases, high-scoring modalities, such as Funds, were excluded from the in-depth assessment, as CGIAR is already engaging with mechanisms like the Green Climate Fund (GCF). Other similar modalities (e.g., carbon and nature credits) were consolidated into a single category to leverage synergies and avoid overlapping. Scores for each criterion and modality were determined through a combination of consultations and a comprehensive desk review, drawing on existing literature, case studies, and relevant benchmarks.

Scoring legend

1. Capacity to Raise Capital

- 1 = Very low – No clear ability to raise capital; little to no investor interest.
- 2 = Low – Limited capacity; may raise small amounts (< USD 10 million) through isolated efforts.
- 3 = Moderate – Some demonstrated ability to raise capital (USD 10–50 million).
- 4 = High – Strong ability to raise significant capital (over USD 50 million).
- 5 = Very high – Proven capacity to raise large-scale funds (~USD 100 million or more).

2. Donor/Investor Appetite

- 1 = Very low – Not aligned with current donor/investor priorities.
- 2 = Low – Limited interest or unclear alignment.
- 3 = Moderate – Some interest; potential alignment with trends.
- 4 = High – Good match with multiple donor/investor interests.
- 5 = Very high – Strong alignment; active expressions of interest or funding available.

3. Existing capacity & partnership readiness

- 1 = Very low – Major barriers in multiple areas—no clear local partnerships, high initial investment, low piloting potential, and lack of required skills or infrastructure.
- 2 = Low – Significant challenges expected—limited partner interest, piloting would be difficult or costly, key technical skills or enabling conditions are largely missing.
- 3 = Moderate – Some enablers are in place—potential partners exist but not yet engaged, piloting is possible with moderate investment, and technical capacity exists but may need support.
- 4 = High – Strong interest from local or regional partners, relatively easy to pilot with manageable investment, and skills are largely available or easily accessible.
- 5 = Very high – Clear partner interest, minimal barriers to piloting, low to moderate investment needs, and strong existing technical capacity and infrastructure to support implementation.

4. Sustainability & Scalability

- 1 = Very low – Dependent on continuous external support with little chance to replicate or scale beyond the pilot.
- 2 = Low – Likely need for ongoing subsidies and annual efforts to maintain funding, with limited potential to scale due to cost or complexity.
- 3 = Moderate – Some potential for self-sustaining operation over time, and can be scaled with adaptations and resources.
- 4 = High – Likely to be financially and operationally sustainable, with clear potential to scale in multiple settings.
- 5 = Very high – Designed for long-term sustainability with a strong revenue or impact model, and easily scalable with strong replication or growth potential.

5. Risk & Return Profile

- 1 = Very poor – High risk with little to no return (financial, social, or environmental).
- 2 = Poor – Risk outweighs potential returns.
- 3 = Balanced – Risks and returns are fairly matched.
- 4 = Good – Acceptable risk with attractive return potential.
- 5 = Excellent – Low risk and/or high return (financial and/or impact-wise).

6. Legal/Regulatory Constraints

- 1 = Major constraints – Not permissible or requires major legal changes.
- 2 = Significant constraints – Legal/regulatory challenges that are hard to overcome.
- 3 = Moderate constraints – Some issues, but possible to address.
- 4 = Minor constraints – Mostly compliant or resolvable with moderate effort.
- 5 = No constraints – Fully compliant; legal/regulatory environment is supportive.

Annex 4: Guideline for assessment of innovative finance modalities

Shortlisted modalities to assess:

- 1) IFIs and Technical Advisory Services
- 2) Carbon Credits and Nature Credits
- 3) Endowments
- 4) Intellectual Assets Monetization
- 5) Blended Finance

Assessment guidelines

Modality description

Purpose: To provide a brief overview of the financial modality, explaining what it is, how it functions, and its relevance to CGIAR.

Questions to address:

- What is the modality, and how is it typically used?
- In what contexts or sectors has this modality been successfully implemented?
- How is it relevant to CGIAR's research, operations, and strategic goals (e.g., climate resilience, food systems innovation)?

Capacity to raise funding

Purpose: Assess the modality's effectiveness in mobilizing funding in contexts relevant to CGIAR. This determines its viability as a funding-raising tool.

Questions to address:

1. Demonstrated fund raising capacity in similar contexts	<ul style="list-style-type: none">• Has this modality been effective in raising funds in agricultural, climate, or research settings?
2. Average size of funds raised in other examples	<ul style="list-style-type: none">• What is the typical funding volume raised through this modality (e.g., per project, region, or initiative)?
3. Origin of funds and conditions for access	<ul style="list-style-type: none">• Who typically provides the funds (e.g., IFIs, donors, private sector, philanthropies)?• Are there eligibility criteria, co-financing requirements, or reporting obligations (e.g. accreditation requirements, co-financing, results-based metrics, etc.)?

Stakeholders interest / Investors appetite

Purpose: Evaluate whether current and potential investors or partners are interested in this modality and if their strategic interests align with CGIAR's work.

Questions to address:

4. Current and potential donors/investors, and their priorities	<ul style="list-style-type: none">• Which institutions or individuals are funding this type of modality (e.g. GCF, World Bank, etc.)?• What development, climate, or innovation goals are they focused on?
5. Alignment with donor/ investor priorities	<ul style="list-style-type: none">• Does this modality match their funding criteria or thematic focus?• Is this modality part of their mid-term or long-term strategies?• Would it be seen as innovative, high-impact, or complementary to their portfolios?
6. Documented interest from stakeholders/investors	<ul style="list-style-type: none">• Are there formal indications of interest (EOIs, MOUs, concept notes)?• Are there historical relationships that could be re-engaged?

Existing capacity and partnership readiness

Purpose: Understand whether CGIAR has the necessary skills, experience, and partnerships to implement the modality.

Questions to address:

7. Existing CGIAR skills and capacity, and additional resources needed for this modality	<ul style="list-style-type: none">• Does CGIAR have internal capacity (technical, operational, institutional) to implement this modality?• What additional support would be needed (e.g., specialized staff, legal counsel)?
8. Potential or current implementing partners	<ul style="list-style-type: none">• Are there partners who have done this work before and could be engaged (including private sector, research institutions, NGOs, etc.)?• Are there new stakeholders showing readiness to collaborate?
9. Stage of relationship with potential partners	<ul style="list-style-type: none">• Is CGIAR in early-stage discussions or has already established formal agreements?

Sustainability and scalability

Purpose: Evaluate whether the modality can be sustained beyond initial funding and *expanded* to new regions or centers.

Questions to address:

10. Revenue model	<ul style="list-style-type: none"> • Is this model revenue-generating? • How does it generate income or financial value (e.g., grants, licensing, service fees, etc.)?
11. Long-term sustainability without donor support and potential transition to a self-sustaining model	<ul style="list-style-type: none"> • Can it transition to a self-sustaining model (e.g., revolving funds, royalties)? • Is continuous external support required? • What are its key weaknesses?
12. Easiness/limitations in replicability and scalability in new settings	<ul style="list-style-type: none"> • Can the modality be implemented in multiple contexts or geographies? • What are the factors affecting scale (policy, regulatory, technical, market readiness, capacity, demand, etc.)?

Risk and return profile

Purpose: Understand the risk factors and potential returns (financial, environmental, social) of the modality.

Questions to address:

13. Major risks (financial, operational, reputational), and mitigation strategies	<ul style="list-style-type: none"> • What are the possible pitfalls? • How can these risks be mitigated (due diligence, insurance, strong governance)?
14. Expected returns	<ul style="list-style-type: none"> • What types of returns are expected, e.g. social, environmental? • What other types of returns are expected, e.g. social, environmental?

Legal and regulatory constraints

Purpose: Identify regulatory or legal challenges that may impact implementation, especially in international or multi-jurisdictional settings.

Questions to address:

15. Legal/regulatory barriers for implementation this modality, and strategies to effectively address them	<ul style="list-style-type: none"> • Are there IP, environmental, or fiscal laws that might block or slow implementation? • Are there specific conditions or geographies in which the modality is not possible due to regulatory environment?
16. Required compliance frameworks	<ul style="list-style-type: none"> • What international, national, or sectoral regulations must be followed?
17. CGIAR's readiness and required adjustments	<ul style="list-style-type: none"> • Is CGIAR structured to comply with these rules? • What institutional adjustments would be needed (e.g., policy updates, local registration)?

Value added for centers & feasibility

Purpose: Understand how this modality benefits the CGIAR Centers and assess readiness for piloting.

Questions to address:

18. Centers already implementing or exploring this modality	<ul style="list-style-type: none">• Which centers are already involved or piloting similar work?• Do they have any relevant lesson to share?
19. Value added for centers	<ul style="list-style-type: none">• What are the strategic, financial, or capacity-building benefits for Centers?
20. Investment required for a pilot and implementation limitations	<ul style="list-style-type: none">• What is the estimated investment for a pilot (capital, technical capacity, policy engagement, etc.)?• What operational or contextual challenges exist?

Conclusions:

Purpose: Synthesize the findings from the assessment, provide a judgment on feasibility, and outline the next steps.

Summary:
Pre-requisites to move forward (operational, strategic, etc.):

Assessment Form Template

Description of the modality: *[Include description]*

STRENGTHS	WEAKNESSES
OPPORTUNITIES	THREATS

Potential role: *[Describe potential role]*

Capacity to raise capital

1. Demonstrated fundraising capacity in similar contexts	
2. Average size of funds raised in other examples	
3. Origin of funds and conditions for access	

Stakeholders' interest / Investors appetite

4. Current and potential donors/investors, and their priorities	
5. Alignment with donor/ investor priorities	
6. Documented interest from stakeholders/investors	

Existing capacity and partnership readiness

7. Existing CGIAR skills and capacity, and additional resources needed for this modality	
8. Potential or current implementing partners	
9. Stage of relationship with potential partners	

Sustainability and scalability

10. Revenue model	
11. Long-term sustainability without donor support and potential transition to a self-sustaining model	
12. Easiness/limitations in replicability and scalability in new settings	

Risk and return profile

13. Major risks (financial, operational, reputational), and mitigation strategies	
14. Expected returns	

Legal and regulatory constraints

15. Legal/regulatory barriers for implementation this modality, and strategies to effectively address them	
16. Required compliance frameworks	
17. CGIAR's readiness and required adjustments	

Value added for centers & feasibility

18. Centers already implementing or exploring this modality	
19. Value added for centers	
20. Investment required for a pilot and implementation limitations	

Conclusions:

Summary:				
Pre-requisites to move forward (operational, strategic, etc.):				

Annex 5: Assessments of innovative finance modalities

International Finance Institutions (IFIs) and Technical Advisory (TA) Services

Executive Summary:

Recommendation overview: CGIAR should strategically position itself as a long-term scientific and technical partner to International Financial Institutions (IFIs), embedding research and innovation within IFI program and project lifecycle. A coordinated, system-wide approach, supported by renewed MoUs, joint pipeline development, and a Technical Assistance (TA) platform, would enhance CGIAR's visibility and influence in shaping IFI's investment projects. Establishing strong internal governance, standardized operational processes, and clear value propositions for each IFI will be essential to ensure quality delivery and full cost recovery. A phased rollout, starting from existing partnerships, is recommended to consolidate learning and scale impact effectively. Consider having a common approach between this modality and blended finance as well as intellectual assets monetization to leverage synergies and build operational efficiencies.

Summary:

There is a growing strategic opportunity for CGIAR to position itself as a long-term research, technical, and implementation partner for International Financial Institutions (IFIs) such as the World Bank, African Development Bank (AfDB), Asian Development Bank (ADB), Islamic Development Bank (IsDB), and Inter-American Development Bank (IDB).

These institutions are scaling up investments in climate-smart agriculture (CSA), food systems transformation, and rural resilience, areas in which CGIAR has unique scientific capabilities and proven value. However, CGIAR is often engaged late in the investment cycle, in a fragmented manner, lacking strategic alignment with the longer-term views. CGIAR could be further positioned upstream, shaping investment pipelines and embedding research throughout program design and execution. That would require more coordinated engagement across CGIAR.

This could offer an opportunity not only to mobilize complementary funding, but also to focus on amplifying impact.

Next steps: Prioritize a phased roll-out based on existing IFI partnerships.

A. Preparation phase:

1. **Multi-dimensional capability mapping and offer development:** Develop a CGIAR-wide TA and implementation capabilities map to assess CGIAR's thematic expertise, operational delivery capacity, past-performance, geographic reach and innovation offerings aligned to IFIs investment priorities. Important to bring in the CGIAR continental structure.

2. **Create a Value Proposition Pack and individualized strategies for each of the prioritized IFIs**, based on the capability mapping, with case studies, and in coordination with the Continental Structure and other key internal CGIAR structures.
 3. **Design partnership maturity pathways:**
 - Stage 1: Awareness & ad-hoc engagement (limited TA contracts)
 - Stage 2: Strategic alignment & MoUs (signed MoU with defined scope and specific objectives, i.e. joint workplans).
 - Stage 3: Joint Pipeline Development (CGIAR involved in program design)
 - Stage 4: Programmatic Partnership (multi-year, co-funded initiatives)
 - Stage 5: Embedded Science (upstream evidence of CGIAR shaping major investments).
- B. Renew engagement frameworks with IFIs, and internal governance:**
4. **Institutional alignment and agreements, including a shift of paradigm:** Renew and expand institution-wide MoUs with priority IFIs, with a clear mandate for joint pipeline development, research partnership, and TA implementation. Ensure MoUs enable co-design of country-level programs, joint scoping missions, and flexible resourcing for innovation scaling.
 5. **Establish structured, multi-level engagement mechanisms:**
 - **Higher-institutional level:** formalize MoUs with clear scope of joint programming, knowledge sharing, TA co-design, innovation scaling, alongside joint workplans and periodic review mechanisms.
 - **Regional/programme level:** Build relationships with sector leads in line with regions and/or CGIAR programmes and accelerators (P&A). Offer applied research and context-specific innovation packages.
 - **Country engagement:** leveraging CGIAR's Continental Structure, work with IFI Country Directors and national governments to embed CGIAR's role in Country Partnership frameworks and investment preparation exercises.
 6. **Strengthen internal governance and ownership:** CGIAR would need a clear coordination and implementation mechanism in charge of managing institutional MoUs, internal engagement governance and coordination across centers (keeping the already mentioned CGIAR continental structure for greater reach and alignment with each of the regional development banks).
- C. Delivery:**
7. **Develop Joint Programming Mechanisms:** joint scoping missions, country investment planning support, innovation packages, joint project concept notes integrating CGIAR's science with IFI financing instruments, multi-year programmatic TA Facilities, co-branded knowledge products, and resource mobilization strategies, linking CGIAR science with IFI-managed trust funds and donor contributions to co-finance joint programs.
 8. **Technical assistance platform** Create a CGIAR TA & Implementation Platform, including shared processes and frameworks, cross-center coordination protocols, etc. This should potentially include:

- Designate strategic account focal points per IFI responsible for relationship management and joint programming;
- Designate program design experts in charge of translating CGIAR research into investment-ready components;
- Ensure operational readiness with harmonized / consistent processes (quality assurance, risk management, legal capacity, etc.) across CGIAR for entering IFI-funded contracts.

9. **Collaboration in blended finance opportunities:** bringing scientific rigor and credibility to blended finance vehicles, by providing ex-ante evidence, serving as technical secretariat for blended finance funds, or using TA to de-risk private sector participation.

Recommendations: Advocate with IFIs for science-based implementation models, integrating research throughout investment cycles.

Pre-requisites to move forward (operational, strategic, etc.):

- Governance bodies endorsement and CGIAR commitment.
- Strong internal coordination mechanisms for engagement with IFIs, including on country-engagement and TA processes, among others.
- Clear operational and financial protocols for engagement.
- Strengthened legal and procurement frameworks for advisory contracts and consultancy services.
- Dedicated staffing and operational systems, for high-quality delivery in tight deadlines.

Description of the modality:

- Strategic partnerships with International Finance Institutions (IFIs) (e.g. the World Bank (WB), African Development Bank (AfDB), Inter-American Development Bank (IADB), Asian Development Bank (ADB), and others) where CGIAR provides scientific and policy input into investment design; implementation of TA assignments (diagnostics, modeling, M&E, capacity development); research-backed innovation scaling during project execution; evidence for adaptive management and policy reform.
- TA can be used for policy design, project preparation, monitoring, evaluation, capacity building, data infrastructure, or technology transfer.

STRENGTHS	WEAKNESSES
<ul style="list-style-type: none"> ● High scientific reputation and global network. ● Prior IFI & TA experience (AICCRA, TTAT...). ● Strong country-level presence and relationships. ● Deep domain expertise. 	<ul style="list-style-type: none"> ● Lack of coordinated engagement model. ● Fragmented visibility to IFIs, uncertain visibility of CGIAR value proposition. ● Limited capacity for TA bidding/compliance. ● Time-bound TA lacks continuity, unless embedded in long-term programs.

OPPORTUNITIES	THREATS
<ul style="list-style-type: none"> • Growing IFI focus on climate, food security, resilience. • Donor appetite for evidence-based TA. • Entry-point to co-design investment programs. • Potential to shape country-level investments. 	<ul style="list-style-type: none"> • Reputational risk from under-delivery. • Risk of being seen as service provide vs. global research partner. • Competitive landscape (consulting firms, NGOs). • Donor funding volatility for TA trust funds.

Potential role:

- **Technical assistance provider:** Project preparation, diagnostics, MRV, modeling, M&E; policy design and reform support; capacity building.
- **Knowledge and research partner:** Embedding science in investment programs, including through applied science and evidence, tools, data, and models.
- **Pipeline co-developer:** Participating in joint scoping missions, policy dialogues, and pre-investment planning alongside IFIs and governments.
- **Policy and ecosystem enabler:** Supporting enabling conditions for private sector engagement, digital agriculture, etc.

Capacity to raise funding

1. Demonstrated fund raising capacity in similar contexts	<ul style="list-style-type: none"> • Demonstrated across several CGIAR centers: AICCRA (WB-CIAT), TTAT (AfDB-IITA). • Other relevant initiatives providing TA in the context of IFI projects include Ukama Ustawi (ADB-IITA), working across the entire value chain to identify investments with a focus of scaling innovations.
2. Average size of funds raised in other examples	<ul style="list-style-type: none"> • Typical IFI TA: \$0.5M - \$10M per engagement. Should seek opportunities for CGIAR-wide multi-year TA programs exceeding at least \$30M cumulatively.
3. Origin of funds and conditions for access	<ul style="list-style-type: none"> • IFI-managed trust funds, government-executed programs, blended finance platforms, etc.

Stakeholders interest / Investors appetite

4. Current and potential donors/investors, and their priorities	<ul style="list-style-type: none"> • Fragmented but active. • World Bank, ADB, AfDB, IDB, IsDB, etc.
5. Alignment with donor/ investor priorities	<ul style="list-style-type: none"> • High: CSA, agri-food systems, resilience, adaptation, innovation adoption, climate, etc.

6. Documented interest from stakeholders/investors	<ul style="list-style-type: none"> • High. IFIs increasingly fund TA and value evidence-based implementation. CGIAR needs a clear value proposition to convert interest into consistent engagement.
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Existing capacity and partnership readiness

7. Existing CGIAR skills and capacity, and additional resources needed for this modality	<ul style="list-style-type: none"> • Strong scientific base. • Operational delivery capacity would need strengthening. Need for TA coordinators, compliance managers, etc. • Continental structure being operationalized, offering possibility for enhanced coordination.
8. Potential or current implementing partners	<ul style="list-style-type: none"> • WB and AfDB already members of the SC. • MoU with ADB in place. Clearinghouse launched in 2025. • IsDB partnership under discussion and MoU template being reviewed. IsDB and CGIAR convened a high-level session at AFSF 2025 in Dakar, Senegal. • Caribbean Development Bank partnership being developed and pilot program for Jamaica in design phase.
9. Stage of relationship with potential partners	<ul style="list-style-type: none"> • CGIAR centers and SO have relationships with IFIs, but not necessarily in a coordinated manner. • Opportunity to consolidate efforts, establish long-term strategic MoU and/or joint pipeline development efforts. • MoU signed with ADB. In discussions for MoU with IsDB, CDB, and IADB.

Sustainability and scalability

10. Revenue model	<ul style="list-style-type: none"> • Mixed: fee-for-service, cost-reimbursable contracts, grant-funded TA. • Full cost recovery should be targeted.
11. Long-term sustainability without donor support and potential transition to a self-sustaining model	<ul style="list-style-type: none"> • May not generate core funding, but offers visibility, influence, and linkages to other financing streams like blended finance.
12. Easiness/limitations in replicability and scalability in new settings	<ul style="list-style-type: none"> • High replicability if platform for TA delivery is created, given that TA procurements system across IFI is somehow standardized. • High scalability if CGIAR standardizes processes and roles for TA delivery.

Risk and return profile

13. Major risks (financial, operational, reputational), and mitigation strategies	<ul style="list-style-type: none"> Operational burden (bidding, reporting, compliance) (mitigation: standardize process, develop centralized services to TA management). Low margins if full cost recovery not allowed (mitigation: enforce full cost recovery strategies). Reputational risk from weak delivery (mitigation: ensure quality assurance protocols in place, pilot before scaling, etc.).
14. Expected returns	<ul style="list-style-type: none"> Not primarily commercial, but impact-based return (visibility, influence, pipeline positioning).

Legal and regulatory constraints

15. Legal/regulatory barriers for implementation this modality, and strategies to effectively address them	<ul style="list-style-type: none"> IFI contracts follow strict procurement rules (open competition, eligibility). Some services may require professional indemnity insurance. Need to ensure CGIAR’s legal capacity to enter contracts directly or via hosted entities.
16. Required compliance frameworks	<ul style="list-style-type: none"> CGIAR already has strong fiduciary, environmental, and governance policies (ensure they are IFI-compliant).
17. CGIAR’s readiness and required adjustments	<ul style="list-style-type: none"> Experience exists but fragmented across centers. MoU and partnership development strategies with IFIs exist, but could be strengthened and deepened for greater longer-term and joint pipeline development efforts. Ensure all centers can sign service contracts.

Value added for centers & feasibility

18. Centers already implementing or exploring this modality	<p>CIAT, IWMI, IITA, IFPRI and others have worked on TA for IFAD, WB, AfDB, ADB, etc. Refer to point 1 for further detail.</p>
19. Value added for centers	<ul style="list-style-type: none"> Access to larger, multi-year, mission-aligned funds. Enhanced influence, by positioning CGIAR in public investment planning. Increased visibility of CGIAR science in investment implementation. CGIAR-wide coordination can reduce duplication and build shared systems for IFI engagement.
20. Investment required for a pilot and implementation limitations	<ul style="list-style-type: none"> Financial investment would be limited for pilot phase, primarily coordination, reviews, capability mapping, etc. High organizational effort required. High complexity in managing cross-institutional coordinated approach to long-term engagement with IFIs.

Carbon Credits and Nature Credits

Executive Summary

Overall recommendation: CGIAR is well-positioned to engage in carbon and nature markets, leveraging its scientific credibility, global reach, and existing projects. Initiating as a technical role within the CORSIA (Carbon Offsetting and Reduction Scheme for International Aviation) framework (i.e. Ethiopia Carbon Markets Pilot) offers a feasible entry point while mitigating legal, operational, and reputational risks through careful feasibility studies and pilot projects. Strategic partnerships, standardized MRV methodologies, and transparent benefit-sharing mechanisms are essential to ensure high-integrity, scalable, and mission-aligned outcomes. Role as credit issuer needs further assessment. With upfront investment, institutional adjustments, and risk management, CGIAR can generate complementary revenue while advancing climate-smart agriculture and ecosystem restoration.

Summary:

CGIAR's established scientific credibility, diverse project portfolio and global reach position the organization well to engage in carbon and nature markets. These markets align with CGIAR's mission of promoting sustainable agricultural systems and mitigating climate change. This is a timely opportunity for CGIAR to support forward-thinking projects and high-integrity buyers in emerging carbon and nature credit frameworks.

Carbon and nature credits offer potential complementary revenue streams. Carbon credits are a more established market, while nature credits, though still emerging, could present high growth potential for CGIAR to scale (subject to confirmation of ownership of carbon, land, etc.).

Engagement in these markets will require clarification of ownership rights in line with national laws, identification of relevant projects, institutional adjustments and upfront investment. A multi-dimensional risk mitigation strategy is also required and a thorough cost-benefit analysis before moving forward with a credit issuer role.

CGIAR can play multiple roles in this space: issuing credits, acting as a validator, or serving as a technical partner to other stakeholders in the carbon market. This flexibility allows CGIAR to leverage its scientific expertise while ensuring careful and responsible market participation.

Tentative implementation roadmap for pilot:

- Phase 1 – Preparation (pre-pilot)
- Phase 2 – Pilot design and setup
- Phase 3 – Pilot implementation and evaluation

Immediate next steps (pre-pilot):

1. Conduct a detailed feasibility study, with key questions to address being:
 - What are the setup costs and potential revenue streams (cost-benefit analysis)?
 - Can CGIAR set up partnerships to be able to issue carbon credits? Can we identify 2-3 existing projects in which that is the case?

- What are the sectors within CGIAR scope with greater impact in emission reductions and sound MRV methodologies (e.g. forest would be one) and for which there is market?
 - Does CGIAR have the required legal framework to be able to operate within carbon markets? If not, can it establish it?
 - Explore donor funding opportunities for initial investments required to access carbon markets.
2. Internal consultations and capacity assessment. Engage internal consultations within CGIAR to assess previous efforts, understand lessons learned and leverage existing MRV knowledge. Identify potential capacity gaps.
 3. Pilot site identification and community engagement:
 - Identify existing projects with favorable land tenure and community buy-in, and for which CGIAR owns the rights (can have access to carbon rights). Focus on agroforestry, soil carbon sequestration, or other initiatives with strong carbon sequestration potential.
 - Establish criteria for additionality: How policy & research work can bring the criteria of additionality requested by the markets (would the emission reductions/removals have occurred without the project)? Focus on agroforestry and soil carbons to start with and confirm that they can be measurable and verifiable (clear baselines).
 - Initiate engagement with local communities to establish benefit-sharing frameworks and initiate consultations to secure community buy-in.
 4. Explore the institutional set up and the roles of the SO and centers. Potentially consider the System Organization to support centers with technical support, capacity building, project development support, legal and compliance, finance and risk management, etc. leveraging economies of scale and significantly reducing investment and launch costs at the beginning, as well as risk. Formal authorization would be needed from Centers for the SO to operate.
 5. Partnership development. Begin engagement with potential market partners (carbon standard bodies, brokers, verifiers), to understand the market requirements and build a network of trusted partners.

Recommendations (if CGIAR proceeds with the pilot):

- Ensure transparent governance and clear revenue sharing/distribution across CGIAR, to protect reputation and maintain research focus.
- Focus on pilot projects with clear carbon/nature benefits and measurable outcomes to minimize risks (agroforestry, soil carbon sequestration, etc.).
- Seek upfront funding or offtake agreements (AMC, e.g. [Frontier Climate](#)) or utilize blended finance models (MDB that de-risk upfront investments, corporates buyers, philanthropy, etc.) to secure financial backing and de-risk the initial investment phase.
- Seek collaboration with partners (project aggregators or develops with MRV expertise, certification, community engagement; specialized brokers connecting suppliers with high-integrity buyers and that facilitate multi-year deals (e.g. [Frontier Climate](#), [Patch](#), [CUR8](#), etc.).

- Position CGIAR as a scientific and technical advisor rather than solely a credit issuer, to build credibility and maintain its research-focused mission.
- MRV & methodology selection: identify and standardize methodologies.
- Partnerships established with key market stakeholders and certification bodies to ensure access to high-integrity carbon markets.

Pre-requisites to move forward (operational, strategic, etc.):

- Ownership of carbon or other related nature rights.
- Legal review of CGIAR's ability to engage in carbon markets, including any tax implications (e.g., whether carbon revenues are subject to tax, and if so, at what rate).
- Leadership commitment to prioritize this initiative and allocate the necessary resources.
- Initial investment capital for feasibility study, pilot setup and MRV systems (liaise with donors for interest in supporting this initiative).
- Development of benefit-sharing policies with local communities and smallholders, including mechanisms for engagement, revenue distribution and ensuring community support from the start.

Description of the modality:

- Carbon credits are permits or certificates representing one metric ton of CO₂ or equivalent greenhouse gases (GHG) avoided or removed (e.g. via reforestation, soil carbon sequestration, agroforestry, sustainable agriculture, etc.), which can be used in carbon markets, allowing individuals, companies or governments to offset their emissions by funding projects that reduce or remove GHG elsewhere. Can be traded in compliance markets (complying with regulatory emissions caps) or in voluntary carbon markets (meeting voluntary climate goals).
 - Nature credits are broader than carbon credits, as they recognize and reward the protection, restoration or sustainable management of ecosystems, for biodiversity, water security, soil health and other ecosystem services. Their unit might vary (e.g. hectares of habitat, etc.).
- Alignment with CGIAR's climate-smart agriculture and agroforestry research programs.

STRENGTHS		WEAKNESSES	
<p>Carbon credits</p> <ul style="list-style-type: none"> -Market maturity -Clear unit of measure -Strong scientific credibility from CGIAR, including in carbon measurement methodologies 	<p>Nature credits</p> <ul style="list-style-type: none"> -Broader ecological value -Potential to value underfunded ecosystems -Ability to generate and validate evidence-based outcomes (water security, soil health, etc.) 	<p>Carbon credits</p> <ul style="list-style-type: none"> -Ownership of carbon (subject to local laws) -Variable credit quality and scrutiny over transparency -Internal capacity gaps in legal, financial and other regulatory aspects of carbon finance 	<p>Nature credits</p> <ul style="list-style-type: none"> -Immature & fragmented market -Lack of standardized metrics/methodologies -Difficult to quantify and verify ecosystem benefits -Limited demand compared to carbon -Unclear legal/financial frameworks
<ul style="list-style-type: none"> -CGIAR’s scientific expertise -Centers already generating data that could support credible MRV -Existing carbon sequestration and nature-positive projects (soil carbon, agroforestry, etc.) 		<ul style="list-style-type: none"> -Complex certification process -Monitoring and reporting of emissions might exceed the revenues generated by the sale of carbon credits -Risk of diverting research focus towards monetization of knowledge generation -CGIAR’s limited operational experience in generating or trading carbon/nature credits 	
OPPORTUNITIES		THREATS	
<p>Carbon credits</p> <ul style="list-style-type: none"> -Growing interest in high-quality, removal-based credits -Influence global carbon market standards and ensure inclusion of agri-food systems -High demand from companies pursuing net-zero targets 	<p>Nature credits</p> <ul style="list-style-type: none"> -Emerging market & rising investor demand -New tool for ecosystem service valuation/monitoring -Position CGIAR as global leader in nature-positive agri-food systems -Contribute to shape and validate nature credit frameworks -Align with global initiatives (Kunming-Montreal GBF, WWF Nature Positive Initiative) 	<p>Carbon credits</p> <ul style="list-style-type: none"> -Volatility in voluntary markets -Methodological inconsistencies across registries -Regulatory uncertainty and complexity in host countries 	<p>Nature credits</p> <ul style="list-style-type: none"> - Limited governance and risk of exploitation in high-biodiversity areas -Weak legal framework may hinder credit certification -Slow pace of standardization may hinder adoption
<ul style="list-style-type: none"> -Policy momentum -Foster partnerships for climate finance and nature-positive goals -Potential to combine carbon/nature credits 		<ul style="list-style-type: none"> -Risk of mission drift if commercial incentives or market participation overshadows research for development. -Potentially high costs associated with certification. -Reputational risk if credits associated with CGIAR are viewed as greenwashing or low integrity 	

Potential role:

- Issue credits
- Act as technical partner (e.g. quality assurance).

Capacity to raise funding

<p>1. Demonstrated fund raising capacity in similar contexts</p>	<p>Demonstrated effectiveness in raising funds in agriculture and climate settings. Some examples:</p> <ul style="list-style-type: none"> • UNFCCC – Adaptation Fund. Receives a share of Certified Emission Reductions (CERs) from Clean Development Mechanism projects, which are sold to generate revenue. This is used to finance climate adaptation projects in developing countries. Total of USD 200 M raised through sale of CERs. • WB – Forest Carbon Partnership Facility. Facilitates the sale of carbon credits generated from forest conservation and REDD+ projects. Revenue estimated at USD 1.4 B used to support forest management and emission reduction initiatives in developing countries (Enabling carbon market development). • Hivos (Netherlands). Selling carbon credits from projects to voluntary buyers (individuals/companies) seeking to offset their emissions. Revenue used to subsidize projects and support training activities. Figures not disclosed. • Nexus for Development. Improved Cookstoves in Laos project, generating carbon credits that are sold to fund scaling of cookstove distribution, product testing and certification processes. Over 5M verified emission reductions/credits issued since 2009. (Carbon Finance - Nexus for Development) • The Nature Conservancy of Canada (NCC). Darkwoods Forest Carbon Project involves purchasing forested land to prevent logging and conserve carbon stocks. Carbon credits generated through avoided deforestation and sold to fund conservation efforts. Over \$4M from the first sale in 2011. (Darkwoods sells carbon credits - Nelson Star) • ClimateCare (UK). Projects that generate carbon credits through environmental interventions, and revenues from carbon credit sales supporting distribution of clean technologies and infrastructure development. Funded over 20.6 million tons of GHG reductions.
<p>2. Average size of funds raised in other examples</p>	<p>From several million to billions, depending on the type of organization generating carbon credits, ownership of carbon, scope, etc.</p>
<p>3. Origin of funds and conditions for access</p>	<ul style="list-style-type: none"> • Origin of funds: Entities that purchase carbon credits to compensate their GHG emissions (Voluntary Carbon Markets or Compliance Carbon Markets). Can be corporate budgets, personal funds, taxpayer funds in the case of governments, etc.

	<ul style="list-style-type: none"> - CCM: stable demand and pricing, longer-term contracts, credibility, large scale. Higher-entry barriers (complex regulations), higher eligibility constraints, slower onboarding. - VCM: more flexible project types and innovative scope, growing demand, faster market entry. Price volatility, uncertain demand, higher reputational risk due to more variable standards and quality, market fragmentation. <p>* CORSIA (compliance market that uses voluntary market standards to qualify credits).</p> <ul style="list-style-type: none"> • Access conditions (via voluntary/compliance markets). Additionality, measurability, verifiability, permanence of emission reductions, no double counting, projects with ‘do no harm’ approach, registration with an established carbon standard (Verra, Gold Standard, Plan Vivo, ART/TREES (REDD+), UNFCCC CDM (for compliance markets).
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Stakeholders interest / Investors appetite

<p>4. Current and potential donors/investors, and their priorities</p>	<ul style="list-style-type: none"> • Regulated companies from polluting industries under carbon laws (compliance markets CCM) – legal obligation. • Corporations from tech, airlines, consumer good companies, etc. (VCM) – Net zero goals, marketing. • Individual (personal funds) – Personal carbon responsibility. • Governments – Meet national climate targets (NDCs) • MDB & Multilateral funds – climate finance and project support
<p>5. Alignment with donor/ investor priorities</p>	<ul style="list-style-type: none"> • Perceived as innovative and complementary. • However, selling carbon credits to offset other stakeholder’s emissions can undermine and be in conflict with our mission and mandate. Need to frame the message and strategy toward, for instance, design of projects that contribute to emission reduction and through the carbon credit issuance and sale, they can self-sustain.
<p>6. Documented interest from stakeholders/investors</p>	<p>1. Carbon credits: Yes, across different industries and sectors. With significant investment flows to date. Global investment totaled USD 36 B between 2012-2022, with a sharp increase in the most recent years (Investment Trends and Outcomes in the Global Carbon-Credit Market 2023 MSCI). Particular and rapid growth of the VCM. Aviation industry leading – CORSIA (Carbon Offsetting and Reduction Scheme for International Aviation (CORSIA)). Private financial institutions entering the market also. Signs of growth potential. VCM expansion potential over \$50B by 2030 (Carbon markets can help fill the climate finance gap. Here’s how we can unleash their potential Reuters).</p>

	<p>2. Nature Credits: Can capture up to 50% of the total carbon market demand, i.e. \$12B by 2030, and \$100B by 2050. The Carbon-Credit Market Could Help Solve the Biodiversity-Funding Challenge MSCI. Other sources provide different figures but at the same magnitude level. Untapped market.</p>
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Existing capacity and partnership readiness

7. Existing CGIAR skills and capacity, and additional resources needed for this modality	<ul style="list-style-type: none"> • Climate experts within centers, with knowledge on methodologies and calculations of carbon emissions. • Area of work under the Climate Action Programme – sub area of work 5.5 Making carbon markets work for low-income communities.¹ • Limited CGIAR experience in participation in CCM and VCM. • To structure carbon projects will require technical consultants (e.g. in MRV), specialized lawyers and verifiers. <p>Requirements:</p> <ul style="list-style-type: none"> • Need to identify projects that reduce GHG (clean energy, methane capture, etc.) or that remove CO2 (reforestation, soil carbon, etc.). • Monitoring and verification require significant efforts/resources.
8. Potential or current implementing partners	<ul style="list-style-type: none"> • Need to work closely with centers. • Need to identify which is the best market for CGIAR to operate, according to the selected role.
9. Stage of relationship with potential partners	<ul style="list-style-type: none"> • CGIAR has been in touch with UNFCCC before - Perumal Arumugam <parumugam@unfccc.int>, Manager, Mitigation Division. Carbon Markets. Yolando Velasco <yvelasco@unfccc.int>, Manager, Climate Finance. • Relations established in Ethiopia/Nedamco Africa in relation to participation in CORSIA market.

Sustainability and scalability

10. Revenue model	<ul style="list-style-type: none"> • Generation of income from developing, certifying and selling carbon or nature credits from its projects that reduce or remove
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¹ From Climate Action Program - Design Document, sub-area of work 5.5 “Making carbon markets work for low-income communities”: “Carbon offsets from agriculture and food systems account for only 1% of voluntary and 2.3% of compliance markets (Ecosystem Marketplace 2022), with funds largely inaccessible to smallholder farmers and marginalized communities. AoW 5.5 will design mechanisms to enhance equity in carbon markets by reducing transaction costs, simplifying MRV protocols, and integrating local stakeholders in monitoring. Leveraging advanced MRV systems (AoW 4.4) and financing strategies (AoWs 5.2 and 5.3), AoW 5.5 will create scalable frameworks for carbon offset projects that align with smallholder socioeconomic realities. We will explore nested aggregation models to bundle smaller projects, reduce costs, and develop financial tools to manage market volatility. Governance protocols will ensure benefits reach marginalized groups, including women and youth, with third-party auditing to guarantee transparency. Continuous capacity sharing will build local technical literacy and facilitate long-term participation in carbon markets, focusing on successful GHG sources like avoided deforestation and grassland management while exploring new areas like enteric emissions with high smallholder potential.”

	<p>GHG emissions (agroforestry, soil carbon sequestration, regenerative agriculture, low-emission rice and livestock systems, etc.). The model would monetize the climate mitigation benefit of CGIAR’s on-ground interventions, that would be transformed into tradable assets in the carbon market. Revenue from verified carbon credits sold (via spot market, offtake agreements, platforms, direct partnerships with corporates).</p> <ul style="list-style-type: none"> • Generation of income from participation in carbon market transactions as technical partner (e.g. pilot in Ethiopia). • Funds to support pooled funding and operating costs (?), but greater potential in reinvesting in the project (self-sustaining projects). Need to clearly recognize Centers’ role in emission reductions, and how revenue is distributed. • Revenue to be reinvested in scaling up practices, MRV systems, community benefit-sharing schemes, institutional capacity, strategic core research aligned with impact areas. Need of community benefit-sharing schemes. • Operationally, this would imply: 1) Identify projects; 2) Project design & feasibility, methodology selection and PPD writing (2-6 months); 3) Validation and registration of projects with Recognized Carbon Standard (2-4 months); 4) Continuous monitoring or project results during implementation, and submit for verification (ongoing); 5) Credit issuance and sale.
<p>11. Long-term sustainability without donor support and potential transition to a self-sustaining model</p>	<ul style="list-style-type: none"> • Initial 2-3 years of investment before credits can be issued. • Potential to evolve into revenue-generating modality, without donor-support, which can self-sustain the project and cover for additional CGIAR initiatives.
<p>12. Easiness/limitations in replicability and scalability in new settings</p>	<ul style="list-style-type: none"> • Use of standardized methodologies and digital tools facilitate scaling up and lower replication costs. • Important to consider and leverage institutional learning curve. • Limitations: <ul style="list-style-type: none"> - Land tenure and legal rights of carbon removal - Availability of baseline data for emissions, land use or carbon stock - Smallholder engagement requires tailored approaches in each context - National policies on carbon rights, taxation, etc. may differ.

Risk and return profile

<p>13. Major risks (financial, operational,</p>	<ul style="list-style-type: none"> • Financial risk: budget shortfall resulting from uncertain and delayed revenues from carbon credits due to price volatility and initial
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reputational), and mitigation strategies	<p>payments years after the project start (mitigation: carbon revenues as supplementary funding, or seek upfront offtake agreements).</p> <ul style="list-style-type: none"> • Reputational risk if perception of commercialization and shift away from CGIAR science (mitigation: transparency and communications, particularly on reinvestment); local communities & smallholders are not well engaged from start (mitigation: co-design sound benefit sharing mechanism, obtain Free, Prior and Informed Consent – FPIC – ongoing effort); • Operational risk: failure to meet carbon standard requirements, particularly on additionality. CGIAR does research and could be difficult to quantify or prove as additional under current carbon methodologies (mitigation: focus on measurable projects such as agroforestry and soil carbon); designing carbon projects involves complex MRV, technical consultants, lawyers and verifiers, etc. • Legal risk: unclear ownership of carbon rights (mitigation: clarify institutional legal capacity, obtain legal review of contracts, involve national authorities early, partnerships with stakeholders that have carbon rights). • Regulatory risk: carbon markets evolve rapidly with new regulations that may change initial condition or requirements (mitigation: regular monitoring of developments, engaging in international policy forums to anticipate changes). • Mission risk: potential shift from research-based approaches to project-based (mitigation: ensure carbon related projects are in line with Portfolio and research priorities, and design projects that inform research and policy innovation).
14. Expected returns	<ul style="list-style-type: none"> • Launching such projects may have significant set up and launch costs (consultants, PDD, registration, MRV system set up, etc.), which depend on size and scope, but economies of scale apply.

Legal and regulatory constraints

15. Legal/regulatory barriers for implementation this modality, and strategies to effectively address them	<ul style="list-style-type: none"> • Requires ensuring legal rights over project area, or legal right to the carbon stored/reduced. This is determined by the law of the countries. • Legal entity must be allowed to enter into commercial agreements (with verifiers, brokers, buyers, etc.). • Need to set up mechanism for benefit sharing with communities if involving indigenous people, local communities or smallholders. • Need to address taxation and accounting of revenue.
16. Required compliance frameworks	<ul style="list-style-type: none"> • Compliance or Voluntary Carbon Markets, including meeting carbon market criteria (additionality, measurability, verifiability, permanence, no double-counting, etc.).

<p>17. CGIAR's readiness and required adjustments</p>	<ul style="list-style-type: none"> • Readiness: <ul style="list-style-type: none"> - Strong scientific expertise in agriculture, ecosystems, carbon soil, etc. making CGIAR credible to participate in carbon markets. - Existing project base with carbon potential (agroforestry, soil carbon sequestration, etc.). - Global presence and potential partnership for easier entry to carbon markets. - MRV experience. - Mission aligned. • Required adjustments: <ul style="list-style-type: none"> - Institutional framework (SO and Centers roles and responsibilities). - Legal readiness (clarify land and carbon rights). - Capacity building (MRV, carbon accounting, market engagement, etc.). - Secure initial investment required. - MRV methodologies (select and standardize). - Partnership strategy (build partnerships to enable or facilitate market access). - Revenue sharing frameworks (define, ensuring benefit sharing with smallholders). - Risk management (ensure mitigation strategies are put in place).
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Value added for centers & feasibility

<p>18. Centers already implementing or exploring this modality</p>	<p>Pending confirmation. No successful initiative identified to date as CGIAR being owner of rights).</p>
<p>19. Value added for centers</p>	<ul style="list-style-type: none"> • New strategy for project sustainability. • Capacity building. • Scaling potential of research and its applications. • Innovation leadership if CGIAR is positioned in science-based carbon markets.
<p>20. Investment required for a pilot and implementation limitations</p>	<ul style="list-style-type: none"> • Investment required could reach over 200.000 USD, but generally depends on project scope. Economies of scale apply. Existence also of ongoing operational costs in the models. • Implementation limitations: <ul style="list-style-type: none"> - High upfront costs - MRV complexity - First revenue years after initial investment - Land and carbon rights - Market volatility - Capacity gaps

	<ul style="list-style-type: none"> - Benefit sharing with smallholders - Regulatory risks in case of changes in carbon market regulations
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Funds: Endowments & Donor-Advised Funds

Executive Summary

Overall recommendation: Proceed with a phased pilot integrating an already-established Donor-Advised Fund mechanism as a flexible, lower-risk entry point for donors. This approach allows CGIAR to demonstrate fundraising capacity, governance viability, and investment performance, while gradually transitioning toward an endowment structure, should this be considered relevant.

Summary: The endowment modality could be a feasible and promising financing instrument for CGIAR, aligning well with its long-term research mission. It offers:

- Predictable, sustainable funding over decades
- Reduced dependence on short-term donor cycles
- Strategic alignment with institutional resilience and financial maturity

However, given the high initial fundraising requirement and delayed financial returns (first disbursement expected after 2–3 years), this model could be complemented by participating in an already-established Donor-Advised Funds (DAFs), which could serve as an interim or parallel pathway toward a larger endowment structure.

A pilot endowment is recommended as proof of concept, subject to legal, fiduciary, and governance review. The pilot should aim to demonstrate fundraising capacity, governance viability, and investment performance. Note that the pilot size should be carefully validated, and donor appetite for the size of the pilot should be tested.

DAFs would allow donors (especially philanthropic foundations, family offices and high-net-worth individuals) to contribute funds that are immediately invested under a managed fund, with advisory rights retained by the donor on how disbursements are allocated (within CGIAR’s mission scope). This model can help build early momentum and donor confidence before a permanent endowment is established, and enable earlier disbursements. Besides, returns from DSA could be unearmarked.

Together, an endowment and DAF hybrid approach could combine long-term sustainability with near-term flexibility, offering a bridge between traditional donor cycles and permanent capital mechanisms.

Tentative implementation roadmap for pilot:

- Phase 1 - Legal & Governance Framework (6 months): Legal review of CGIAR's ability to hold and manage endowments and donor-advised funds; design governance model and investment oversight.
- Phase 2 – Donor Engagement & Fundraising (6-12 months): Develop segmented donor engagement strategy targeting both traditional endowment contributions and DAF participants. Engage key philanthropic and institutional donors.
- Phase 3 – Fund Establishment & Investment (12-24 months): Set up fund structure (endowment and DAF sub-fund), define investment policy.
- Phase 4 – Disbursements, Monitoring, Evaluation (24–36 months): being annual disbursements from DAF proceeds while endowment accumulates returns.

Next steps (pre-pilot):

1. In-depth review of CGIAR's endowment experience (e.g. Crop Trust for Genebanks, IPFRI's endowment, etc.) and extract lessons learned. Identify factors of potential failure.
2. Conduct legal and fiduciary feasibility study for both endowment and donor-advised fund models.
3. Map and engage donors with history of endowment or DAF giving.
4. Test donor appetite for a hybrid model (permanent endowment & DAFs), including:
 - Assess opportunity cost for donors (diverted from short-term program funding).
 - Validate pilot fund size and disbursement model.
5. Explore co-funding or matching incentives to attract initial contributions.

Recommendations (if CGIAR proceeds with the pilot):

- Ensure clear governance and transparent reporting mechanisms.
- Define fund management model with independent investment committee and conflict-of-interest safeguards.
- Align with CGIAR's ESG principles and public-goods mandate.
- Ring-fence proceeds to prevent perceived mission drift and ensure equitable benefit-sharing across CGIAR.

Requirements (operational, strategic, etc.):

- Legal entity or trust structure to hold/manage the fund.
- ESG-aligned investment and risk management policies.
- System-wide governance approval (System Council, IPB,...).
- Establish investment committee and endowment/DAF reporting structure.
- Create an endowment management and reporting structure.
- Build institutional fundraising capacity.
- Secure a strategic asset manager partnership.
- Establishment of a System-wide facility for receiving, and tax receipting, individual donor contributions to CGIAR Centers and the System Organization.

Description of the modality:

- Endowment funds are permanent pools of capital that generate sustainable, long-term income through investment. The principal amount is preserved, while a share of the investment returns would be used to support CGIAR’s core operations, strategic initiatives, and mission, ensuring a steady and predictable revenue stream. The remaining returns are reinvested to grow the capital base, thus preserving its purchasing power over time and counteracting inflation.
- For CGIAR this would be a donor-contributed capital (public, philanthropic and/or private), which is held and invested through a managed fund. Returns could support pooled funding as well as core operations, strategic initiatives, etc.
- Donor-Advised Fund (DAF) is a mechanism that could complement the endowment structure by allowing donors to make tax-efficient contributions to a CGIAR-managed fund while retaining advisory privileges over how their contributions are allocated within CGIAR’s research and impact areas. DAFs could serve as a stepping-stone to the endowment, channeling philanthropic flows into a long-term capital base while enabling donors to align their giving with specific CGIAR priorities.
- A combined Endowment–DAF model could therefore offer both permanent capital for long-term sustainability and flexible, donor-directed funding for near-term research or innovation. This approach would also appeal to a broader range of donors by accommodating both institutional and individual giving preferences.
- Model suitable for long-term mandates and large capital needs, proved successful in research and non-profit sectors, including universities, foundations, etc.

STRENGTHS	WEAKNESSES
<ul style="list-style-type: none"> - Provides long-term, sustainable and predictable income. - Complements and reduces overdependence on short-term donor cycles. - Aligns well with CGIAR’s long-term research mission. - Can attract legacy giving, philanthropic foundations and DAF-based contributions, which are growing rapidly in global philanthropy. - DAFs provide a flexible entry point for donors who may prefer advisory roles or phased commitments before contributing to the permanent endowment. 	<ul style="list-style-type: none"> - Requires large initial capital and/or significant time to reach scale. - High upfront fundraising effort and transaction structuring costs. - Low short-term liquidity (particularly for endowment portion). - Subject to market volatility, potentially affecting investment returns. - Profile of donors to University funds is not the same as the CGIAR donor. - DAFs may introduce complexity in donor coordination, requiring strong governance to manage advisory input while preserving institutional independence.
OPPORTUNITIES	THREATS

<ul style="list-style-type: none"> - Growing donor interest in sustainable finance mechanisms. - DAFs are one of the fastest growing philanthropic vehicles, with assets exceeding USD 230 billion globally (2024). - Partnerships with asset managers for ESG-aligned investment portfolios. - Can signal financial maturity, attracting high-net-worth donors and philanthropic funds. - Thematic DAFs could be created to align with specific CGIAR priorities. 	<ul style="list-style-type: none"> - Donor reluctance to fund non-programmatic assets (mitigation through thematic sub-funds). - Inflation or poor investment performance could reduce real returns. - Governance risk if advisory functions of DAF are poorly managed or misaligned with institutional strategy. - Reputational risk if investments do not meet strong ESG standards. - Opportunity cost (donors capital being diverted from current programming investment).
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Potential role:

- Holder of endowment (core or thematic)
- Recipient of the DAF, and programmatic implementer.

Capacity to raise funding

1. Demonstrated fund raising capacity in similar contexts	<p>Yes, particularly for organizations that seek to finance long-term goals. Examples:</p> <ul style="list-style-type: none"> • Wellcome Trust (\$38B endowment), which funds health research globally through investment returns. • Rockefeller Foundation: \$6.3B; Novo Nordisk Foundation: \$140B; Ford Foundation: \$16B; • US Higher Education: average endowments of \$253M, with net returns of around 11% and 5% spending rates • US Hospitals: \$37M <p>CGIAR experience:</p> <ul style="list-style-type: none"> • Crop Diversity Endowment Fund for Genebanks, established in 2004 to provide guaranteed, long-term financial support for key genebanks worldwide, including CGIAR’s 11 international genebanks, which are the main beneficiaries (market value of USD 285 million by end of 2023).
2. Average size of funds raised in other examples	<ul style="list-style-type: none"> • Large endowments in R&D and non-profit are from \$50M to several billion. • Average return can be of 5-7% annually for small / mid-size nonprofits. Share of annual expenses from endowment at around 4-5%. (PDF Endowment building and use by nonprofits: An integration of theory and practice; the rest used to preserve capital against inflation.

	<ul style="list-style-type: none"> In the case of DAFs, total grants in US (2023) totaled USD 55 B.
3. Origin of funds and conditions for access	<ul style="list-style-type: none"> Philanthropic foundations, governments, high-net-worth individuals, impact investors.

Stakeholders interest / Investors appetite

4. Current and potential donors/investors, and their priorities	<ul style="list-style-type: none"> Leading foundations like Gates Foundation, Rockefeller Foundation, etc. already engage in endowments. However, current CGIAR donors not necessarily interested in contributing additional funds to endowment. Would require expanding the donor base.
5. Alignment with donor/ investor priorities	<ul style="list-style-type: none"> Philanthropic interest is significant, as DAFs and endowments both emphasize long-term sustainability and measurable impact. Important to secure and ensure strong governance and alignment. Need to assess preference of funding programs with immediate impact over long-term capital pools. Government donors may prefer traditional programmatic funding. Private sector donors could leverage DAFs for corporate social investment, particularly where alignment with innovation, sustainability, or data-driven agriculture exists. More likely to engage if impact and branding opportunities exist; may prefer co-financing or matching over direct capital contributions.
6. Documented interest from stakeholders/investors	Trends indicating interest from stakeholders in blended finance and sustainable models.

Existing capacity and partnership readiness

7. Existing CGIAR skills and capacity, and additional resources needed for this modality	<ul style="list-style-type: none"> Some CGIAR experience (Crop Trust, funds the Genebank in perpetuity generating \$1.4M per year). Likely will require expertise in investment strategy and portfolio management, legal advisor with endowment expertise, financial scenario modelling, etc.
8. Potential or current implementing partners	Global asset managers with experience in ESG aligned portfolios. Legal firms.
9. Stage of relationship with potential partners	Limited.

Sustainability and scalability

<p>10. Revenue model</p>	<ul style="list-style-type: none"> Part of the investment returns generated by the permanently invested capital of the endowment to be assigned to pooled funding, core operations, structure, etc. Need to retain a fraction of the investment returns as capital to compensate for inflation and maintain capital throughout time. For instance, a \$100M with a 5% annual returns, and 2% set aside for capital growth would result in a cash flow available of \$3M per year. If a pilot is established with, for instance, \$20M, it could generate around \$1M/year (of which a share should be reinvested in capital for capital growth).
<p>11. Long-term sustainability without donor support and potential transition to a self-sustaining model</p>	<ul style="list-style-type: none"> The two-tiered sustainability structure enhances scalability and donor diversification while maintaining steady, predictable income. Endowments sustainable once established and in line with market volatility.
<p>12. Easiness/limitations in replicability and scalability in new settings</p>	<ul style="list-style-type: none"> The approach can be replicated at thematic or regional levels (e.g., Africa Climate DAF or endowment; AgriTech DAF or endowment) depending on donor appetite.

Risk and return profile

<p>13. Major risks (financial, operational, reputational), and mitigation strategies</p>	<ul style="list-style-type: none"> Financial risk: there is inherent risk in any investment due to market conditions (poor investment performance or market downturn reducing investment returns or eroding capital) (mitigation: conservative investment strategy, portfolio diversification, reserve policy). DAFs can provide a buffer, offering more liquidity and flexibility during market downturns Governance risk: conflict of interest, misaligned investment decisions; need to ensure clear boundaries between donor advisory input and institutional independence (mitigation: Independent governance board, regular audits, conflict of interest policies, etc.). Operational risk: weak internal capacity to manage endowment effectively (mitigation: outsource management, clear investment policy, expert board oversight). Reputational risk: perception of misalignment with development mission, investment in controversial industries (mitigation: clear ESG investment policies,
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	transparent reporting and external audits, alignment with public goods mandate).
14. Expected returns	<ul style="list-style-type: none"> • For an endowment to be meaningful for CGIAR, a balance return strategy should target at least 4-5% annual returns, so that 2-3% can be reinvested into the capital for growth. • Volatile in the short term, but more stable in the long-term. • Low maintenance costs once established.

Legal and regulatory constraints

15. Legal/regulatory barriers for implementation of this modality, and strategies to effectively address them	<ul style="list-style-type: none"> • Need to assess legal feasibility for both holding endowment capital and hosting donor-advised funds. • This may require a dedicated legal structure or partnership with an existing philanthropic intermediary (e.g. foundation or trust) in jurisdictions where CGIAR operates.
16. Required compliance frameworks	<ul style="list-style-type: none"> • Strong fiduciary oversight and compliance with ESG, anti-money laundering (AML), and cross-border funding regulations are essential. • Transparent governance and reporting frameworks must clearly define donor roles in DAFs to maintain accountability and independence. • Need to review and adjust the current CGIAR policy framework to endowment governance (e.g. develop investment policy statement).
17. CGIAR’s readiness and required adjustments	<ul style="list-style-type: none"> • Requires legal review • Requires potential review of governance model. • Need to define clear exit clauses. • Requires establishing a System-wide facility for receiving, and tax receipting, individual donor contributions to CGIAR Centers and the System Organization.

Value added for centers & feasibility

18. Centers already implementing or exploring this modality	<ul style="list-style-type: none"> • Endowment for Genebanks (Crop Trust)
19. Value added for centers	<ul style="list-style-type: none"> • Centers could benefit from access to both core endowment returns and DAF-based flexible funding, improving predictability and diversifying funding sources. • Possibility for centers to access unrestricted or semi-restricted funds. • Predictable income, lower vulnerability to donor shifts.

	<ul style="list-style-type: none"> • Could appeal to center-specific supporters or alumni networks, allowing thematic or regional customization.
20. Investment required for a pilot and implementation limitations	<ul style="list-style-type: none"> • A pilot could test both models, for example, a \$20–30M hybrid endowment-DAF pilot, with part of the capital endowed and part managed through donor-advised sub-funds for targeted initiatives. • Higher fundraising efforts up front. Endowment set up costs estimated at around 100-200K for legal/fiduciary, 250-500K for investment structuring and advisory, fundraising and communications, etc. • Low operating costs once established. • Legal & structural set up estimated at 1 year, fundraising phase, 1-2 additional years, first disbursement from returns, year 2-3.

Intellectual Assets Monetization

Executive summary

Overall recommendation: CGIAR should pursue a system-level approach to monetize select intellectual assets, leveraging existing IP frameworks and scientific credibility while safeguarding the public good mandate. Clear roles, cross-center coordination, and governance mechanisms must be established to ensure IP ownership, benefit-sharing, and trust with donors and host governments. A phased approach, feasibility study, pilot projects, and iterative evaluation, will allow testing market demand, operational capacity, and revenue potential. Investments in legal, commercial, and operational capacity are essential to scale sustainably and maximize both impact and complementary unrestricted funding. Consider having a common approach between this modality and blended finance as well as IFIs and technical Assistance to leverage synergies and build operational efficiencies.

Summary:
 CGIAR has strong foundations (IP framework, scientific credibility) to monetize select intellectual assets (IA), such as crop varieties, digital tools, etc. Commercialization of products developed (e.g. licenses, database services, advisory services, etc.) could offer unrestricted revenue and innovation scaling, if aligned with CGIAR’s IA Principles and public good mandate.

Considering that several centers are already engaging in intellectual asset monetization, if a system-wide approach is pursued, it will be important to clearly define the model (cross-center coordination, “one-stop-shop”, “center-led, cross-center supported”) that would bring value to the centers while enabling the market to have a single interface for CGIAR IA products.

Success depends on clear IP ownership ensuring that centers retain ownership of (and revenues from) their respective intellectual properties, internal capacity, market demand and transparent

benefit-sharing. Besides, governance mechanisms would need to be put in place to avoid competing claims and protect trust with donors and host governments.

Next steps and recommendations:

Phase 1 – Preparation:

1. Engage with representatives of CGIAR groups that have experience in IA monetization and evaluate the possibility to establishing synergies and work together towards a common agenda.
2. Define roles and responsibilities, and the coordination model to be put in place (one-stop-shop model that provides support/facilitation).
3. IA mapping & classification (potential and IP status, acknowledging there will be asymmetric information). Ownership clarification.
4. Develop criteria for selecting pilot-ready intellectual property projects (based on potential, risk, alignment with mission, scalability potential, etc.). E.g. Start with pilot projects in high-impact areas (digital, data, crop varieties, etc.) and with clear commercial value or downstream use, enforceable Intellectual Property (IP) rights, demand, etc.
5. Identify centers with readiness and interest. Select 2-3 intellectual assets (possibly including one digital platform or database among the selected pilot assets, with potential for a tiered subscription model to be tested).

Phase 2 – Design Pilot Model:

6. Feasibility studies for selected assets (market demand, legal analysis, freemium model tiers, target audiences, partnership options for delivery) to test how revenue, costs, legal and operational requirements would look (business plan).
7. Develop pilot governance, benefit-sharing and licensing templates.
8. Engage legal, IP and commercialization experts.

Phase 3 – Pilot implementation

9. Negotiate and sign licensing / partnership / subscription agreements.
10. Monitor uptake, revenue, compliance.
11. Evaluate scalability, lessons learned.

Pre-requisites to move forward (operational, strategic, etc.):

- Define roles and responsibilities, and the cross-center coordination model to be put in place (one-stop-shop model that provides support/facilitation?)
- Institutional mandate & leadership endorsement for monetization while respecting the CGIAR mission.
- Establish a system-wide policy on IA ownership and valuation/monetization framework. Set up a common IA agenda.
- Ensure transparent governance and benefit-sharing schemes.
- Clear communication strategy to ensure transparency and protect trust.
- Mechanism to avoid competing claims with donors and host governments.
- Legal and commercial capacity.

- Initial investment capital.

Description of the modality:

- It refers to generating revenue from the intellectual assets generated by CGIAR research, which may include patents, technologies, data, software, plant varieties, methodologies or other know-how.
- Monetization could take forms such as licensing agreements, royalties, limited exclusivity or other use agreements, Intellectual Property (IP) sale, as well as technical advisory services (including contract research), or subscription-based access to data platforms with paid premium services, among others.
- This would align with CGIAR’s mission by turning research outputs into sustainable, scalable impact, while ensuring benefits for target beneficiaries. Important to take into account the CGIAR Intellectual Assets Principles, which emphasize global accessibility, scale and impact, and sharing of benefits of CGIAR R&D, allowing also for restricted use (permitted restrictions) under specific conditions if leading to incentivize deployment and scale.²
- The suggested scope under this analysis is a system-level coordinated monetization approach, which will require clear definition of roles and responsibilities, considering that intellectual assets are developed at center-level.
- Given that CGIAR intellectual assets have been developed through pooled funding, bilateral contributions and host country support, there is a question on who has the right to benefit if revenues are generated. Any system-level monetization model would require voluntary engagement, benefit-sharing arrangements, and a facilitative role for the System Organization (SO), potentially as a one-stop-shop interface for external actors, ensuring the setup of governance mechanisms to avoid competing claims and protect trust with donors and governments (e.g. would donors expect revenues to flow back to pooled funds to offset their original investment? Could host governments make a case for a share, given their hosting privileges, tax breaks or genetic resources?)

STRENGTHS	WEAKNESSES
<ul style="list-style-type: none"> • Strong scientific credibility and global recognition of CGIAR research. • Existing Intellectual Assets management framework (Principles/Policy) recognizing IP, licensing, etc. under certain conditions. 	<ul style="list-style-type: none"> • CGIAR’s core mandate is producing public goods, monetization must not undermine global accessibility or mission. • Limited operational experience in monetizing IA at scale.

² The Principles contemplate 4 approaches to “maximize global accessibility and impact” (art 6). They are all part of the balancing act of achieving accessibility and impact. These approaches are: prompt dissemination of research results, limited exclusivity agreements, incorporation of third party IAs that restrict availability of CGIAR products/services, and the registration of intellectual property rights. The last 3 approaches are those described as “permitted restrictions”.

<ul style="list-style-type: none"> • Potential to leverage partnerships for commercialization and deployment. • Monetization can provide sustainable complementary funding streams. • Some centers with experience in IP management, licensing, patents and variety protection and public/private partnerships. 	<ul style="list-style-type: none"> • Lack of unified policy and licensing and revenue sharing. • Legal and administrative capacity is uneven, with some centers having more limited resources to manage IP, negotiate licensing, etc. • Fragmentation of IA ownership across centers. • Asymmetric capacity across centers. • High upfront costs (market assessment, patenting, legal, etc.). • IA outputs may not have an obvious commercial value, making valuation more difficult.
<p>OPPORTUNITIES</p>	<p>THREATS</p>
<ul style="list-style-type: none"> • Growing interest from private sector and foundations in licensing agriculture technologies, data services, etc. • Potential to generate unrestricted revenue for centers. • Ability to scale innovations through market mechanisms. • Use of licensing models that ensure benefit sharing, fair cost, etc. could be an attractive model. • Digital assets, software/platforms, data tools may be more scalable and lower cost to replicate/license one developed. • Subscription models are increasingly accepted in digital agriculture, allowing for recurring revenue rather than-off payments. 	<ul style="list-style-type: none"> • Complexity of legal and IP frameworks in different jurisdictions, etc. • Market risk: demand for particular IP may be low, competition, risk that private sectors prefer own R&D, etc. • Reputational risk if perceived as prioritizing profit over public benefit. • Risk of mission drift if monetization overshadows research priorities. • Enforcement risk, might be expensive and difficult. • Limited demand for certain types of Intellectual Assets, or limited return versus costs, not generating large revenues. • Risk of excluding low-resources stakeholders from premium services (would require core public access preserved).

Potential role:

- CGIAR licensing of IP to private sector or non-profit partners (some centers already doing).
- Co-development of agreements where private partners invest in further development and share revenues.
- Selling or sharing IA under restricted use/limited exclusivity (as per CGIAR IA Principles)
- Acting as technology transfer office, or facilitator for commercialization of center innovations.
- Creating spin-offs or partnerships for commercialization of software/digital tools, data platforms.

- Monetizing access to digital platforms, databases, modeling tools or advisory services through tiered subscription models (e.g. (free?) core access with paid premium features).
- Technical advisor to partners deploying CGIAR innovations.
- Monetization of training curricula and digital advisory tools.
- Strategic partner in public-private partnerships.

Capacity to raise funding

<p>1. Demonstrated fund raising capacity in similar contexts</p>	<ul style="list-style-type: none"> • Some CGIAR centers already enter into technical advisory and licensing agreements, although often modest scale. E.g.; <ul style="list-style-type: none"> - Agribusiness and Innovation Platform (AIP) at ICRISAT. Operating over a decade, and covering incubation, innovation and partnership, and product development. https://icrisat.org/research/agribusiness-and-innovation-platform/about - Business Incubation Platform (BiP) of IITA. Set up as separate legal commercial entity, operating for over a decade. https://iitabip.com/, showing CGIAR’s ability to operate commercially-oriented ventures with revenue and impact. - ICRISAT Venture Programs including ABI-ICRISAT (Technology Business Incubator), Nutriplus Knowledge Program, or INP Program (PPP, licensing, IP facilitation), - FRESH Initiative has implemented pre-competitive breeding consortia where seed companies co-invest in shared research without exclusive right through a transparent IP framework, stimulating collective investment, enhancing innovation diffusion, and upholding equitable access. - Other licensing initiatives: CIMMYT licenses drought-tolerant maize and wheat varieties to seed companies in Africa and Asia, generating royalty streams; IRRI licensed the Golden Rice trait to national agricultural research systems under a humanitarian-use agreement; ICRISAT has successfully released pearl millet hybrids in partnership with Indian seed companies, with royalties contributing to ongoing research; IITA provides cassava varieties to national programs through licensing agreements, where donors support equitable royalty structures; ICARDA has commercialized durum wheat and barley varieties in North Africa and Central Asia through public-private seed partnerships. • Explicit revenue from IA monetization is not necessarily well documented nor systematized. • Examples include partnerships with seed companies (CIMMYT, Alliance, etc.).
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2. Average size of funds raised in other examples	<ul style="list-style-type: none"> No estimations available yet but revenue can vary significantly. Would require market studies specific for CGIAR IA to estimate what could be reasonable per asset.
3. Origin of funds and conditions for access	<ul style="list-style-type: none"> Private sector, government, etc. Revenues from licensing fees, royalties, technical contracts, etc. Conditions may include exclusivity/non-exclusivity, royalty terms, etc.

Stakeholders interest / Investors appetite

4. Current and potential donors/investors, and their priorities	<ul style="list-style-type: none"> Private companies (agri-tech, seed companies, biotech, digital platforms); governments seeking to scale innovations; philanthropies interested in impact-driven deployment.
5. Alignment with donor/ investor priorities	<ul style="list-style-type: none"> Alignment if framed as impact-driven innovation scaling, technology transfer, digital agriculture, etc. Need to manage and properly address CGIAR's public goods mandate.
6. Documented interest from stakeholders/investors	<ul style="list-style-type: none"> CGIAR initiatives ongoing for over a decades (as mentioned above), as well as documented interest in already existing use of Limited Exclusivity Agreements, Intellectual Property Rights, Licensing, etc.

Existing capacity and partnership readiness

7. Existing CGIAR skills and capacity, and additional resources needed for this modality	<ul style="list-style-type: none"> IA management principles and reporting in place. Legal teams in many centers, and IP specialists. Working group on IP. Weaker in terms of commercialization, market analysis and enforcement.
8. Potential or current implementing partners	<ul style="list-style-type: none"> Seed companies, national extension systems, private-public partnership (PPP) models. Some centers already with a relevant network.
9. Stage of relationship with potential partners	<ul style="list-style-type: none"> Some initiatives already in place at center level, but not at scale.

Sustainability and scalability

10. Revenue model	<ul style="list-style-type: none"> Revenue can be generated from licensing, royalties, consultancy and advisory services, education and training, spin-offs, subscription fees of digital tools/databases with paid premium services and/or freemium models, etc. Revenues linked to the centers generating the IP. Such models can be scaled through consortium-based platforms where centers pool IA and manage licensing jointly.
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<p>11. Long-term sustainability without donor support and potential transition to a self-sustaining model</p>	<ul style="list-style-type: none"> • High potential if scaled. • Requires upfront investment in legal, market and operational capacity. • Sustainability dependent on whether IP monetization revenues can exceed the costs (legal, protection, enforcement, market search, etc.).
<p>12. Easiness/limitations in replicability and scalability in new settings</p>	<ul style="list-style-type: none"> • High for digital tools, data, software, etc. • Limited for those context-specific innovations.

Risk and return profile

<p>13. Major risks (financial, operational, reputational), and mitigation strategies</p>	<ul style="list-style-type: none"> • Reputational risk given perceived restriction on public access to research (mitigation via transparency and benefit-sharing, as needed). Additionally, there is a perception risk with host governments, that extend benefits to CGIAR on the understanding that its work is non-profit and public good-oriented (duty-free importation, tax exemptions, or privileged access to genetic resources). Monetization could result in Governments perceiving that CGIAR “profits” from the benefits they extend, straining relationships and putting at risk critical benefits, even if activities remain fully compliant. • Financial risks, i.e. costs greater than returns, delayed royalty flows (mitigation by proper cost-benefit analysis / feasibility study). • Legal risk (mitigation via strengthening IP frameworks, non-exclusive licensing, if possible, etc.). • Operational risk, e.g. insufficient IP management capacity, low market uptake (mitigation by building commercialization capacity, market analysis, upfront agreements, etc.). • Tax status: revenue perceived for commercialization endeavors may alter the non-profit status of the Centers/SO depending on the terms and conditions (privileges and immunities) granted by the host country to the specific Center. • Insurance requirements: undertaking commercial activities may imply the acquisition of professional insurance schemes by the Centers or by their spin-offs, subsidiaries, etc. to protect against liabilities associated with the revenue-generated/commercial nature of the operations. And products commercialized may need to follow regulatory standards.
<p>14. Expected returns</p>	<ul style="list-style-type: none"> • <i>Need of estimations to be able to quantify them.</i> • Useful as complementary revenue rather than core funding unless large specific successes.

Legal and regulatory constraints

15. Legal/regulatory barriers for implementation this modality, and strategies to effectively address them	<ul style="list-style-type: none"> • Ownership of IP must be clearly established and defined (including in collaborations). • Law and regulations might be country-specific. • IP policies harmonization across centers.
16. Required compliance frameworks	<ul style="list-style-type: none"> • Need to comply with CGIAR IA Principles, which impose certain requirements (e.g. if restricted access, target beneficiaries must be served). • National IP laws, international licensing standards, etc.
17. CGIAR's readiness and required adjustments	<ul style="list-style-type: none"> • Need for harmonized IA policies? • Need of legal capacity, IP/licensing expertise, commercial partnerships, ability to negotiate contracts. • Need to develop market intelligence, IA valuation skills, commercial mindset along the scientific research. • Policies for benefit sharing, equitable access. • Mechanisms for coordination across Centers and SO.

Value added for centers & feasibility

18. Centers already implementing or exploring this modality	<ul style="list-style-type: none"> • While not systematically tracked, there are some examples and centers already commercializing IA (mostly licensing of seeds and technical assistance, e.g. CIMMYT, Alliance). • Several initiatives supporting business incubation, investment cases and venture-style approaches have also been implemented by centers aiming to support scalation of innovations (e.g. ImpactSF (Alliance), Harvest+ Solutions (IPFRI), Enterprise Breeding System, Business Incubation Platform (IITA)). • Refer to point 1 under this assessment for further detail. •
19. Value added for centers	<ul style="list-style-type: none"> • Access to commercialization expertise and legal tools. • Greater market visibility and scaling opportunities. • Revenue generation for reinvestment. • Protection of center autonomy and IP ownership. • Stronger system-wide positioning for donors/private sector.
20. Investment required for a pilot and implementation limitations	<ul style="list-style-type: none"> • Investment required to identify which IA are monetizable, market analysis, etc.

Blended Finance

Executive Summary:

Overall recommendation: CGIAR should strategically engage in blended finance as a technical partner, leveraging its scientific expertise to de-risk investments and bridge research with actionable, climate-smart solutions. A coordinated, center-wide framework will ensure clarity on roles, governance, and compliance, while enabling efficient piloting of initiatives. Focus should remain on visibility, influence, and ecosystem impact rather than revenue generation. Strategic partnerships with MDBs, donors, and private investors will maximize scalability and long-term relevance. Consider having a common approach between this modality and monetization of intellectual assets as well as IFIs and technical Assistance to leverage synergies and build operational efficiencies.

Summary:

Blended finance offers a high-leverage, low-risk opportunity to expand CGIAR's influence, accelerate climate and agri-food solutions, and attract aligned capital, without becoming a core revenue stream. A coordinated, strategic approach will maximize CGIAR's added value while maintaining agility at the center level.

CGIAR is well positioned to engage in blended finance mechanisms as a technical partner, supporting sustainable agriculture and climate-smart food systems. Its scientific expertise, regional presence and policy insights enable it to de-risk investments and provide high-quality evidence across the investment lifecycle (from pipeline development to implementation and monitoring).

Besides, this modality is well aligned with CGIAR:

- Complementary value: not a major revenue stream, but enhances CGIAR's visibility, influence and strategic relevance.
- Science into action: bridges CGIAR research with investable, climate-smart solutions.
- Alignment with other modalities: strong synergies with IFI's and technical assistance as well as intellectual asset monetization. They would benefit from an integrated approach.

Recommendation (if decision is made to proceed):

- Approach this modality, in coordination with intellectual assets monetization and collaboration with IFIs and technical assistance for leveraging of synergies and maximizing efficiency.
- Establish a CGIAR-wide framework for blended finance (clear policies and protocols, revenue-sharing models, governance, compliance and legal guidance).
- Define roles: across-center coordination vs. center-level implementation. E.g.:
 - o Coordinate across centers, e.g.: strategy, standards, compliance; joint project pipeline; investor and donor relationship management, cross-center knowledge sharing and learning;
 - o Center level, e.g.: field-level project identification, technical assistance delivery, partners relationships management and technical support, field-level innovation and data contribution, etc.

- Pilot a coordinated engagement, using existing initiatives to test governance, monetization and coordination model.
- Aim to position CGIAR as a preferred technical partner in blended finance vehicles.

Pre-requisites to move forward (operational, strategic, etc.):

- Strategic clarity on how CGIAR science feeds into investable project pipelines.
- Clear and agreed across-center coordination vs. center implementation model.
- Internal capacity in finance structuring, legal and risk modeling.
- Standardized tools for ESG metrics, MRV, and impact verification, in line with international standards.
- Strengthened partnerships with MDBs, donors and blended finance actors.

Description of the modality:

- As per OECD-DAC definition blended finance is “the strategic use of development finance for the mobilization of additional finance towards sustainable development in developing countries” ([The OECD DAC Blended Finance Guidance \(EN\)](#)).
- Agriculture transactions in blended finance are typically smaller compared to the blended finance market (represents 22% of total blended transactions, but only 9% of financing volumes – median size of \$38 M, compared to \$57.1M for all other transactions) ([Scaling finance for sustainable food systems, blended finance - Convergence Resources | Convergence](#))
- Blended finance vehicles: Bond / note; Company; Facility; Fund; Impact Bond; Project
- De-risking instruments: guarantee, subordinated capital, technical assistance, first-loss provisions.
- Generally mobilizing financing to critical projects through blended finance require aggregation at portfolio level. Aggregators provide scale (e.g. fund managers, IFIs, project developers, microfinance organizations, etc.)
- Funds are the most common blended finance vehicle for agriculture, accounting for 53% of blended finance transactions in agriculture.
(https://www.convergence.finance/news/1kCLeSpdEZ0bQXfyfKyzNq/view?utm_source=chatgpt.com)

STRENGTHS	WEAKNESSES
<ul style="list-style-type: none"> • Capacity to attract private investment, with public or philanthropic capital de-risking investments in projects considered too risky otherwise. • Contribution to scaling climate-smart agriculture by reducing barriers (capital cost, risk, etc.). 	<ul style="list-style-type: none"> • Need to clarify how CGIAR’s applied research links to investable projects. • Structuring blended finance is complex. • High transaction costs (due diligence, coordinating partners, monitoring, etc.).

	<ul style="list-style-type: none"> • Payback periods may be long, with demanded return timelines not coinciding with impact goals timelines. • Dependency on public, philanthropic, concessional capital.
OPPORTUNITIES	THREATS
<ul style="list-style-type: none"> • Growing interest from private sector in ESG, climate alignment, etc. • MDBs highly engaged in blended finance. 	<ul style="list-style-type: none"> • Unclear rules in some countries regarding subsidies, guarantees, etc. • Revenues not materializing, failed repayments, exposure to currency risk,...

Potential role:

- Technical partner: provide science-based agricultural, climate, soil or biodiversity expertise to improve quality, de-risks investment, and enables impact verification:
 - o Risk assessment & MRV: Using evidence-based models to assess climate, productivity, and financial risks.
 - o Climate-smart practice validation: Ensuring that projects meet ESG standards and deliver real-world, measurable impact.
 - o Capacity building: Strengthening local partners, SMEs, and financial institutions in climate/agriculture risk management and project preparation.
 - o Technical Assistance Facility Operator: Designing and managing technical assistance (TA) windows embedded in blended finance vehicles.
- Fund/facility co-designer: partner with donors, DFIs, and investors to design facilities that blend public and private capital in line with climate and agri-food system goals
- Pipeline developer and aggregator: identify and prepare investment-ready projects, by sourcing impactful initiatives via field networks and partnerships, and aggregating small-scale and early-stage projects into investable portfolios.
- Policy and ecosystem enabler: strengthen enabling conditions by sharing tools, evidence and best practices to support ecosystem development.

Capacity to raise funding

1. Demonstrated fund raising capacity in similar contexts	<p>Examples of blended finance mechanisms (funds and facilities) for agriculture:</p> <ul style="list-style-type: none"> • Agri3 Fund (2020, UNEP, Rabobank, IDH, FMO) - mobilize financing from financial institutions and blends public and private capital to enable projects that would otherwise not materialize due to their risk profile. The fund de-risks loans from banks to various actors in the agricultural value chain, while the ultimate beneficiary is always the farmer willing to transition to more sustainable practices. The technical assistance facility (managed by IDH) supports pipeline
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	<p>development, monitoring and evaluation, and capacity building for producers to transition to sustainable and climate-smart agriculture.</p> <ul style="list-style-type: none"> • Tropical Landscape Finance Facility (TLFF) (ADM Capital/ADM Capital Foundation, BNP Paribas, UNEP, and ICRAF). Loan facility that funds early-stage projects using credit-enhancing instruments of development investors to leverage private finance. Once the projects reach maturity and generate sustainable cash flows, they are aggregated and repackaged as medium-term notes sold by BNP Paribas to patient capital investors in tranches according to risk capacity. In 2018, TLFF launched its inaugural transaction: a US\$95 million loan to help finance a sustainable natural rubber plantation in two heavily degraded landscapes in Indonesia, which will train, employ and provide stable revenues to farmers while also protecting tropical rain forests on the plantations). • Others: Mercon Coffee Facility (\$450M fund), African Agriculture Fund (\$246M fund), Africa Agriculture Trade and Investment Fund (\$146M fund), Samunnati (\$343M fund), Food Securities Fund (\$101M fund), etc. <p>Own examples within CGIAR, e.g. CGIAR Hub for Sustainable Finance, with the Alliance acting as technical partner for investors (Climate-Smart Food Systems Fund (CSFS), Catalyzing Capital for Agri-SMEs in Africa (FASA), etc.</p>
2. Average size of funds raised in other examples	<p>In agriculture-oriented blended finance, the median transaction size is around USD 38M https://www.convergence.finance/news/1kCLeSpdEZ0bQXfyfKyzNq/view?utm_source=chatgpt.com).</p>
3. Origin of funds and conditions for access	<ul style="list-style-type: none"> • Donors, philanthropic foundations, development agencies, providing first-loss or guarantee capital. • MDB, climate funds or public institutions acting as anchor investors or de-riskers. • Commercial and impact investors bringing private capital once risk is reduced via blended structures. <p>Conditions & access criteria: impact, ESG, creditworthiness and viable, de-risking instruments in place,</p>

Stakeholders interest / Investors appetite

4. Current and potential donors/investors, and their priorities	<ul style="list-style-type: none"> • MDBs (WB, IFC, AfDB, etc.) (impact at scale) • Climate funds (GCF, GEF,...) (impact at scale) • Philanthropic foundations (impact at scale) • Impact investors, ESG funds (financial returns, impact at scale,...)
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	<ul style="list-style-type: none"> Private sector corporate investors interested in supply chain resilience, climate commitments,... (financial returns, alignment with SDGs,...)
5. Alignment with donor/ investor priorities	<ul style="list-style-type: none"> Strong alignment of CGIAR's work with donor priorities in terms of impact in climate, agri-food systems, sustainable development, etc. Need to clarify how CGIAR's applied research links to investable projects.
6. Documented interest from stakeholders/investors	Many blended finance structures put in place by numerous actors, highlight growing interest from in deploying blended finance in agriculture.

Existing capacity and partnership readiness

7. Existing CGIAR skills and capacity, and additional resources needed for this modality	<ul style="list-style-type: none"> Existing strengths: Scientific and technical capacity, experience in partner projects, diagnostics, project design, measurement,... E.g. CGIAR Hub for Sustainable Finance – technical partner for sustainable finance actors integrating science-based KPIs for all areas of the investment lifecycle. Potential additional needs: financial structuring skills, investment modeling, deal structuring, etc.
8. Potential or current implementing partners	<ul style="list-style-type: none"> Already working with MDBs, philanthropies, etc. as well as with some impact investors (CGIAR as technical partner).
9. Stage of relationship with potential partners	<ul style="list-style-type: none"> Some relationships exist with fund managers, MDBs, impact investors, etc., but should probably be deepened and formalized if CGIAR wishes to strengthen its role in blended finance.

Sustainability and scalability

10. Revenue model	<p>Depending on the role within the blended finance mechanism (fees for advisory or technical assistance, shared returns, etc.), but mostly service contracts and advisory fees:</p> <ul style="list-style-type: none"> TA & advisory partner: TA Facility Management fees, fees from service contracts, either advisory or capacity building. Fund or facility co-designer: consulting fees, retainer agreements to provide ongoing input across the investment lifecycle. Pipeline development & aggregator: (success) fees for projects that successfully attract investment,... Policy and ecosystem enabler: fees from policy advisory contracts, knowledge product licensing (e.g. risk models), etc.
11. Long-term sustainability without donor	<ul style="list-style-type: none"> By nature, blended finance is dependent on catalytic initial capital. And given that agriculture is a risky sector (climate, market, price

support and potential transition to a self-sustaining model	<p>volatility), sustainability is a challenge without continued support. Scaling is essential to reduce dependence on donor capital.</p> <ul style="list-style-type: none"> Revenue streams (advisory, TA, management, etc.) may be limited but offer visibility.
12. Easiness/limitations in replicability and scalability in new settings	<ul style="list-style-type: none"> Some replicability is possible, but scaling to many geographies or small-scale contexts will face constraints. Replicability of standardized structures is possible, but they will need to be adapted to local contexts, and local regulatory frameworks. At aggregator levels, scaling might be more viable.

Risk and return profile

13. Major risks (financial, operational, reputational), and mitigation strategies	<ul style="list-style-type: none"> Financial risk: default or underperformance in investee projects (mitigation: strong due diligence, diversification, guarantee,...) Operational risk: poor execution (mitigation: technical assistance, capacity building, robust monitoring) Regulatory/legal risk: restriction or uncertainty in national frameworks (mitigation: legal review, ensure compliance, etc.)
14. Expected returns	<ul style="list-style-type: none"> Returns tend to be lower in agricultural blended finance due to high risk, long payback timelines The emphasis is not on commercial returns, but rather on ESG impact.

Legal and regulatory constraints

15. Legal/regulatory barriers for implementation this modality, and strategies to effectively address them	<ul style="list-style-type: none"> A role close to financial intermediation could trigger regulatory oversight typically reserved for financial institutions. Insurance requirements: undertaking commercial activities may imply the acquisition of professional insurance schemes by the Centers or by their spin-offs, subsidiaries, etc. to protect against liabilities associated with the revenue-generated/commercial nature of the operations. And services commercialized may need to follow regulatory standards. Tax status: revenue perceived for commercialization endeavors may alter the non-profit status of the Centers/SO depending on the terms and conditions (privileges and immunities) granted by the host country to the specific Center.
16. Required compliance frameworks	<ul style="list-style-type: none"> Alignment with ESG frameworks, impact metrics, reporting standards, etc. CGIAR’s involvement in fund co-design, pipeline development, or TA implementation must adhere to robust procurement and conflict of interest guidelines to avoid reputational risks. In case of a fund, need of clear governance, transparency and audit, compliance with investment and financial regulations, etc.

	<ul style="list-style-type: none"> • If CGIAR’s intellectual property and data are monetized or licensed (through MRV platforms or advisory products), contracts must clearly define usage rights, liability and revenue-sharing models.
17. CGIAR’s readiness and required adjustments	<ul style="list-style-type: none"> • Strong science that can back technical assistance and advisory in the context of blended finance deals. • CGIAR already aligned with compliance requirements related to ESG, etc. • No centralized legal framework for innovative finance engagements.

Value added for centers & feasibility

18. Centers already implementing or exploring this modality	<ul style="list-style-type: none"> • Blended finance is already being used by CGIAR in co-investment models, credit facilities or fund design: <ul style="list-style-type: none"> • ImpactSF (CGIAR Hub for Sustainable Finance, Alliance Bioversity & CIAT) - building Ag360 Fund, targeting ~\$150 million USD. <ul style="list-style-type: none"> * CGIAR role: support fund design, technical partner, risk-mitigation via science • CRAFT (Climate Resilient Agribusiness for Tomorrow), CIAT - GIAR’s Climate Change, Agriculture and Food Security program (CCAFS) partnered with SNV plus private sector to catalyze €34 million of sustainable finance co-investment in agribusiness, reaching 237,000 farmers in East Africa. <ul style="list-style-type: none"> * CGIAR role: provide technical assistance, supports co-design of investment cases, and provides MRV and climate science input. • ASEAN-CGIAR Sustainable Investment / Intervention Package (IRRI) - CGIAR’s efforts to de-risk impact investments via CGIAR science, advisory, investment readiness, and using blended finance in agriculture & food system impacts. <ul style="list-style-type: none"> * CGIAR role: strategic advisor, research enabler, risk assessment • However, widespread adoption or full implementation is limited.
19. Value added for centers	<ul style="list-style-type: none"> • Access to additional blended finance deals (if CGIAR acting as one-stop-shop), strengthening partnerships with private sector, etc.
20. Investment required for a pilot and implementation limitations	<ul style="list-style-type: none"> • High set-up costs, transaction costs, need of donor funds for guarantees or first-loss support, etc.

Annex 6: Outcomes of the Bellagio meeting, September 2025

The Bellagio meeting, held in September 2025, marked a pivotal moment for CGIAR’s innovative finance agenda, bringing together CGIAR senior leadership, System Council members, and key representatives from the private and philanthropic sectors to explore new approaches for sustainable funding. Notably, several members of our Working Group actively participated in the Bellagio discussions, ensuring that the outcomes reflect a truly collaborative and integrated effort. The insights and preliminary ideas generated at Bellagio are directly linked with the ongoing work of the Working Group, and are mutually shaping the assessments of innovative finance modalities and guiding our recommendations for future action presented in this document. By building on the shared experience and expertise of WG members, we are collectively advancing the mission to secure diversified, impactful, and resilient financing for CGIAR’s science and innovation portfolio.

We hereby present initial proposals developed by members of the Working Group and key partners during Bellagio:

1. Carbon credits pilot through the Nedamco-Ethiopia deal

This is flagship initiative that emerged under the UAE leadership under the Working Group initiative (members of the Working Group), aiming to leverage carbon credits to mobilize large-scale climate finance for Ethiopia. Involving UAE, Nedamco Africa, the Ethiopian government, and CGIAR among other global partners.

Ethiopia is set to deliver 13 million CORSIA-compliant carbon credits, generated from UN and World Bank projects, to finance climate adaptation for farmers. The initiative uses digital twin technology developed by Nedamco Africa, integrating decades of data for real-time carbon credit MRV. The platform, locally owned, enhances transparency and trust, with partners like Microsoft. CGIAR would play a key role bringing quality assurance, contributing critical soil and agricultural data for credit validation. The pilot secures \$1 billion in funding, with potential to unlock \$10 billion across Africa, using a World Bank Trust Fund for transparent financial flows. CGIAR and Ethiopia share proceeds, with Nedamco as intermediary. The project could generate a revenue stream for CGIAR for reinvestment into CGIAR’s research. The model would be built for replication, with plans to scale in other countries.

2. CGIAR Impact Ventures

CGIAR Impact Ventures is envisioned as a system-wide joint venture and the dedicated private-sector engagement arm of CGIAR. This initiative is supported by a coalition of leading development and private sector partners, including the Asian Development Bank, Bayer, Norad, the Gates Foundation, United Arab Emirates, and the World Bank, which reflects broad international commitment and expertise. Originating from the outcomes of the Bellagio meeting, CGIAR Impact Ventures aims to serve as a dynamic platform to incubate, operationalize, and scale innovative funding strategies for agricultural research and innovation.

By aggregating and leveraging CGIAR’s extensive research outputs, knowledge base, and technical expertise, the platform will offer a diverse suite of services such as education and training, contract

research, product development, and technology co-development with both public and private partners. It will also aim to facilitate the commercialization of CGIAR's intellectual assets through strategic partnerships, licensing, and the development of market-ready solutions. Besides, it will be able to aggregate demand and resources across the CGIAR system, enabling greater scale and impact than individual centers could achieve alone.

The venture is expected to generate substantial commercial value in the coming years, with all profits reinvested to support CGIAR's pipeline of global public agricultural research projects. This approach not only diversifies funding sources but also strengthens CGIAR's position as a global leader in agricultural innovation, ensuring that the benefits of research reach farmers, communities, and food systems worldwide.

Ultimately, CGIAR Impact Ventures will serve as a catalyst for sustainable growth, innovation, and impact across the agricultural research landscape, while maintaining a commitment to reinvesting in CGIAR's mission-driven work.

3. Partnership for Investing in African Food Systems at Scale

This proposal is envisioned as a collaborative initiative designed to mobilize significant resources and expertise to transform food systems across Africa. This partnership seeks to leverage the strengths of CGIAR and its network of development, public, and private sector partners to address systemic challenges in agricultural productivity, sustainability, and resilience. By pooling financial resources, technical know-how, and innovative approaches, the initiative aims to catalyze large-scale investments that can drive impactful change, support smallholder farmers, and accelerate the adoption of climate-smart and nutrition-sensitive solutions across the continent.

By fostering collaboration between governments, international finance institutions, philanthropic organizations, and the private sector, the partnership aspires to unlock new funding streams, scale proven innovations, and contribute to the broader goals of food security, economic development, and environmental sustainability in Africa.

Annex 7: CGIAR Impact Venture Workshop in Oslo, 4-5 November 2025

Following the discussions initiated in Bellagio in September 2025, where the idea of CGIAR Impact Ventures (CG IV) was first conceptualized, a group of participants met in Oslo on November 4–5, 2025, for a workshop hosted by NORAD to advance the framing and design of this initiative.

The Oslo workshop focused on conceptualizing the strategic, operational, and financial foundations of CGIAR Impact Ventures, envisioned as a new mechanism to accelerate the commercialization and scaling of agricultural innovations, strengthen engagement with the private sector, and generate sustainable financing for CGIAR and its centers.

The workshop confirmed the strategic urgency: while global agricultural investment is rising, financing for agricultural R&D is declining, and CGIAR captures only a small fraction of global ag-innovation funding. To overcome fragmented access, limited commercialization capacity, and misaligned incentives across the system, participants endorsed the creation of a shared, de-risked, single-entry platform that enables joint research, commercialization, investment advisory, and technology scaling.

CGIAR Impact Ventures is therefore being developed as a system-wide platform to connect CGIAR science with markets, partners, and finance, enabling stronger private-sector engagement and new revenue streams. CGIAR Impact Ventures could initially provide three core business lines:

- Market Development & Joint Research
- Advisory for Investments
- Taking Innovations to Market through a ventures studio

Early opportunities already exist across these business lines, and partners expressed readiness to co-invest and co-develop the platform. A phased financing model –combining seed capital, in-kind contributions, early pilot deals, and blended finance pathways– should support launch and scale-up. CGIAR Impact Ventures is expected to reach break-even (i.e. earned revenue larger than donor contributions) within approximately five years, with earned revenue reinvested into CGIAR centers and unrestricted research.

The roadmap includes immediate pilot delivery, institutional design, and the legal establishment of the entity in the end of 2026, leading to expansion of the commercial and partnership pipeline and positioning CGIAR as a global leader in translating agricultural science into scalable, investable solutions.