



FINAL REPORT

Working Group on Innovative Finance Modalities

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FINAL REPORT

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Executive Summary

This final report from CGIAR's Working Group on Innovative Finance Modalities builds on the Inception Report presented at System Council 22 (June 2025). It reflects over six months of analysis and consultations with CGIAR leadership, System Council and Integrated Partnership Board members, and external experts, and incorporates outputs from the Working Group's Bellagio meeting in September 2025.

The Working Group, established in April 2025, was mandated to identify and assess innovative finance mechanisms to strengthen CGIAR's long-term financial sustainability and strategic positioning. Over the past months, the Group has convened regularly and applied a structured, criteria-based assessment to prioritize modalities with the greatest potential impact and mission alignment, drawing not only on external analysis but also on an internal review of CGIAR's experience implementing and managing innovative finance mechanisms across its global operations. Consistent with the Bellagio meeting outputs, the Working Group proposes CGIAR SO Management to advance the coordination of further design and piloting of the three high-impact initiatives. These are presented below:

1. **Developing the private-sector arm of CGIAR: CGIAR Impact Ventures** – a system-wide platform to commercialize innovations, intellectual property (IP), and services, acting as a key enabler of multiple innovative finance strategies and strengthening both resource mobilization and impact. Note that the first workshop to advance the conceptualization of CGIAR Impact Ventures took place in Oslo on 4-5 November 2025 with participation of Working Group members, building off of the Bellagio meeting.
2. **Advancing High-Integrity Carbon Markets: Ethiopia Pilot and Beyond** – a technical partner role in a government-to-government carbon markets transactions, including participation in an initial deal between Ethiopia and the United Arab Emirates (UAE), positioning CGIAR in high-integrity carbon and nature markets. Note that initial engagements are taking place in regard to the pilot, in close coordination with CGIAR science program and geography representatives.
3. **Unlocking Philanthropic Capital: Endowments & already-established Donor-Advised Funds (DAFs) Dual-Track Strategy** - a diversified philanthropic finance approach that attracts new donor profiles (e.g., high-net-worth individuals), and decreases reliance on traditional, short-term donor funding cycles. It entails establishing a System-wide facility for receiving, and tax receipting, individual donor contributions to CGIAR Centers and the System Organization.



Given the potential of these modalities and the need for rigorous design, development, and operationalization, the Working Group recommends formal institutionalization of follow-on efforts. Dedicated, well-resourced groups or task forces need to be established to design, pilot and scale each modality. These would replace the current Working Group and ensure continuity, accountability, and execution capacity. Clear collaboration and coordination mechanisms with centers and existing structures (like the Functional Area Committee on Resource Mobilization) will need to be put in place.

To ensure rigor and adaptability, each modality will move through three phases, including feasibility and design, piloting, and scale-up. When possible, early pilots are recommended from the outset to accelerate learning, test demand, and refine structure and governance.

These three initiatives are actionable, strategically aligned, and directly supportive of CGIAR's public goods mandate. They complement and enhance Window 1 and Window 2 pooled funding by enhancing its value and leverage. Together, they will:

- Diversify CGIAR's funding base beyond traditional donors;
- Generate sustainable revenue streams, and reduce dependency on short-term funding cycles;
- Increase the scale and impact of CGIAR's scientific assets;
- Position CGIAR as a partner of choice in climate and agri-food innovation;
- Strengthen CGIAR's credibility and attractiveness for pooled funding and strategic investment.

Robust governance, risk management, and stakeholder engagement mechanisms will be essential for each modality. Strengthened systemwide coordination will also be critical to successful rollout and scale.

1. [Introduction](#)

The WG IFM was created to help CGIAR adapt its funding model in response to a rapidly changing global donor landscape. The Working Group on Innovative Finance Modalities (WG IFM) was established in April 2025 by the CGIAR System Organization following the System Council’s request to strengthen CGIAR’s long-term financial sustainability and strategic positioning. The global funding environment is shifting towards co-financing, blended finance, and market-based mechanisms, requiring CGIAR to reduce reliance on short-term funding cycles, leverage its scientific and public goods mandate, improve system-wide coordination for scale, and build more structured private sector engagement.

Mandated to identify and assess innovative finance mechanisms that diversify and stabilize CGIAR’s funding base. Building on previous efforts –including the Working Group on Incentives for Portfolio Funding, the Assets Study, and innovative finance initiatives across CGIAR–, the WG IFM was tasked to identify innovative finance mechanisms capable of generating new revenue streams, broadening the donor base, and reinforcing the value of pooled funding (Window 1 and Window 2).

Use of rigorous, criteria-based, three-step methodology to prioritize high-potential innovative finance options. Over six months, the group met with CGIAR leadership, System Council and IPB members, and external experts, applying a structured process: (i) generating a long list of options through surveys and external insights; (ii) narrowing them using contribution-to-core-funding criteria aligned with the USD 100 million target; and (iii) conducting detailed assessments of the shortlisted modalities using standardized analytical criteria.



The September 2025 Bellagio meeting, invited by the UAE, provided cross-sector validation, and helped refine the Working Group’s emerging recommendations. Attended by several Working Group members and representatives from the public, private, and philanthropic sectors, Bellagio played a pivotal role in shaping and validating the findings.

This report presents a set of actionable, phased proposals to strengthen CGIAR’s financial foundation and strategic position. The recommendations outlined chart a path to broaden CGIAR’s donor base and diversify its funding, reinforcing its global leadership in agri-food and climate innovation through the phased rollout of high-impact innovative finance initiatives.

2. Findings from assessments of innovative finance modalities

Key findings underscore that success will require a set of necessary conditions. These include adequate capacity, strong governance, strategic partnerships, transparent communication, and robust risk and tax management frameworks, as well as being additive to existing funding streams.

- a) **Alignment with global public goods mandate.** Ensure that modalities reinforce CGIAR’s mission by safeguarding equity, accessibility, and public-good outcomes, avoiding unintended exclusivity or commercial incentives that could limit reach or impact.
- b) **Complementarity and positioning.** Ensure modalities enhance rather than compete with traditional donor funding, supported by coherent CGIAR positioning and communication strategy.
- c) **Governance and risk management.** Establish clear oversight, benefit-sharing, and compliance mechanisms to safeguard transparency and accountability.
- d) **Capacity strengthening.** Address relevant internal capacity / resource gaps such as market engagement, product development, or legal and regulatory expertise specific to innovative modalities (e.g., carbon markets).
- e) **System-wide coordination.** Promote integrated approaches to enable demand aggregation and leverage synergies across centers for greater scale and operational efficiency.
- f) **Strategic partnerships.** Deepen engagement with IFIs, private investors, philanthropic actors, and technical partners to mobilize resources and expertise.
- g) **Pilot and validation phase.** Secure seed funding and undertake further assessments to test and refine modalities before scaling.
- h) **Reputation and trust.** Proactively manage reputational risks to preserve stakeholder confidence, especially when engaging in commercial or high-visibility finance domains.



Modality & description	Return	Strategic Value	Challenges	Core requirements & next steps
Endowments & Donor-Advised Funds				
Endowments are permanent capital pools invested to generate sustainable income for CGIAR's long-term operations. Donor-Advised Funds are tax-efficient, flexible vehicles enabling philanthropic donors to contribute and recommend grants over time.	<ul style="list-style-type: none"> - Endowments: 3-4% average return per year generated. - DAF: Potential access to USD 55B grants market (US, 2023). 	<ul style="list-style-type: none"> - Predictable, long-term revenue stream. - Signals institutional maturity. - Attracts new donor segments (e.g., high-net-worth) 	<ul style="list-style-type: none"> - High-initial capital requirements. - Market volatility and delayed returns. - Complex governance and compliance needs. 	<ul style="list-style-type: none"> - ESG-aligned investment policy. - Feasibility study for DAF; phased endowment rollout. - Pilot DAF as lower-risk entry point for new donors. - Targeted fundraising campaign. - Investment committee (oversight & governance). - Endowment management and reporting structure.
Carbon and Nature Credits				
Performance based funding mechanisms rewarding verified emission reductions or ecosystem services. CGIAR's scientific credibility positions it to serve as a trusted technical partner in high-integrity carbon and biodiversity markets. An opportunity to participate in a pilot exercise in a transaction between governments of Ethiopia-UAE is already in place and ongoing.	<ul style="list-style-type: none"> - Illustrative for ongoing Ethiopia pilot: USD 1-3/ton return for CGIAR for technical role in 13M CORSIA-compliant credits (pilot). 	<ul style="list-style-type: none"> - Creates scalable, results-based revenue streams. - Positions CGIAR as leader in integrity-driven markets. - Strengthens partnerships with governments and private sector. 	<ul style="list-style-type: none"> - Complex and variable national regulatory frameworks. - Market volatility and credit-quality variability. - Limited legal rights to carbon/nature. - High institutional exposure if credit issuer. 	<ul style="list-style-type: none"> - Define CGIAR's role (technical vs. issuer). - Strengthen Measurement, Reporting, & Verification (MRV), legal and regulatory capacity. - Execute Ethiopia pilot as technical partner. - Pursue additional pilots to build credibility. - Revenue-sharing policy. - Decision on commissioning expert analysis on issuer feasibility (mid-term) - conduct legal & regulatory due diligence (ownership & compliance).
Blended Finance				
Strategic use of public and philanthropic capital to mobilize private investment for climate-smart agriculture and food systems. CGIAR can act as a technical partner to de-risk investments and scale innovation.	<ul style="list-style-type: none"> - Revenue stream for contribution as technical partner. 	<ul style="list-style-type: none"> - Mobilizes large-scale private investment. - Expands CGIAR's influence on climate and agri-food systems. 	<ul style="list-style-type: none"> - Fragmented, center-level initiatives lacking system-wide coordination. - Complexity in structuring blended instruments. 	<ul style="list-style-type: none"> - Develop system-wide governance and coordination mechanisms. - Build internal financial and compliance capacity. - Position CGIAR as trusted technical partner de-risking private investment.

		- Aligns with donor and investor sustainability priorities.	- Dependence on concessional capital.	- Pilot projects with experienced partners to test and refine approach.
Intellectual Assets Monetization				
Generation of unrestricted revenue from CGIAR's intellectual assets (technologies, crop varieties, data, software, methodologies), via licensing, royalties, advisory services, or subscription platforms, while advancing impact and upholding CGIAR's IA Principles.	- Potential for recurring, unrestricted income from market-ready innovations.	- Provides sustainable complementary funding. - Accelerates deployment of innovations. - Enhanced CGIAR's position as a global knowledge leader.	- Balance revenue generation with accessibility and public-good mandate. - Decentralized IA ownership across centers. - Complexity of legal and IP frameworks in different jurisdictions.	- Establish system-wide IA monetization framework aligned with IA Principles. - Conduct feasibility and costing studies. - Identify and pilot high-potential assets. - Build multi-disciplinary commercialization team and policies for benefit-sharing. - Clear service delivery protocols.
International Finance Institutions (IFIs) and Technical Assistance (TA)				
Strategic engagement with IFIs and their TA mechanisms for early, lifecycle-wide integration of CGIAR research-based science and innovations in investment projects, amplifying impact.	- Access to multi-million-dollar TA programs and co-financing opportunities.	- Expands reach and integration of CGIAR science into major projects. - Unlocks large-scale, concessional funding. - Strengthens long-term strategic partnerships and influence.	- Complex IFI processes and alignment challenges. - Fragmented engagement across centers. - Need for sustained relationship management.	- Develop coordinated CGIAR-wide IFI-specific engagement strategies. - Align CGIAR priorities with IFI investment frameworks. - Invest in relationship and partnership management. - Embed scientific expertise across IFI project lifecycles.

3. Actionable recommendations

Three main recommendations resulting from assessment findings and Bellagio meeting outcomes¹. The Working Group proposes to further design, develop, and pilot the following:

Proposal	Strategic Rationale & Overview	Expected impact & benefits for CGIAR
Developing the private-sector arm of CGIAR: CGIAR Impact Ventures	To <u>unlock long-term commercial value from CGIAR’s research assets</u> , this platform will serve as a system-wide joint venture to commercialize and scale innovations, services, and IP. Enabling coordinated engagement with private sector, this is a proactive investment in CGIAR’s financial future, a commitment to building long-term value.	<ul style="list-style-type: none"> • Designed to become self-sustaining. • Future proceeds to be reinvested into CGIAR’s public good research, creating a perpetual funding mechanism anchored in research outputs. • CGIAR as partner of choice. • Scales innovations beyond donor-funded pilots. • Enhances relevance, agility, and financial sustainability.
Advancing High-Integrity Carbon Markets: The Ethiopia Pilot and Beyond	Flagship pilot consisting of CGIAR’s participation as <u>technical partner in Government of Ethiopia-UAE carbon markets transaction</u> . CGIAR provides quality assurance to support the generation of 13 million CORSIA-compliant credit, creating a scalable model that shall take CGIAR to become a trusted scientific partner in global carbon (and nature) markets. First step toward building a profitable, high-integrity role in climate finance, with revenues reinvested to amplify CGIAR’s mission.	<ul style="list-style-type: none"> • Estimated revenue for CGIAR of approximately USD 1-3 per ton (negotiations ongoing). • Establishes a replicable model ready to scale across Africa and other regions. • Strengthens CGIAR’s role and visibility in global carbon and nature finance. • Builds trusted partnerships with governments and multilateral platforms.
Unlocking Funds Potential: Endowment and Donor-Advised Fund	Dual-track strategy to <u>unlock long-term, underutilized philanthropic capital</u> through (i) an <u>ESG-aligned endowment fund</u> and (ii) engagement with <u>donor-advised funds</u> (DAFs). While each follows distinct timelines and fundraising models, both contribute to CGIAR’s broader financial sustainability and diversification agenda, reducing reliance on short-term funding cycles by attracting high-net-worth individuals, mission-aligned foundations, and institutional philanthropies, while complementing rather than displacing traditional donor funding.	<ul style="list-style-type: none"> • Endowment could generate 2-3% annually. • Potential to tap onto a USD +55 billion grants (US market figure of 2023), in DAF. • Stable, predictable income stream beyond annual funding cycles, and reducing dependence on restricted donor contributions • Acts as financial buffer in volatile funding environments.

¹ These consist of three proposals: (i) carbon credits pilot through the Nedomco-Ethiopia deal; (ii) CGIAR Impact Ventures; and (iii) Partnership for Investing in African Food Systems at Scale.



3.1 Developing the private-sector arm of CGIAR: CGIAR Impact Ventures

CGIAR Impact Ventures is proposed as a system-wide joint venture to link CGIAR’s science and innovations with markets, partners, and finance. Designed as the single, trusted entry point for private-sector collaboration, commercialization, and investment, it aims to modernize how CGIAR engages external partners. As a shared service with specialized capacity, it would equip Centers with the tools, expertise, and structures needed to translate research into scalable solutions, while ensuring a coherent, system-wide approach to market engagement and impact delivery.

Revenue-generating and impact-oriented dual purpose. Its core purpose is to generate sustainable revenue streams reinvested into CGIAR’s global public-goods research, while contributing to enhanced scale and impact. Acting both as a commercialization engine and an incubator, it will scale innovations, provide structured channels for market uptake, and enable strategic partnerships that enhance impact and reach.

It leverages CGIAR’s scientific credibility and global footprint to unlock new value. Grounded in CGIAR’s scientific credibility, global reach, and extensive network, CGIAR Impact Venture seeks to unlock value and catalyze new revenue streams, expanding the organization’s reach and relevance within the private sector and innovation ecosystems, in line with the global public goods mandate.

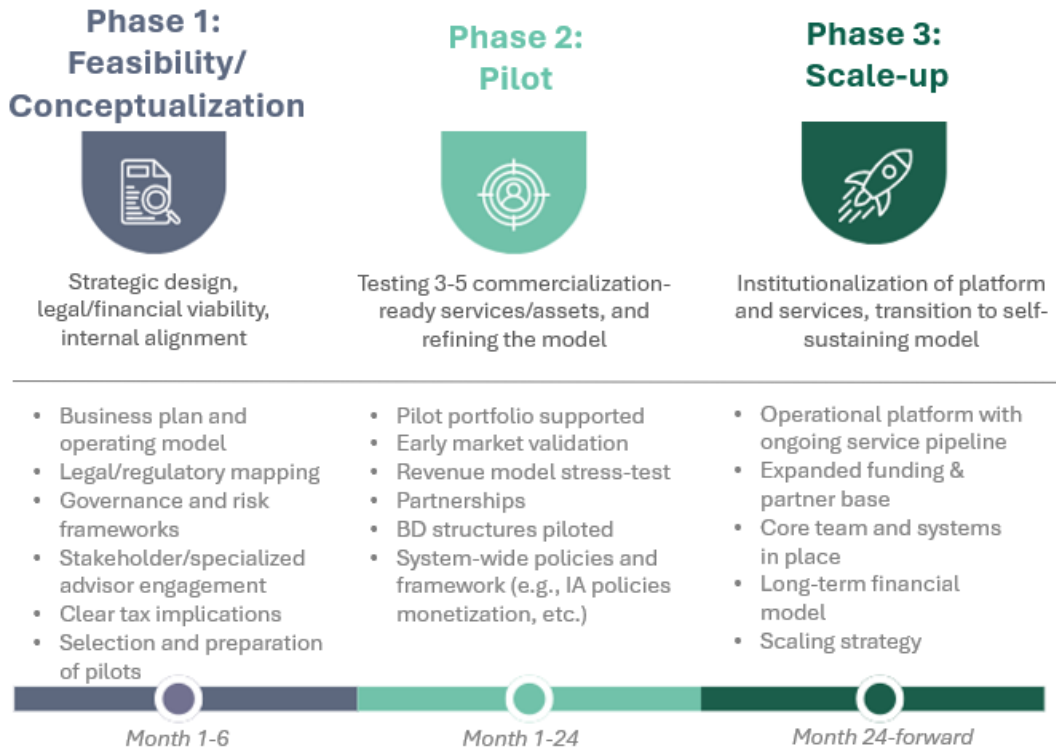
Three preliminary functions defined for proof of concept and market value testing. An initial set of core functions were defined during the first conceptualization workshop that took place in Oslo in November 4-5, 2025.² These include:

- **Market Development & Joint Research.** Build and broker public-private research partnerships and consortia, acting as a single entry point for accessing CGIAR science, technologies, and regional assets while de-risking partner engagement.
- **Advisory for Investment.** Provide science-backed technical assistance and milestone-based advisory to governments, investors, and IFIs, embedding CGIAR innovations in investment portfolios and supporting blended finance, among others.
- **Taking Innovations to Market.** Scout, incubate, and commercialize CGIAR innovations by managing IP, licensing, incubation, and deal brokering, mobilizing seed capital and generating sustainable returns reinvested into CGIAR’s global public goods research.

Implementation will follow a phased approach beginning with six months of design and early pilots. The first six months will focus on in-depth conceptualization and design of CGIAR Impact Ventures, including development of the business plan and essential studies. In parallel, early pilots will be launched to demonstrate proof of concept, validate market demand, and test revenue models, informing the final design. Once legally established, CGIAR Impact Ventures would be staffed and operationalized, followed by a full implementation and scale-up phase. Until legal setup is complete, the CGIAR System Organization is proposed to serve as fiscal agent and

² A first workshop building on the Bellagio meeting outcomes was held in Oslo on 4-5 November 2025. Hosted by NORAD, it gathered members of the Working Group (representatives from Gates Foundation and the Government of the UAE) and private sector partners, to advance the design of CGIAR Impact Ventures.

coordinate early pilot implementation with relevant centers. An illustrative three-phase roadmap is presented below.



3.2 Advancing High-Integrity Carbon Markets: The Ethiopia Pilot and Beyond

Potential to play a leading role in high-integrity carbon and nature credit markets. CGIAR has the potential to position itself as a global leader and trusted technical partner in high-integrity carbon and nature credit markets by leveraging its scientific expertise in Measurement, Reporting, and Verification (MRV), soil science, and climate-smart agriculture.

Technical role in Ethiopia pilot as a stepping-stone for CGIAR to enter carbon markets responsibly. While the long-term vision includes the potential for CGIAR to act as a co-developer or issuer of credits (where and if legally and strategically viable), the near-term focus is on quality assurance and scientific credibility through a flagship pilot in Ethiopia. In this pilot, CGIAR will not lead the structuring of the deal (it is a government-to-government transaction), and will engage as technical partner, contributing science-based inputs into a broader effort led by the Government of Ethiopia, and the UAE, with the participation of Nedamco Africa as additional partner. For CGIAR, it represents a stepping-stone into carbon markets, thus offering a unique opportunity to:

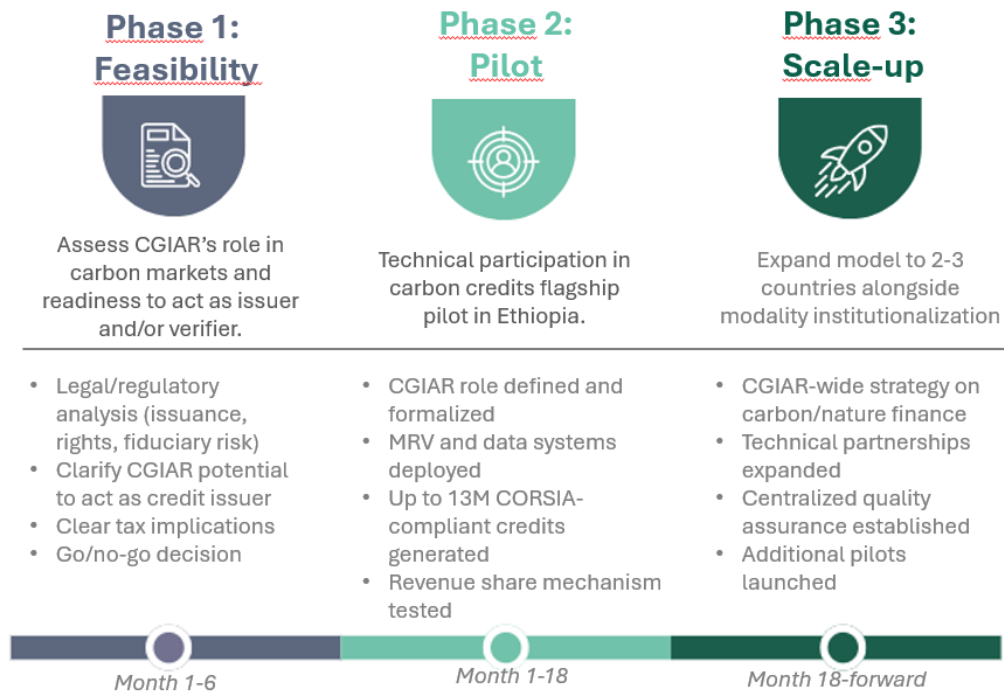
- Generate new revenue streams that support CGIAR’s mission and long-term sustainability;
- Support smallholder adaptation by channeling climate finance to farmers and communities;
- Shape global standards for soil carbon, ecosystem services, and MRV methodologies;

- Position CGIAR in emerging article 6.2 markets, where countries can trade internationally transferred mitigation outcomes (ITMOs) under the Paris Agreement.

Scientific assurance role of CGIAR to generate 13 million CORSIA-compliant carbon credits.

This transaction aims to generate 13 million CORSIA-compliant carbon credits through large-scale land restoration and climate adaptation interventions, potentially unlocking up to USD 1 billion in climate finance for smallholder farmers. CGIAR’s role in the pilot includes providing quality assurance. For this technical contribution to the carbon market transaction, a share of the funds transacted would be allocated to CGIAR (currently under negotiation and estimated at around USD 1-3 per ton).

The three-phase roadmap provides a structured pathway for CGIAR to validate its technical role in the Ethiopia pilot and scale a high-integrity, science-based carbon finance model across countries. This engagement could be integrated into CGIAR Impact Ventures, enabling replication across Africa through a tech-enabled and science-backed framework that positions CGIAR as a trusted enabler of equitable and transparent carbon markets. The illustrative roadmap below reflects this phased approach; however, should CGIAR pursue a role as a credit issuer, a dedicated feasibility assessment (including rights ownership, jurisdictional considerations, and tax implications) will be required.



3.3 Unlocking Funds Potential: CGIAR Endowment and Donor-Advised Fund

Dual-track strategy combining a mission-aligned ESG-screened endowment fund with strategic engagement of already-established Donor-Advised Funds (DAFs). Aiming to diversify



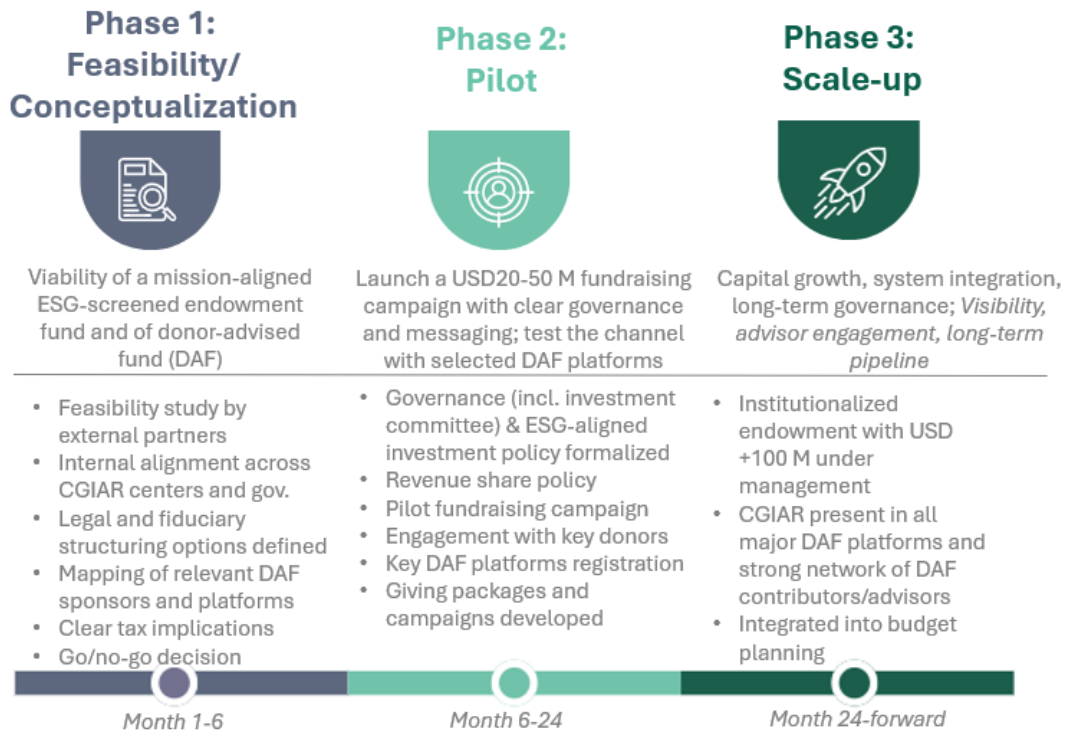
and stabilize CGIAR's long-term philanthropic financing, these mechanisms will strengthen CGIAR's financial resilience by diversifying revenue streams, providing stable and flexible funding, and complementing (rather than replacing) traditional donor support. This will require establishing tax-receipting mechanisms in the US, UK, and other priority markets to enable and simplify philanthropic contributions. In particular, the dual approach will:

- Enable long-term planning and investment;
- Engage new categories of funders, including philanthropists, foundations, and value-driven investors, seeking measurable and enduring impact;
- Support high-impact research and transformative innovation beyond traditional funding cycles;
- Position CGIAR as a future-ready institution, capable of managing long-term assets and delivering sustained global impact.

Offering distinct but complementary pathways, with already-established DAFs providing a flexible, lower-risk entry point. While the endowment will require a structured, multi-year fundraising campaign, supported by clear governance and investment frameworks, DAFs offer a more flexible, lower-risk entry point for donors. DAFs are particularly attractive to individuals, family offices, and philanthropic foundations, providing tax-advantaged, immediately deployable giving tools. This model can therefore build early momentum, attract new donor segments, and demonstrate CGIAR's capacity to manage philanthropic capital effectively.

Potential of (semi-)unrestricted funding to advance CGIAR science. Proceeds from both mechanisms can generate sustainable, mission-aligned funding for CGIAR. Specifically, they can provide unrestricted or semi-restricted resources for core science, act as catalytic capital for early-stage or underfunded initiatives, and strengthen system-wide innovation and institutional development.

Recommendation to first advance the DAF pilot to test donor appetite and engage new philanthropic segments. As mentioned earlier, DAFs allow CGIAR to begin with small contributions, validate interest without major upfront fundraising, and attract new donor profiles while fully preserving existing funding relationships. Moving to the endowment phase is advised once donor traction is demonstrated and internal capacity to manage long-term philanthropic assets is in place. Both mechanisms should follow phased and gated implementation processes to ensure feasibility, capacity building, and responsible scaling, with an illustrative three-phase roadmap presented below.



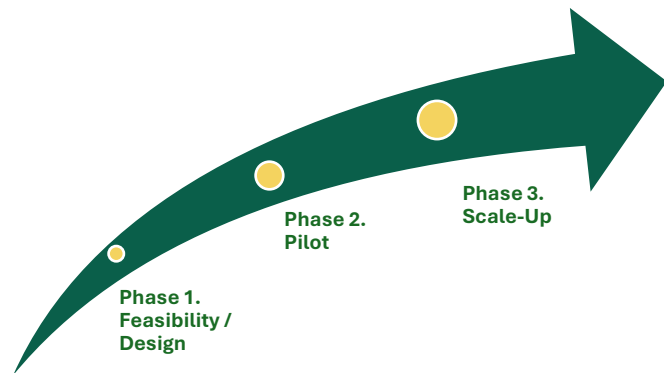
4. Governance and operational frameworks

Strong operational, governance, and risk management frameworks are essential from the outset to ensure CGIAR’s credibility, donor trust, and alignment with its public goods mandate. Embedding clear structures, robust oversight, fiduciary compliance, and system-wide coordination will safeguard CGIAR’s reputation and ensure that all revenue-generating initiatives operate responsibly and consistently with institutional values.

- **Cross-system operational structure:** A coordinated, cross-system operational setup will ensure that dedicated teams are in place to lead the design, piloting, and scaling of each of innovative financing recommendations. These structures will include representation from relevant centers and will be facilitated by the System Organizations, ensuring effective coordination, timely decision-making, and systematic knowledge-sharing across teams. It will also support coherent risk management and streamlined engagement with external partners throughout all phases of implementation.
- **System Council oversight.** The System Council will provide high-level oversight and guidance to ensure that recommendations in place do not compromise CGIAR’s integrity, independence, or donor confidence.
- **Alignment with public goods mandate.** Governance models will explicitly require that all revenue-generating activities, such as IP commercialization and carbon market participation, align with CGIAR’s public goods orientation. Net proceeds will be reinvested

into core research and strategic priorities that benefit smallholders, climate resilience, and food systems transformation.

- **Independent fiduciary and legal review.** Initiatives will undergo independent fiduciary review to ensure compliance with relevant financial regulations, tax laws, and legal frameworks. External legal counsel and fiduciary advisors will be engaged as needed to navigate complex issues such as intellectual property, benefit-sharing, trust structures, and cross-jurisdictional compliance (e.g., for carbon markets or endowment management).
- **Conflict of interest and ethics oversight.** Formal conflict-of-interest policy will be applied to all initiatives, including commercial engagements, investment decisions, and advisory appointments. Ethical guidelines will be established to ensure that CGIAR’s values are upheld in all partnerships, particularly with the private sector and financial institutions.
- **Phased-approach to design, piloting and scaling.** Including: (i) Phase 1 – Feasibility/Design (market assessments, feasibility studies, design; Phase 2 – Pilot (proof-of-concept to demonstrate potential and refine design; and Phase 3 – Scale-Up (full operationalization and integration into CGIAR’s financial model, supporting replication and long-term sustainability). When possible, early pilots are recommended from the outset to accelerate learning, test demand, and refine structure and governance).



5. Risk management framework

Initiative-specific risk management approach will be essential to ensure mission-alignment, compliance, and reputational and financial safety, as CGIAR enters new funding modalities. A system-wide risk management approach will be developed and tailored to each initiative, covering legal, financial, operational, reputational, and regulatory risks to ensure that any innovative finance initiative is operationalized in a transparent, mission-aligned and strategically sound manner. A preliminary and non-exhaustive list of potential risks linked to the recommendations presented is outlined below.

Risk	Mitigation
Reputational safeguards in commercial partnerships	Implement rigorous upfront partner due diligence and clear protocols for public-private engagement, including transparent benefit-sharing, media management, and predefined exit options.
Regulatory clarity	Ensure full adherence to national and international legal frameworks governing carbon and nature rights, endowment management, and DAF structures.
Financial and market risk	Embed ESG safeguards, conduct market-volatility and scenario planning for the endowment, and assess demand, pricing volatility, and break-even thresholds for commercial initiatives.

Risk	Mitigation
Operational and governance risks	Establish strong internal controls, performance monitoring, and dedicated oversight structures with clear lines of accountability across CGIAR and affiliated entities.
Transparent and donor communication	Provide clear reporting (impact dashboards, financials, updates) and maintain open communication with W1/W2 donors to reinforce complementarity with existing funding
Safeguards for equity and inclusivity	Integrate equitable benefit-sharing mechanisms and ensure fair distribution of financial benefits across CGIAR entities.

6. [Financing model considerations](#)

Seed capital is essential to de-risk, validate, and launch financing models that can unlock large-scale, sustainable revenue for CGIAR. The design, piloting and scaling of these initiatives will require upfront seed funding before they can generate self-sustaining revenue. This initial investment –frontloaded in the early years to accelerate validation and reduce risk– will cover external advisory, feasibility studies, legal structuring, pilot design and staffing, donor engagement, partnership development, and monitoring, learning, and communications. These early investments will:

- Catalyze new capital through commercialization, carbon revenues, and endowment fundraising;
- Establish self-sustaining revenue streams that complement donor funding; and
- Strengthen CGIAR’s institutional capacity and governance frameworks for long-term financial resilience.

A 3-5 year path to break-even is achievable with a financing model that blends seed capital, private engagement, and transparent benefit-sharing. Break-even of the initiatives –when earned revenue exceeds donor contributions– is expected within 5 years, based on comparable models. Key considerations include:

- Pairing seed capital with in-kind contributions and early private sector deals;
- Creating continuous seed-to-scale financing pathways blending donor and private capital;
- Establishing transparent benefit-sharing models from the outset;
- Allocating earned revenue back to centers based on contribution, while covering operational costs and reinvesting unrestricted funds into innovations and research.

7. Conclusions and recommendations

CGIAR has a timely opportunity to diversify its funding base and strengthen long-term financial resilience while maintaining its global public goods mission. The evolving donor landscape, marked by demand for co-financing, market-based approaches, and deeper private-sector engagement, requires CGIAR to expand beyond traditional funding models while upholding its commitment to global public goods.

Three initiatives have emerged as the most mission-aligned and actionable pathways for mobilizing commercial, climate, and philanthropic capital. These include CGIAR Impact Ventures, High-Integrity Carbon Markets (beginning with the Ethiopia pilot), and a dual-track philanthropic strategy combining an Endowment and Donor-Advised Funds (DAFs). Together, they offer complementary approaches to generate sustainable revenue streams and expand CGIAR's influence across scientific, policy, and investment ecosystems.

Assessments confirm feasibility but highlight the need for dedicated capacity, strong governance, system-wide coordination, and early seed investment. The Working Group recommends formally shifting from exploratory analysis performed by the Working Group to structured design, piloting, and operationalization through well-resourced teams or task forces. A phased approach (design, pilot, and scale-up) will ensure that each initiative evolves with appropriate due diligence, risk oversight, and alignment with CGIAR's public goods mandate.

These mechanisms are designed to complement (not replace) traditional donor funding while attracting new partners and strengthening CGIAR's long-term financial stability and strategic relevance. By reducing dependence on short-term cycles and enabling scalable innovation, CGIAR is well positioned to move into the next phase and, with the right structures and investments, meaningfully enhance CGIAR's long-term resilience and amplify its contribution to food systems transformation, climate adaptation, and smallholder livelihoods.

Strategic recommendations:

- 1. Advance the design and implementation of the three proposed initiatives.** CGIAR SO Management should steer the next phase of work on (i) CGIAR Impact Ventures; (ii) High-Integrity Carbon Markets; and (iii) Philanthropic capital mobilization through endowments and already-established Donor-Advised Funds.
- 2. Establish dedicated, well-resourced teams to lead design, piloting, and scaling.** The Working Group recommends institutionalizing follow-on efforts through specialized teams or task forces, replacing the current Working Group, to ensure continuity, accountability, and delivery capacity. Close coordination with Centers and existing structures (e.g., Functional Area Committee on Resource Mobilization) will be essential.