The DSI Informal Dialogue Partnership

Piloting/Testing Phases of Global Funds:

Draft Comparative Analysis

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Contents

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1 Introduction

This draft paper distils lessons learned from piloting phases and testing approaches of various global environmental and health funds. Such lessons have potential relevance for designing a pilot (phase) for the Cali Fund in order to primarily test the **Money IN** process and the **linked role of the Certificates**, as well as the **Money OUT** process based on country allocations including access of IPLCs to funds (as suggested by the participants of the *Informal Global Dialogue on DSI and the Cali Fund* held in March 2026 in Leuven, Belgium).

It should be noted that piloting **institutional governance** is of limited relevance given the general governance structure for the Cali Fund at global level has already been set through CBD Decision 16/2. Further, the established Steering Committee is operational and mandated to further define governance processes.

Regarding fund disbursement, the global funds examined use a range of different approaches, such as *competitive calls for funding proposals, direct access approaches, needs-based decisions and country allocations* or combinations of thereof.

Funding / disbursement modality pilots and testing phases were used by the *Adaptation Fund (AF)* and the *Green Climate Fund (GCF)* during their early funding cycles.

Global health funds use **limited demonstration and innovation pilots** to test primarily delivery mechanisms and innovations before scaling them. While they share a commitment to learning-by-doing, their approaches differ significantly in purpose, scale, risk tolerance, and evaluation methods.

The role played by businesses/industries is particularly important in the context of the global health funds and the Green Climate Fund providing insight in **potential incentives for industries** to actively engage with and participate in these funds.

The table in Annex 1 provides an overview of the piloting and testing approaches, including information about typical pilot budgets and duration of the different funds covered by this comparative analysis. More detailed information about the different funds is provided in Chapter 3.

2 Key lessons learned

Pilots and testing phases are generally developed, approved and implemented within the established governance and implementation structures of the respective funds examined in this initial analysis.

The AF and the Benefit-Sharing Fund of the Plant Treaty (BSF) operate more **demand driven** with **competitive calls for proposals** while Gavi uses **investment criteria** to prioritise proposed projects.

The Global Fund and Gavi use **country allocation formulas** to ensure that countries with the **highest need receive support**. In both cases the **gross national income (GNI) per capita** is key combined with a measure for **disease burden** in the case of the Global Fund, and **immunization needs** in the case of Gavi.

2.1 Funding modality pilots

The **Direct Access modalities** introduced by the AF and GCF are generally appreciated by countries despite a number of challenges. The necessary accreditation process is **time consuming** (up to 19 months) **but strengthens country-internal processes and systems**, and contributes to **country leader**ship **and ownership**. The GCF allowed fast-track accreditation for AF-accredited entities.

The mandates of a considerable number of accredited entities are broader than climate change and include, *inter alia*, conservation and sustainable use of biodiversity.

The **Enhanced Direct Access (EDA) modality** was **piloted in 2014 by the AF** through a grant of **2.4 million USD** to the South African National Biodiversity Institute (SANBI) to develop and manage a small grants facility for sub-national and local projects to **devolve decision making** to the national accredited entity. Subsequently, **GCF** scaled the EDA approach up by **approving in 2015 an EDA pilot phase with a budget of 200 million USD** to finance at least 10 pilot projects and programmes. About three years later, in early 2019, one national proposal had been approved for Namibia and one regional proposal from three Caribbean countries.

2.2 Limited demonstration and innovation pilots

2.2.1 Global Health Funds

Limited demonstration and innovation pilots are common among global health funds which are highly interlinked through their mandates, financing arrangements, implementing partners, governance networks, and country-level operations. Although each fund has a distinct objective, they operate within a broader global health ecosystem in which activities are often complementary and mutually reinforcing.

Fund	Primary Objective
The Global Fund	Reduce HIV/AIDS, tuberculosis, and malaria burden through large-scale financing of national programmes
Gavi, the Vaccine Alliance	Increase equitable access to vaccines and strengthen immunization systems
Unitaid	Accelerate adoption of innovative health products and delivery approaches

The **Global Fund** uses **targeted demonstrations and operational learning** in selected countries for testing innovations under real-world conditions and to determine which innovations should be rolled out across its portfolio of more than 100 countries.

Gavi's pilots are generally more operational than institutional and **focus on service delivery** rather than funding modalities. They are conducted at district or country level rather than country- or fund-wide and **linked directly to future scale-up decisions**.

Typical **Unitaid pilots** focus on market barriers and evidence generation and include an explicit transition pathway for scaling-up. They have a duration of **three to six years with typical budgets of 5-20 million USD**.

Frequently cited examples are the Malaria Vaccine Implementation Programme (MVIP) which took place in Kenya, Ghana and Malawi over a two-year period. Gavi, the Global Fund and Unitaid together committed nearly 70 million USD to fund the pilot, The pharmaceutical company GSK donated up to 10 million vaccine doses for the pilot.

2.2.2 Other Global Funds

Outside the health sector, the **Benefit-Sharing Fund (BSF) of the ITPGRFA** and the **UN Road Safety Fund** piloted their operations in selected countries based on competitive calls for proposals.

The first funding round of the **Plant Treaty BSF was launched late 2008** and served as a **pilot phase for the BSF operating model.** Out of more than 400 pre-proposals received through the NFPs of developing country Contracting Parties and subsequent assessment of 45 full proposals, 11 small-scale projects with a **maximum individual budget of 50,000 USD amounting to a total portfolio of 543,000 USD** were approved in May 2009. Initial disbursements in December 2009 allowed project implementation over 2 years during 2010/2011. Executing agencies were either national agricultural research institutes, universities, NGOs or national gene banks. **Most of the projects were carried out within the framework of ongoing research and development programmes.**

In contrast to the large, mainly donor funded, global health funds, the **UN Road Safety Fund** has raised, since its **launch in 2018,** 36.5 million USD. The inaugural **call for proposals** received 73 project submissions covering 52 countries. The Steering Committee selected **five pilot projects (with a budget ceiling of 200,000 USD each for an implementation period of 12 months in 2019/2020**) in eight countries which were implemented through UN partner organisations, such as UNICEF, UN-Habitat and WHO, together with the relevant national ministries and agencies.

2.3 Incentives for private sector

Unlike philanthropic giving, industry participation is mostly linked to a strategic business rationale. The strongest incentives are typically **market creation, technology de-risking, supply-chain resilience, and support for corporate transition strategies**, with reputational benefits serving as a secondary consideration.

Experience from **global health funds**, such as The Global Fund, Gavi, and Unitaid, suggests that industry contributions are most likely when:

- The **business case** is clear.
- Contributions are linked to **measurable impact**.
- Governance is transparent and credible.
- Contributors receive visibility and recognition.
- The partnership **reduces risks** that affect business operations.

Industry engagement in **global climate funds** generally falls into three categories:

- **Financial contribution:** Reputation, sustainability commitments, policy engagement
- **Co-investment in projects:** Risk reduction and commercial returns
- **Technology and implementation partnerships:** Market creation, innovation, and future business opportunities

Beyond the climate and health sector, the Lion's Share Fund and the UN Road Safety Fund demonstrate the **importance of tangible incentives for businesses** beside largely reputational incentives.

Member companies of the **Lion's Share Fund** committed to contribute 0.5% of media spending on advertisements featuring animals. However, it never came close to raising the envisioned 100 million USD per year. Five years after its launch contributions fell to zero and the fund was closed.

To date, 74 % of 37 million USD raised by the **UN Road Safety Fund** since 2018 originate from the private sector – such as car/motorbike, tyres, automotive, oil, insurance, optical lenses – highlighting the **value of business and regulatory incentives** for the private sector.

3 Examples of global environmental and health funds

3.1 Adaptation Fund

The Adaptation Fund (AF) was created under the Kyoto Protocol in 2001, but it did not become operational immediately. During an **institutional incubation phase until 2008** governance rules, funding sources, fiduciary standards, accreditation procedures, and implementation modalities were negotiated and gradually built.

3.1.1 Piloting / testing approaches

The Fund's most important "pilot" innovation was its pioneering **Direct Access modality** – allowing **developing country Parties to the Kyoto Protocol** to access climate finance directly through **accredited National Implementing Entities (NIEs)** rather than solely through multilateral intermediaries. **Countries propose and carry out the projects themselves**, while obtaining final Adaptation Fund Board (AFB) approval for their proposals. The application process is rigorous to ensure the country's NIE respect fiduciary standards, as well as the Fund's social and environmental safeguards and gender principles. Beginning in 2010, the Fund accredited its first NIEs. **These early NIEs functioned as demonstration cases for Direct Access**. The Fund deliberately began with a relatively small portfolio, limited project sizes, careful accreditation review, close monitoring by the Board and Secretariat. This allowed learning-by-doing before broader scaling.[1]

The external evaluation of 2015[2] states "If country income levels are used as a proxy for vulnerability, direct access was relatively slow in reaching the most vulnerable. Whereas Senegal and Rwanda are LDCs and were among the first projects approved, direct access has been used mainly by middle-income countries; with access in low-income countries mainly through MIEs" (Multilateral Implementing Entities). "To date, 71% of projects with a total value of US$187 million have been awarded to MIEs" pointing to the further need for technical capacity building "to maximize the use of direct access" by NIEs.

By 2017 the Fund had accredited 25 NIEs for direct access[3] and today almost 40 NIEs[4].

3.1.2 Experiences and lessons learned

The **external evaluation of 2015**[5] states "Rules of Procedure guiding the AF Board were approved in 2008 and subsequently amended in 2009. Initially, a lack of clear procedures and protocols hampered the effectiveness of Board decision-making processes (e.g. attempts by some AFB members to overturn decisions)".

Accreditation efficiency for NIEs and Regional IEs has generally been improving and is better than that for Multilateral IEs. **An average of 19 months elapsed** between the first submission of the accreditation application and the Board's decision for NIEs/RIEs. **Eligible countries recognized the wider benefit of direct access to strengthening internal processes and systems**. The direct access modality and the use of NIEs also further reinforces the use of country systems, including "national project management, monitoring and financial systems" as well as country leadership.[6]

Under the direct access approach, the AF **piloted an Enhanced Direct Access Modality** in South Africa[7]. The **South African National Biodiversity Institute (SANBI)**, accredited as NIE in 2011, developed a small grants facility with an AF grant of 2.4 million USD, which was approved by the

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[1] Foss, M. (2017). *Direct Access to Climate Finance Builds Capacity and Credibility of National Institutions*. - Direct Access to Climate Finance Builds Capacity and Credibility of National Institutions – Adaptation Fund

[2] TANGO International in association with the Overseas Development Institute (2015). *First Phase Independent Evaluation of the Adaptation Fund. World Bank, Washington, DC* - https://www.adaptation-fund.org/wp-content/uploads/2015/11/TANGO-ODI-Evaluation-of-the-AF_final-report.pdf

[3] https://www.adaptation-fund.org/direct-access-climate-finance-builds-capacity-credibility-national-institutions/

[4] https://www.adaptation-fund.org/apply-funding/implementing-entities/national-implementing-entity/

[5] TANGO International in association with the Overseas Development Institute (2015). *First Phase Independent Evaluation of the Adaptation Fund. World Bank, Washington, DC* - https://www.adaptation-fund.org/wp-content/uploads/2015/11/TANGO-ODI-Evaluation-of-the-AF_final-report.pdf

[6] Ibid.

[7] Ibid.

AF Board in 2014.[8] The **South African Small Grants Facility (SGF)** was designed to directly support vulnerable groups in defining and implementing effective adaptation strategies and making a direct contribution to climate-resilient development by linking the sound integration of scientific and local knowledge to municipal and national planning and policy processes. **Implementation started in 2015 and concluded in 2021**, successfully empowering 12 community-based projects (with a maximum project size of 100,000 USD) to respond effectively to the impacts of climate change.[9,10]

The direct access modality, as well as fiduciary standards and working methods of the Accreditation Panel, have inspired other environmental and climate-related funds. In 2016, the **Green Climate Fund (GCF)** concluded it could rely on the accreditation policies, processes and practices of the Adaptation Fund. On this basis, it **allowed applicants accredited by the Adaptation Fund to use a fast-track approach for accreditation with the GCF**.[11]

3.2 Green Climate Fund

The Green Climate Fund /GCF) was established in 2010 by UNFCCC COP 16 in Cancún, Mexico, as the operating Financial Mechanism of the UNFCCC. Paragraph 45 in the GCF's Governing Instrument[12] stipulates that "Access to Fund resources will be through national, regional and international implementing entities accredited by the Board". **Accredited Direct Access Entities (DAEs)** can be private or public, non-governmental, sub-national, national, regional or international, as long as they meet the standards of the Fund. Accredited entities carry out a range of activities that usually include the development of funding proposals and the management and monitoring of projects and programmes. Countries may access GCF resources through multiple entities simultaneously.[13]

The GCF allows fast-track accreditation for Adaptation Fund-accredited entities (see above). Currently 120 entities are accredited, with another 48 entities in the process of finalising the necessary legal arrangements with the GCF. 55% of accredited entities are national, 12% regional, and 33 international entities.[14] **The mandates of a considerable number of accredited entities** are broader than climate change and **include**, *inter alia,* **conservation and sustainable use of biodiversit**y.

3.2.1 Piloting / testing approaches

Building on experiences of the direct access approach of the Kecamatan ('sub-district') Development Program (KDP) in Indonesia funded through government budget allocations, donor grants and loans from the World Bank and the South African Small Grants Facility (SGF) under the

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[8] https://www.adaptation-fund.org/project/taking-adaptation-to-the-ground-a-small-grants-facility-for-enabling-local-level-responses-to-climate-change/

[9] Keen, S. & H. Winkler (2020). Enhanced Direct Access finance in South Africa: SANBI and the Adaptation Fund - An example of transformation in public finance and governance. Research Report for IKI-SNAPFI, UCT, Cape Town, South Africa - https://www.diw.de/documents/dokumentenarchiv/17/diw_01.c.794587.de/background_report_south_africa_enhanceddirectaccess.pdf

[10] SANBI Small Grants Facility (2021). *Policy Brief: Improving Enhanced Direct Access to Climate Finance*. Pretoria, South Africa - https://www.sanbi.org/wp-content/uploads/2022/01/Policy-Brief-Improving-Enhanced-Direct-Access-to-Climate-Finance.pdf

[11] Maertens, P. (2017). *Reflections on the Evolution of the "Direct Access" Concept*. - https://www.adaptation-fund.org/accreditation-panel-reflections-evolution-direct-access-concept/

[12] https://www.greenclimate.fund/sites/default/files/document/governing-instrument.pdf

[13] https://www.greenclimate.fund/about/partners/ae

[14] Ibid.

Adaptation Fund (see above)[15] the **GCF Board approved in 2015 the Enhancing Direct Access (EDA) pilot phase** with a 200 million USD budget to channel climate financing through a dedicated access window for DAEs to subnational public and private organisations in developing countries[16]. Key advantages include[17]:

- Enhanced level of country ownership;
- More effective use of financial resources;
- Stronger involvement of local organisations and other stakeholders; and
- Flexible and context-specific approach.

The EDA pilot aims to finance at least 10 pilot projects and programmes, including at least 4 pilots to be implemented in small island developing States, the least developed countries and African States[18]. **As of March 2019**, one national proposal had been approved for Namibia and one regional proposal for three Caribbean countries.

The "Guidelines for EDA project development"[19], published in December 2020, are primarily intended to support GCF Direct Access Entities (DAEs), National Designated Authorities and all the relevant stakeholders to prepare EDA concept notes and funding proposals. To date, another five national and two regional funding proposals have been approved amounting to approximately 175 million USD, with several others in the pipeline[20].

3.2.2 Experiences and lessons learned

The **Readiness and Preparatory Support Programme (RPSP)** was launched in 2014 for strengthening of capacities for country coordination and to meet fiduciary and environmental and social safeguards, in order to enable countries to directly access the Fund.[21] Until mid 2018, for a total of 142 countries RPSP grants had been approved, amounting to 93 million USD, of which 26 million USD had been disbursed.[22]

An external evaluation in 2019[23] revealed that even for fast-track DAE nominations, the accreditation process took up to four years. The impact of the accreditation process for DAEs has been perceived as negatively affecting country ownership. Inefficiencies and delays have substantially frustrated applicants. Differentiation in the accreditation process is seen as insufficient by many country stakeholders. **Few CSOs have been accredited as DAEs**. The

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[15] GCF Board Meeting (2014). *GCF/B.08/09: Additional Modalities That Further Enhance Direct Access, Including Through Funding Entities*. - https://www.greenclimate.fund/sites/default/files/document/gcf-b08-09.pdf

[16] https://www.greenclimate.fund/eda

[17] GCF 2019. *GCF in Brief: Enhancing Direct Access*. - https://www.greenclimate.fund/sites/default/files/document/gcf-brief-enhancing-direct-access_0.pdf

[18] GCF (2015). *Terms of reference for a pilot phase enhancing direct access to the Green Climate Fund.* - https://www.greenclimate.fund/sites/default/files/document/terms-reference-pilot-phase-enhancing-direct-access-green-climate-fund.pdf

[19] GCF (2020). *Enhancing Direct Access (EDA): Guidelines for EDA project development with the Green Climate Fund. -* https://www.greenclimate.fund/sites/default/files/document/eda-guidebook-en.pdf

[20] https://www.greenclimate.fund/eda

[21] https://ieu.greenclimate.fund/evaluation/rpsp2018

[22] Table II.1 Number and value of approved RPSP grants to countries, by year of first submission. In: Independent Evaluation Unit (IEU). (2018). *Independent Evaluation of Green Climate Fund Readiness and Preparatory Support Programme*. Evaluation Report No. 1, Green Climate Fund, Songdo, South Korea - https://ieu.greenclimate.fund/sites/default/files/document/230321-rpsp-evaluation-main-report-2-column-top-web.pdf

[23] Asfaw, S., C. Jemison, A. Khan, J. Kyle, L. Ottlakán, J. Polvi, D. Puetz, and J. Puri (2019). *Independent Evaluation of the Green Climate Fund's Country Ownership Approach*. Evaluation Report No. 4. Independent Evaluation Unit, Green Climate Fund. Songdo, South Korea - https://ieu.greenclimate.fund/sites/default/files/document/230322-coa-final-report-top-web-isbn.pdf

significant time that it takes for accredited entities to receive their first GCF dollar impinges on countries' abilities to reliably plan. In this regard, the GCF is not serving countries well. **Accredited entities take between 600 and 1,600 days to receive their first GCF dollar**. This wide variation underscores the highly unpredictable nature of accessing GCF resources.

The **Simplified Approval Process (SAP) Pilot Scheme** was launched in October 2017 for low-risk, small-scale climate projects (**up to 25 million USD**, plus minimal environmental and social risks and impacts) primarily to speed up project approval and lower the transaction costs as compared to the regular approval process.[24]

The **first implementation agreement** under the SAP Pilot Scheme was signed in **December 2018** with Namibia's Environmental Investment Fund.[25] As of November 2019, 12 SAP projects had been approved for an amount of 105 million USD in GCF contribution and 35 million USD in co-financing. Currently, there are 80 proposals in the pipeline, at different stages of the SAP process.[26] An IEU assessment[27] concluded that the possibility of having the approval of proposals on a rolling basis would **reduce the project cycle by between 45 to 50 days (roughly 13 per cent** of the current situation).

3.3 ITPGRFA Benefit-Sharing Fund

Benefit-Sharing Fund (BSF) of the International Treaty for Plant Genetic Resources for Food and Agriculture (ITPGRFA, in short **Plant Treaty**) differs from the other funds, as it is intended to receive funds from the plant breeding industry for using material originating from public seed and genebanks.

The Multilateral System (MLS) entered into force in 2004. The core mechanism for benefit-sharing, the Standard Material Transfer Agreement (SMTA), was directly implemented without piloting. Operationalisation of the BSF was initiated in 2008. The first round of the three-year funding cycle of the BSF was fully funded by voluntary contributions of Contracting Parties to the Plant Treaty and implemented based on the Funding Strategy for the implementation of the Plant Treaty[28].

3.3.1 Piloting / testing approaches

In November 2008 organisations were **invited to submit pre-proposals through the Treaty NFPs of their countries**. After screening of the more than 400 pre-proposals by the Bureau of the Governing Body, 64 organisations from 39 Contracting Parties in six different FAO regions were invited to submit full proposals. The 45 full proposals received on time were appraised by a panel of experts nominated by the Bureau. **In May 2009, 11 small-scale projects** submitted by organisations based in developing countries in four different FAO regions **with a maximum individual budget of 50,000 USD (amounting to a total portfolio of 543,000 USD) were approved**. Initial disbursements in December 2009 allowed project implementation over 2 years in 2010/2011. Executing agencies were either national agricultural research institutes, universities, NGOs or national gene banks. **Most of the projects were carried out within the**

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[24] https://www.greenclimate.fund/projects/sap

[25] https://www.greenclimate.fund/news/gcf-funding-agreement-with-namibia-first-under-new-simplified-approach

[26] https://ieu.greenclimate.fund/evaluation/sap2020

[27] Gonzales, M., D. Horikoshi, E. Mokgano, J. Puri, and C. Volonte (2020). Independent Assessment of the GCF's Simplified Approval Process Pilot Scheme. Evaluation Report No. 7, June 2020. Independent Evaluation Unit, Green Climate Fund. Songdo, South Korea. - https://ieu.greenclimate.fund/sites/default/files/evaluation/sap-executive-summary.pdf

[28] ITPGRFA (2011). *Funding Strategy of the International Treaty for Plant Genetic Resources for Food and Agriculture*. - https://openknowledge.fao.org/server/api/core/bitstreams/8ad9a8f7-6c25-4b2e-bf91-2eb67ac82e25/content

framework of ongoing research and development programmes which triggered substantial multiplier effects and allowed for quick and tangible results.[29]

3.3.2 Experiences and lessons learned

A report of the Treaty Secretariat concluded that "There is a **strong potential for producing long lasting impact** beyond the duration of the first round of the project cycle of the BSF. The **sustainability of projects** funded was assessed considering factors such as involvement of key stakeholders in project activities, the contribution of project activities to national and regional policies, existing as well as new collaborations established for the realisation of the activities, and additional funding sources that the executing entities were able to secure."[30]

The first funding round served as a **pilot phase for the BSF operating model**, with the 15 lessons learned[31] providing the blueprint for subsequent funding cycles regarding:

- **Operational efficiency**: Streamline calls, screening, appraisal, and contracting processes
- **Governance quality**: Strengthen expert review, conflict-of-interest rules, and decision-making structures
- **Institutional maturation**: Build support services, clearer procedures, and stronger Secretariat capacity

3.4 Global Fund

The Global Fund, officially **The Global Fund to Fight AIDS, Tuberculosis and Malaria** is an international financing and partnership organization that aims to "attract, leverage and invest additional resources to end the epidemics of HIV/AIDS, tuberculosis and malaria to support attainment of the SDGs. The Global Fund is the world's largest multilateral funder of global health grants in low- and middle-income countries, disbursing over 69 billion USD to countries since 2002[32]. Since the Global Fund was created in 2002, public sector contributions have constituted 95 percent of all financing raised; the remaining 5 percent comes from the private sector. The Global Fund primarily acts as a financing mechanism rather than an implementing agency. Countries implement programs, while the Global Fund finances, monitors, evaluates, and scales successful approaches.

The Board sets the strategy, governs the institution and approves all funding decisions. It includes members from donor and implementer governments, non-governmental organizations, the private sector, private foundations and affected communities.[33]

Whether a country or region is **eligible for Global Fund support** is determined **by its income classification and disease burden**[34], as detailed in the Global Fund's Eligibility Policy[35], and are allocated to countries based on the funds available during a 3-year grant cycle[36].

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[29] Secretariat of the ITPGRFA (2013). *Report on the First Round of the Project Cycle of the Benefit-sharing Fund*. FAO, Rome - https://openknowledge.fao.org/server/api/core/bitstreams/0f73b074-3e2a-4752-be3c-641f5d9e9d8e/content
[30] Ibid.
[31] Ibid.
[32] https://www.theglobalfund.org/en/about-the-global-fund/
[33] Ibid.
[34] https://resources.theglobalfund.org/en/grant-life-cycle/eligibility/
[35] The Global Fund (2024). *The Global Fund Eligibility Policy* - https://resources.theglobalfund.org/media/7443/core_eligibility_policy_en.pdf
[36] https://resources.theglobalfund.org/en/grant-life-cycle/sources/

3.4.1 Piloting/testing approaches

Piloting/testing approaches are generally proposed through country coordinating mechanisms and aligned with national priorities.

The piloting approach typically follows four stages:

1. **Identification of promising innovations**: New technologies, delivery models, financing approaches, or health interventions are often developed by partners such as World Health Organization, Unitaid, research institutions, or country programs. Examples include new HIV medicines, tuberculosis diagnostics, malaria nets, digital health tools, and community-led service models.
2. **Demonstration or pilot implementation:** Selected countries test innovations under real-world conditions to generate evidence on effectiveness, cost, feasibility, and equity. Pilots are often funded jointly with partners and implemented through existing Global Fund grants.
3. **Evaluation and learning:** Results are assessed through grant monitoring, operational research, thematic evaluations, and independent reviews.[37] The Global Fund's Technical Evaluation Reference Group (TERG) has conducted reviews of how innovations are deployed and scaled.
4. **Scale-up through regular grants:** Once evidence is established, the Global Fund uses its large financing capacity to introduce innovations across many countries.

A typical example is the **Malaria Vaccine Implementation Programme (MVIP)** which took place in Kenya, Ghana and Malawi over a **two-year period.** Following its investment of around 700 million USD in the development of a malaria vaccine, GSK donated up to 10 million doses for the pilot programme. **Gavi, the Global Fund and Unitaid together committed nearly 70 Mio USD to fund the pilot**. Ministries of Health in Ghana, Kenya and Malawi implemented the pilots, in coordination with WHO. The pilots provided an opportunity to evaluate the feasibility of delivering four doses of the vaccine in real-life settings, where the vaccine was successfully rolled **into existing immunisation programmes**, widely accepted by both caregivers and healthcare workers, and reduced hospitalisations from severe malaria by 30%. As a result, a Gavi news release in October 2021 announced the WHO recommendation for wider use of the vaccine developed by GSK.[38]

3.4.2 Experiences and lessons learned

Rather than maintaining a permanent pilot facility, the Global Fund uses **targeted demonstrations and operational learning** embedded in larger grants to determine which innovations should be rolled out across its portfolio of more than 100 countries. If successful, they are incorporated into routine country grants and national strategies.

3.5 GAVI

Gavi, the Vaccine Alliance (Gavi), is an international organisation created in 2000 to improve access to new and underused vaccines for children living in the world's poorest countries.[39] The Alliance comprises major public and private stakeholders in immunization. It includes developing country and donor governments, the WHO, UNICEF, the World Bank, the vaccine industry in industrialised and developing countries, research and technical agencies, civil society, the Bill & Melinda Gates Foundation and other philanthropists.[40] Its public-private partnership model

[37] https://www.theglobalfund.org/en/iel/evaluations/

[38] https://www.gavi.org/news/media-room/gavi-unitaid-and-global-fund-welcome-who-recommendation-worlds-first-malaria

[39] https://www.gavi.org/about/

[40] https://healthimplementation.undp.org/the-partnership/the-undp-gavi-partnership/about-gavi/

allows to capitalize all stakeholders' comparative advantages and its business model draws on the individual strengths of the Alliance partners[41]. Gavi pools demand for vaccines from the world's poorest countries, guarantees long-term, predictable funding, and brings prices down. A cornerstone of this model is Gavi's efforts to improve the health of markets for vaccines and other immunizations.[42]

Governments from eligible countries work with local partners to complete an application for support from the GAVI Fund for periods which may extend up to 5 years. Applications are then submitted to the GAVI Secretariat and reviewed by the Independent Review Committee. The GAVI Board reviews the recommendations of the Independent Review Committee and submits its award recommendations to the Executive Committee of the GAVI Fund for final decision and allocation of funds. The GAVI Board approves applications for funding from eligible countries on a continuous basis. Funds are used either for the purchase of supplies or transferred directly to countries.[43]

Eligibility for Gavi support depends on countries' gross national income (GNI). Gavi-eligible countries can apply for new vaccine support, and health system and immunisation strengthening (HSIS) support. From the beginning of Gavi support, governments are expected to co-finance vaccines by financing a share of the needed doses. Gradually, as national income levels grow, **co-financing levels for governments** increase[44]. Gavi sets specific criteria for each type of support, as outlined in the **Gavi support guidelines**[45].

3.5.1 Piloting/testing approaches

For vaccines that require new delivery strategies, Gavi often funds **limited pilot or "demonstration" projects in selected districts or regions before national rollout.** The HPV demonstration programme and the malaria vaccine pilot programme are the strongest examples of formal piloting within Gavi and provide **useful models for how global funds can test innovations before large-scale implementation**:

- Because **Human Papillomavirus (HPV) vaccination programmes** target adolescent girls rather than infants, countries needed to test new delivery platforms such as school-based vaccination, outreach to out-of-school girls, consent procedures, and community engagement strategies. Gavi therefore financed **HPV 2-year-demonstration programmes** in selected districts before approving nationwide introduction.[46]
- The **Malaria Vaccine Implementation Programme (MVIP)** was a large-scale pilot of the RTS,S/AS01 malaria vaccine conducted in Ghana, Kenya, and Malawi **between 2019 and 2023**. The objective was to generate real-world evidence before recommending wider use across Africa. The pilot aimed to vaccinate about 360,000 children per year across the three countries and eventually reached nearly 2 million children.[47]

3.5.2 Experiences and lessons learned

Compared with funds such as the Green Climate Fund or the Adaptation Fund, Gavi's pilots are generally:

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[41] https://www.gavi.org/about/gavis-partnership-model/
[42] https://www.gavi.org/about-us/our-partners
[43] GAVI Alliance (2006). *The GAVI Alliance Accounts Combined Financial Statements for the Year Ended December 31, 2005*. - https://www.gavi.org/sites/default/files/document/financial-reports/GAVI_Combined_Financial_Statements_2005.pdf
[44] https://www.gavi.org/partner-countries/programmatic-policies/eligibility-policy
[45] https://www.gavi.org/programmes-and-impact/our-support
[46] Hanson C.M., L. Eckert, P. Bloem, T. Cernuschi (2015). *Gavi HPV Programs: Application to Implementation*. Vaccines (Basel). https://pmc.ncbi.nlm.nih.gov/articles/PMC4494350/
[47] https://www.theglobalfund.org/en/malaria/

- More operational than institutional.
- **Focused on service delivery** rather than funding modalities.
- Conducted at district or country level rather than country- or fund-wide.
- Linked directly to future scale-up decisions.
- Accompanied by rigorous monitoring and evaluation.

3.6 Unitaid

Unitaid was established in 2006 as an innovative global health financing mechanism. Unitaid is hosted by WHO but maintains its own Executive Board and budget. Its funding model is unusual because it relies heavily on dedicated, predictable revenue streams rather than periodic donor replenishments. The largest and most distinctive source of Unitaid funding is the **airline ticket solidarity levy**, a small charge added to airline tickets in participating countries **generating predictable annual revenue**. Government grants and philanthropic organizations, e.g. the Bill & Melinda Gates Foundation, supplement the levy-based financing and support specific strategic priorities. This allows Unitaid to:

- Take risks on unproven innovations.
- Fund multi-year demonstration projects.
- Invest in market shaping before large-scale demand exists.
- Support operational research and evidence generation.
- Exit projects once larger funders take over.

Unitaid proactively **collaborates within the global health space**, and much emphasis is placed on detailed explorations of the landscape and players as part of the area for intervention development process, which is central to identifying Unitaid's niche within specific technical areas.[48]

3.6.1 Piloting / testing approaches

Based on the information provided on more than 100 project cards[49] **typical Unitaid pilots** can be characterised by:

- Multi-country implementation;
- 3–6 year duration;
- 5–30 million USD investment size;
- Focus on market barriers and evidence generation;
- Explicit transition pathway to scale-up partners such as The Global Fund, governments, or procurement agencies.

3.6.2 Experiences and lessons learned

Where adaptations to the model have been made to increase agility and speed up decision making (in the form of UnitaidExplore), concerns have emerged about the impact on accountability and oversight in terms of consultation and inclusion.50

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[48] Walker, D., T. Shorten, G. Tu-Thanh, E. Gardiner, C. Strachan, D. Whitaker, M. Maragno, M. Miles, K. Satish, H. Hetherington, B. Lewis & J. Gautron (2021). *Unitaid Strategy Review 2017–21 Final Report Vol. 1: Main report* - https://unitaid.org/uploads/Unitaid-2017-2021-Strategy-Review_Final-Report_Vol-1-Main-Report.pdf

[49] https://unitaid.org/projects/

[50] Walker, D., T. Shorten, G. Tu-Thanh, E. Gardiner, C. Strachan, D. Whitaker, M. Maragno, M. Miles, K. Satish, H. Hetherington, B. Lewis & J. Gautron (2021). *Unitaid Strategy Review 2017–21 Final Report Vol. 1: Main report* - https://unitaid.org/uploads/Unitaid-2017-2021-Strategy-Review_Final-Report_Vol-1-Main-Report.pdf

4 Incentives for private sector engagement

Key Insight: For most private investors, the strongest incentives are risk reduction, improved returns through concessional finance, access to emerging markets, and the ability to leverage public capital. Reputational and ESG benefits are often important, but they rarely drive investment on their own; they typically complement a commercially viable investment proposition.

Unlike philanthropic giving, industry participation is mostly linked to a strategic business rationale. The strongest incentives are typically **market creation, technology de-risking, supply-chain resilience, and support for corporate transition strategies**, with reputational benefits serving as a secondary consideration.

4.1 Health Funds

Private-sector actors contribute to global health funds for a mix of commercial, strategic, reputational, and societal reasons. The incentives generally fall into the following categories:

- **Reputation and ESG Objectives:** Contributions demonstrate commitment to global public goods, health equity, and sustainable development. This can strengthen corporate reputation with consumers, investors, employees, and regulators.
- **Market Development:** Health investments can help create healthier populations and stronger health systems, which in turn support economic growth and future markets for goods and services. This is particularly relevant for pharmaceutical, biotechnology, diagnostics, insurance, and healthcare companies.
- **Risk Reduction:** Global health threats such as pandemics, antimicrobial resistance, and infectious disease outbreaks can disrupt supply chains, workforces, and consumer demand. Contributions help reduce systemic business risks.
- **Public-Private Partnership Opportunities:** Funds such as The Global Fund and Gavi, the Vaccine Alliance, provide opportunities for companies to engage in partnerships, innovation initiatives, procurement programs, and technical collaborations with governments and international organizations.
- **Influence and Strategic Engagement:** Major contributors may gain access to policy dialogues, advisory bodies, stakeholder forums, or partnership networks. While they do not typically control funding decisions, participation can improve understanding of emerging health priorities and markets.
- **Employee Engagement and Talent Attraction:** Demonstrating social impact can improve employee morale and help attract and retain talent, especially among younger professionals who value corporate purpose.
- **Philanthropic and Corporate Citizenship Goals:** Many firms have foundations or corporate giving programs with explicit mandates to support health, development, or humanitarian objectives.
- **Innovation and Learning:** Engagement with global health funds can provide opportunities to test new technologies, financing mechanisms, delivery models, or digital health solutions in partnership with governments and development organizations.
- **Tax Benefits:** In some jurisdictions, charitable contributions may qualify for tax deductions or other fiscal incentives, although these are usually a secondary motivation.
- **Sector-Specific Benefits:** Different industries derive different value:
    - Pharmaceutical and biotech companies: expanded vaccine and medicine access, product introduction, and health-system strengthening;
    - Insurance and financial firms: more stable and resilient health systems;
    - Technology companies: opportunities for digital health, data systems, and supply-chain solutions;
    - Employers with large workforces: healthier workers and communities.

Experience from funds such as The Global Fund, Gavi, and the Pandemic Fund suggests that private-sector contributions are most likely when:

- The **business case** is clear;
- Contributions are linked to **measurable impact**;
- Governance is transparent and credible;
- Contributors receive visibility and recognition;
- The partnership **reduces risks** that affect business operations.

4.2 Climate Funds

Industry engagement in global climate funds generally falls into three categories:

- **Financial contribution:** Reputation, sustainability commitments, policy engagement;
- **Co-investment in projects:** Risk reduction and commercial returns;
- **Technology and implementation partnerships:** Market creation, innovation, and future business opportunities.

The **GCF's Private Sector Facility**, for example, supports renewable energy deployment, climate-resilient agriculture, green cities, and sustainable infrastructure. Industry benefits from concessional finance and risk-sharing mechanisms.

4.3 Other Funds

4.3.1 The Lion's Share Fund

The Lion's Share Fund **was launched in 2018 seeking to raise 100 Mio USD per year** within three years, with the money to be invested in a range of wildlife conservation and animal welfare programs to be implemented by United Nations and civil society organizations[51]. Several features resemble a soft-launch or proof-of-concept approach:

- **Governance and funding mechanisms evolved after launch**: The Fund was established within UNDP's Multi-Partner Trust Fund architecture and subsequently developed its funding windows, eligibility criteria, and steering arrangements.[52] The Fund established a joint steering committee that took decisions on priority programs.[53]
- **Founding partners tested the contribution model first**: Before broad outreach to advertisers, the initiative started with a small group of founding partners including Mars, BBDO, Nielsen and later The Economist Group, demonstrating that companies were willing to contribute 0.5% of media spending on advertisements featuring animals[54]. 5 new partnerships and several high-level outreach events in 2019[55] and grew to 18 partners in 2020[56].

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[51] https://www.prnewswire.com/news-releases/united-nations-development-programme-announces-the-lions-share-fund-with-founder-finch-and-founding-partner-mars-to-tackle-crisis-in-wildlife-conservation-and-animal-welfare-300669754.html
[52] https://mptf.undp.org/fund/lns00
[53] https://www.prnewswire.com/news-releases/united-nations-development-programme-announces-the-lions-share-fund-with-founder-finch-and-founding-partner-mars-to-tackle-crisis-in-wildlife-conservation-and-animal-welfare-300669754.html
[54] Ibid.
[55] The Lion's Share Fund (2019). *2019 consolidated report*. - https://mptf.undp.org/sites/default/files/documents/35000/2019_lions_share_tf_consolidated_narrative_report.pdf
[56] The Lion's Share Fund (2020). *2020 fund report*. - https://mptf.undp.org/sites/default/files/documents/40000/tls009_fund_annual_report_2020_v4.pdf

- **Initial funds were disbursed to a limited portfolio of projects**: During its first years, the Fund financed a relatively small number of conservation activities, such as anti-poaching efforts in Mozambique and habitat protection in Sumatra. These early investments helped demonstrate the feasibility and visibility of the model before expansion[57].

By the end of 2022. the Fund had raised in total 6.5 million USD, not even close to its ambition. In 2023 it was decided to end "The Lion's Share Fund in its current configuration and composition of partnerships including UNDP"[58].

Potential company incentives were obviously not sufficient for raising the funds as envisioned in 2018 by its founders. These included:

- brand reputation and ESG positioning;
- alignment with corporate sustainability commitments;
- stakeholder and investor expectations;
- industry leadership and recognition (positive media coverage, recognition within industry networks, and opportunities to participate in high-profile UN and sustainability events;

In the final report of 2023, the possibility of a continuation of the fund under the leadership of one of its founders is mentioned, but there is no information available about such an institutional succession.

4.3.2 UN Road Safety (Trust) Fund

Recognizing the importance of improving road safety, the UN General Assembly in April 2016 adopted Resolution 70/260[59], requesting the Secretary-General to consider the possibility of establishing, from voluntary contributions, a road safety trust fund, to support the implementation of road safety-related SDGs. Pursuant to this resolution, with the support of the Secretary-General, the **United Nations Road Safety Fund (UNRSF)** was established in 2018 as a UN Multi-Partner Trust Fund.[60] It gathers ten participating UN organizations (UNDP, UNEP, UN-Habitat, UNICEF, WHO and the five regional commissions), governments, multilateral development banks, private sector, academia and civil society.[61]

By 2025, a total of 36.5 million USD[62] was raised -- of which 74% was contributed by the private sector,[63, 64]such as car/motorbike, tyres, automotive, oil, insurance, eyeglasses.

- **Early operational testing:** Although there was no pre-launch pilot, the Fund effectively used its **first funding cycle (2019)** as a learning phase (5 Mio USD by private sector out of 7 million USD in total pledges[65]). Early grants were used to establish the Fund's governance arrangements and test project selection criteria, partnership model, and

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[57] https://iccwbo.org/news-publications/news/icc-joins-the-lions-share-fund-to-harness-private-sector-leadership-to-protect-wildlife-habitats-2/

[58] The Lion's Share Fund (2023). *2023 annual and final narrative report*. - https://mptf.undp.org/sites/default/files/documents/2024-05/2023_narrative_report_the_lions.pdf

[59] https://docs.un.org/en/A/RES/70/260

[60] https://unece.org/about-un-road-safety-fund

[61] UNRSF (2020). A world where roads are safe for every road user, everywhere. - https://unece.org/sites/default/files/2021-07/UNRSF_brochure_July1_150dpi_0.pdf

[62] UNDP Multi-Partner Trust Fund Office (2025). *UN Road Safety Trust Fund Financial Reporting on Sources and Uses of Funds For the period ending 31 December 2025* - https://mptf.undp.org/sites/default/files/documents/2026-05/un_road_safety_trust_fund_rds00_2025_suof.pdf

[63] https://unece.org/donors-2

[64] https://roadsafetyfund.un.org/trust-fund-contributors-2018-2025

[65]UNDP Multi-Partner Trust Fund Office (2018). Consolidated Annual Financial Report of the Administrative Agent for the UN Road Safety Trust Fund for the period 1 January to 31 December 2018. - https://mptf.undp.org/sites/default/files/documents/30000/unrstf_annual_financial_report_2018.pdf

catalytic financing approach. The inaugural **call for proposals** received 73 project submissions covering 52 countries. The Steering Committee selected **five pilot projects with a budget ceiling of 200,000 USD, each for an implementation period of 12 months in 2019/2020**, in eight countries with a strong focus on low- and middle-income countries. Projects were implemented through UN partner organisations, such as UNICEF, UN-Habitat and WHO, together with the relevant national ministries and agencies[66, 67].

- **Private-sector contributions are generally motivated** by a combination of business, reputational, regulatory, and societal incentives. The incentives differ across sectors (automotive, insurance, logistics, technology, infrastructure, consumer goods):
    - Risk reduction and business continuity;
    - Corporate sustainability and ESG objectives;
    - Reputation and social licence to operate;
    - Market development;
    - Influence and participation in policy dialogues;
    - Alignment with core business;
    - Collective action and leverage;
    - Anticipating regulation.

[66] UN Road Safety Trust Fund Secretariat (2018). *2018 Narrative Report*. - https://mptf.undp.org/sites/default/files/documents/30000/unrstf_narrative_annual_report_2018.pdf

[67] UNRSF (2020). 2019 Annual Report. - https://mptf.undp.org/sites/default/files/documents/35000/2019_annual_narrative_and_finanical_report_unrsf_final_for_gw.pdf

5 Annex: Overview on piloting and testing approaches of analysed global funds

Fund	Main Purpose of Piloting	Typical Pilot Design	Typical Pilot Budgets	Typical Pilot Duration	Typical Role of Business / Industry in Pilots	Scale-Up Pathway
Adaptation Fund	Test innovative adaptation approaches, Direct Access Modalities, and locally led adaptation	Country-led projects with limited geographic scope; innovation grants; (Enhanced) Direct Access modality	0.2–5 million USD for innovation pilots; 5–10 million USD for broader demonstration projects	2–5 years	Primarily implementation partners, technology providers, consultants, insurers; limited direct financing	Successful approaches incorporated into larger national adaptation programmes or replicated through additional financing
Green Climate Fund	Demonstrate innovative climate finance instruments, business models, and institutional arrangements	Pilot programmes through accredited Direct Access entities; readiness grants; project preparation; Enhanced Direct Access modality; phased investments	1–10 million USD for readiness and pilot activities; demonstration projects often 10–50 million USD	2–6 years	Co-financiers, investors, project developers, technology providers, blended finance partners	Scale-up through larger GCF investments, replication by accredited entities, and mobilisation of private capital
Benefit-sharing Fund of the FAO Plant Treaty	Test community-based conservation, sustainable use	Competitive small grants targeting local projects and farmer organisations	Approximately 50,000–500,000 USD per project	2–4 years	Implementation often led by research institutes, NGOs and public agencies	Proven practices mainstreamed into national agricultural programmes or subsequent BSF funding cycles
Lion's Share Fund	Demonstrate innovative private-sector financing for biodiversity through voluntary contributions linked to advertising	Portfolio of catalytic grants for biodiversity and coexistence projects	Several hundred thousand to about 2 million USD per project	2–4 years	Central funding source through voluntary contributions from brands, advertisers, and media companies	Successful models intended for replication through additional private-sector commitments and partner investment

Fund	Main Purpose of Piloting	Typical Pilot Design	Typical Pilot Budgets	Typical Pilot Duration	Typical Role of Business / Industry in Pilots	Scale-Up Pathway
UN Road Safety Fund	Test high-impact road safety interventions and institutional reforms in low- and middle-income countries	Small catalytic grants supporting legislation, enforcement, infrastructure, or data systems	Approximately 100,000–2 million USD	1–3 years	Automotive industry, insurers, logistics companies, employers, and philanthropic partners contribute funding, expertise, or advocacy	Governments and multilateral development banks expand proven interventions through larger investments
The Global Fund	Demonstrate new service delivery models, diagnostics, procurement approaches, or digital solutions	Targeted operational pilots embedded within larger grants; catalytic investments	Commonly 1–20 million USD depending on intervention	1–3 years	In-kind partnerships of pharmaceutical companies, diagnostics firms, logistics providers, digital health companies	Evidence incorporated into subsequent country grants and national health strategies
Gavi, the Vaccine Alliance	Test new vaccine introductions, delivery models, market-shaping mechanisms, and financing tools	Country demonstration projects before national rollout; phased introductions	Frequently 1–10 million USD depending on country and vaccine	1–3 years	Vaccine manufacturers supply products, negotiate pricing, provide technical support and market commitments	National expansion supported through Gavi programmes and government co-financing
Unitaid	Generate evidence for innovative health products and delivery models to accelerate adoption	Demonstration projects with rigorous evaluation in selected countries	5–30 million USD; some exceed 50 million USD	3–5 years	Medical technology firms, pharmaceutical companies, diagnostics manufacturers, licensing partners	Transition to procurement by governments, implementation partners, or organisations such as the Global Fund and Gavi