

# Deep Dive into TerraFund



WORLD  
RESOURCES  
INSTITUTE



Foundation



Realize  
Impact  
Investments



AFRICA  
TREES



ONETREEPLANTED

**TerraFund**  
for **AFR100**

# Restoration Improves Ecology & Economy



**AGROFORESTRY TREES  
ON FARMS**



**RESTOCKED NATURAL  
FORESTS**



**WETLANDS &  
PEATLANDS**



**COASTAL MANGROVES**



**MIXED WOODLOTS &  
PLANTATIONS**



**URBAN  
FORESTS**



**FRESHWATER BUFFERS**



**REGENERATIVE  
PASTURES**

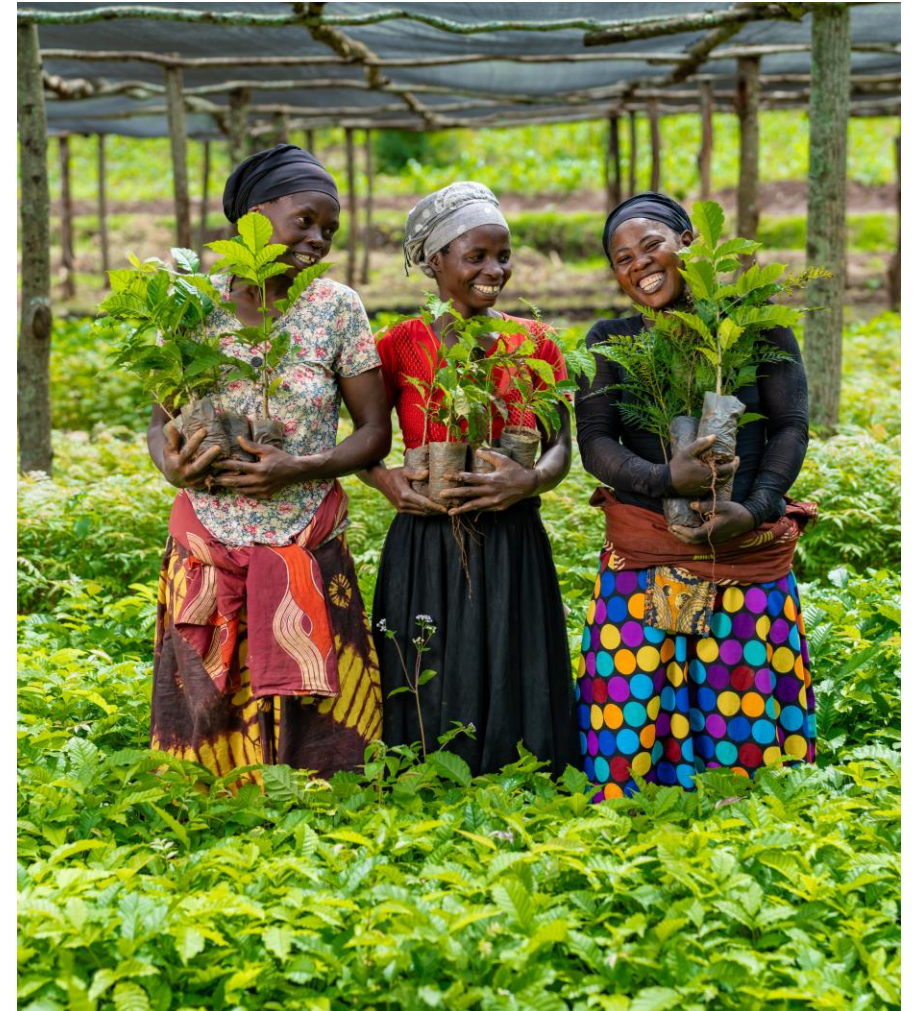
# Local Communities Are Best Equipped to Restore the Land — If We Bridge the Funding Gap

## Local communities are effective

- **Organized** into cooperatives, community forest associations, landowners' groups, enterprises, they **understand the local ecosystem**
- They are **6-20x more likely** to achieve long-term success than their larger peers

## Finance fails to reach them

- Private investors, philanthropies, and development finance institutions face **struggle to identify investment opportunities in restoration**
- Dozens of **existing funds** already active are not set up to support these organizations
- **Due diligence** is too focused on paperwork – and doesn't reward on-the-ground track record



# TerraFund Helps to Close That Gap

- A consortium of **partners** working to find, fund, manage, and monitor local land restoration projects across Africa
- Deploy **patient capital** to community organizations and for-profit enterprises that restore land by growing trees
  - **\$50,000 - \$500,000 USD** ticket size
  - Grants for non-profits, loans and equity investments for enterprises.
  - Exploring how to shift nonprofits to returnable capital using carbon, water and biodiversity "outcome payments"
- All projects **monitor their work** through TerraMatch
- A coalition of ambitious funders supports this work



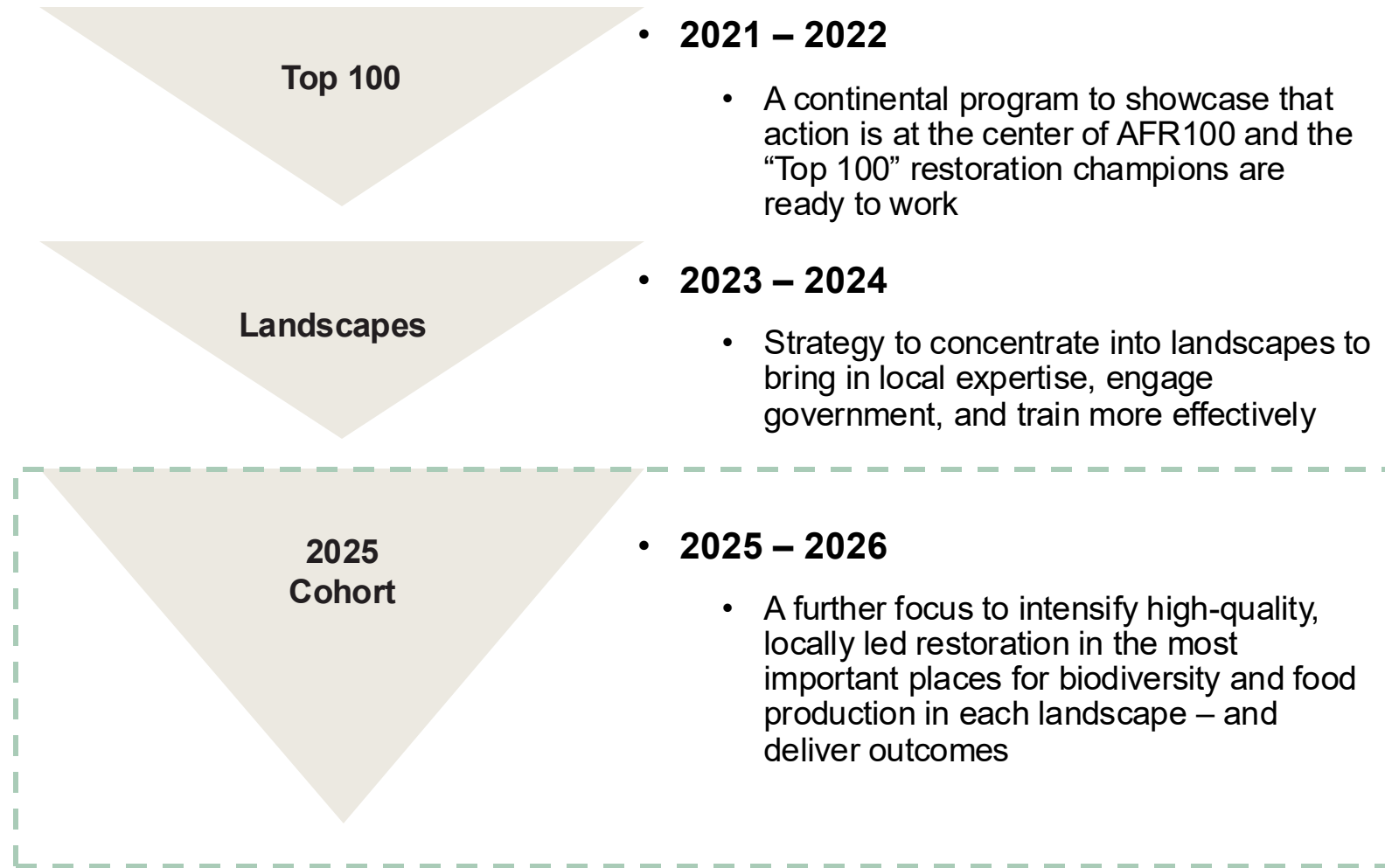
# TerraFund's Mission

TerraFund hopes to scale Africa's restoration economy and champions by:

- Building coalitions of funders to finance a pipeline of high-quality, local, and investable enterprises and non-profits
- Co-creating applications, vetting, training, and funding restoration champions through a standard process
- Targeting restoration in the most importance places for biodiversity, food, and water
- Monitoring the impact of each organization through reported data, AI-driven remote sensing, and structured field visits
- Transitioning leading organizations to sustainable sources of outcome-based finance
- Developing standards and benchmarks for the nascent restoration industry
- Communicating stories from funded projects to inspire action



# Three Cohorts of TerraFund



## Lessons Learned

- We identified top restoration champions in Africa but found that a broad focus did not always translate into landscape-level impact.
- Concentrating efforts within specific landscapes proved more effective, taking advantage of local expertise to deliver high-quality restoration.
- We are now prioritizing the most critical areas for biodiversity and food security to maximize outcomes.
- We are looking to monetize the outcomes of these projects and use the proceeds to fund projects for the long-run.



# About the Partnership

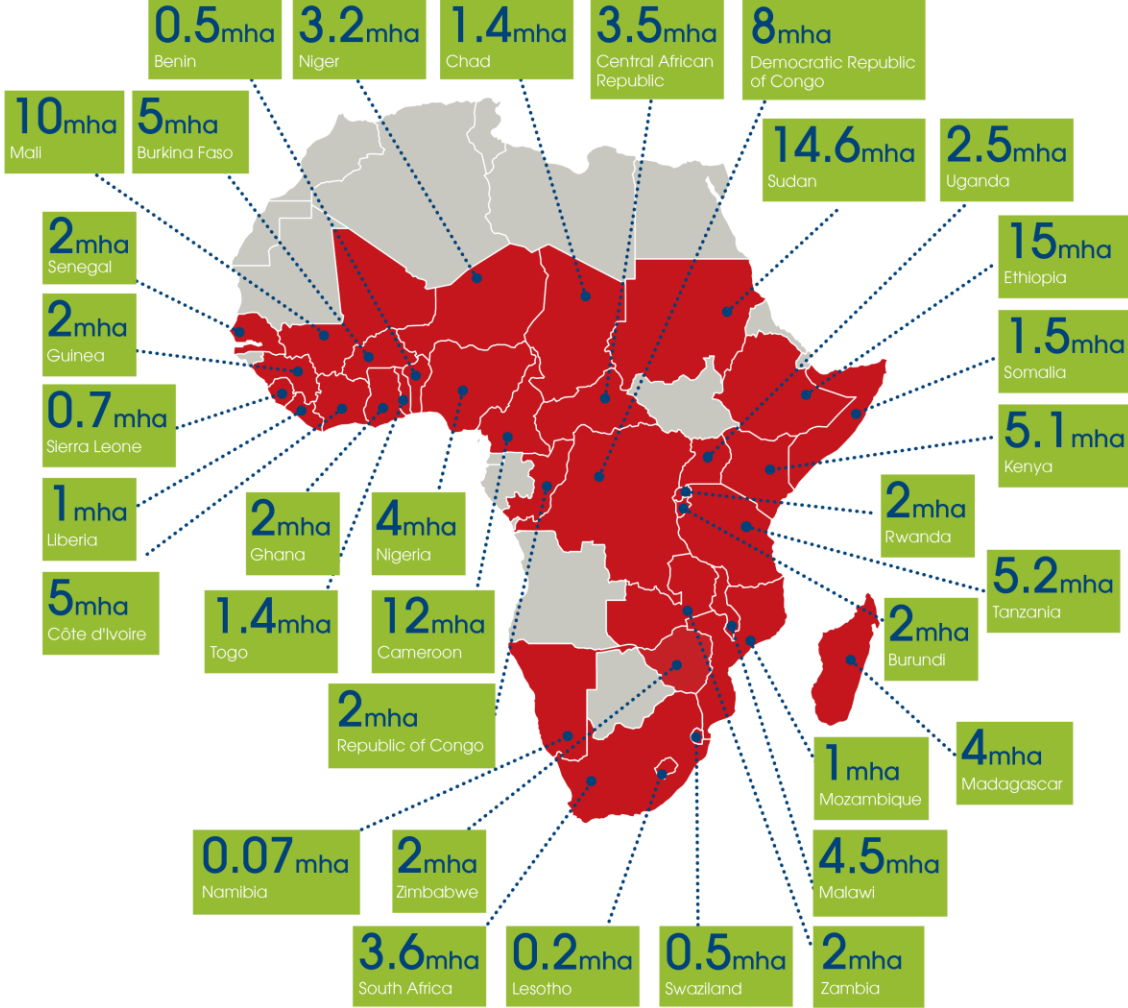
# AFR100: The Continental Movement Led by



Africa restoring  
100 million hectares  
of deforested  
and degraded land  
by 2030

34 countries have committed  
to restore 129.5 million hectares

\$1B in development finance  
\$481M private sector  
commitment



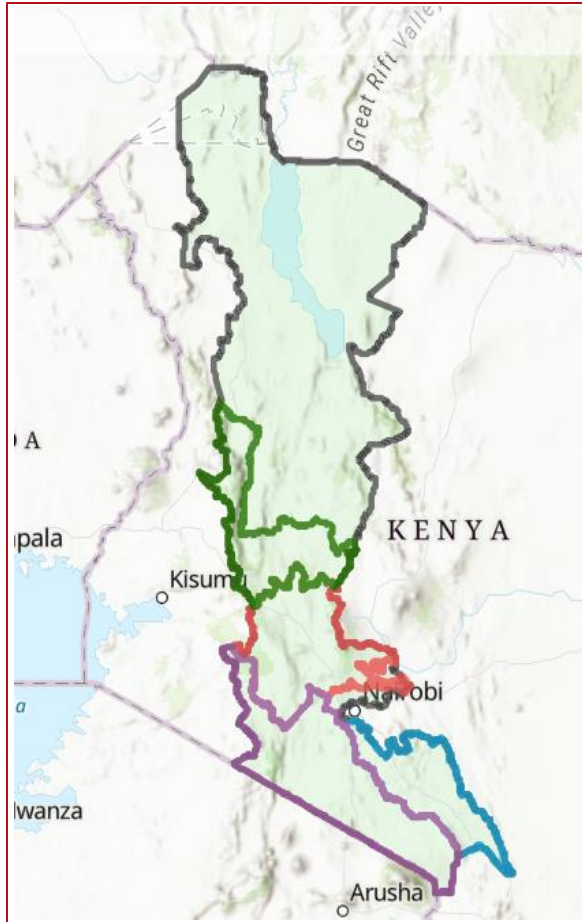
# ***Restore Local Implements AFR100***



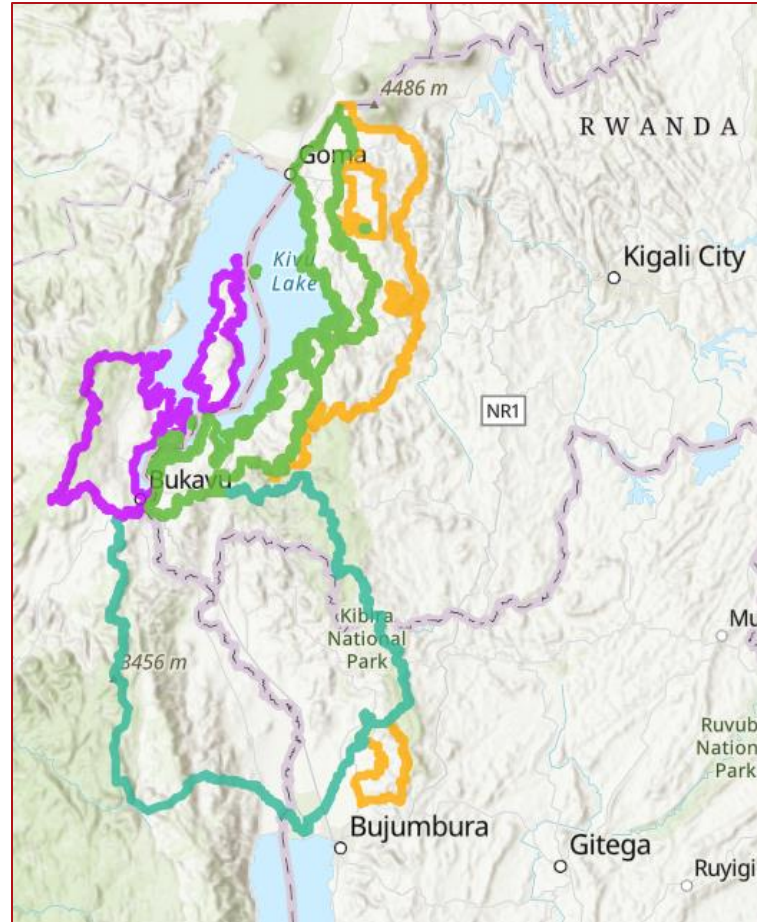
Managed by WRI Africa, Restore Local is an active network of thriving local restoration economies serving the growth and replication of thousands of “Restoration Champions” to revitalize Africa’s iconic landscapes by bringing prosperity to farmers and sustainability to ecosystems.

***TerraFund finances projects in support  
of Restore Local and AFR100.***

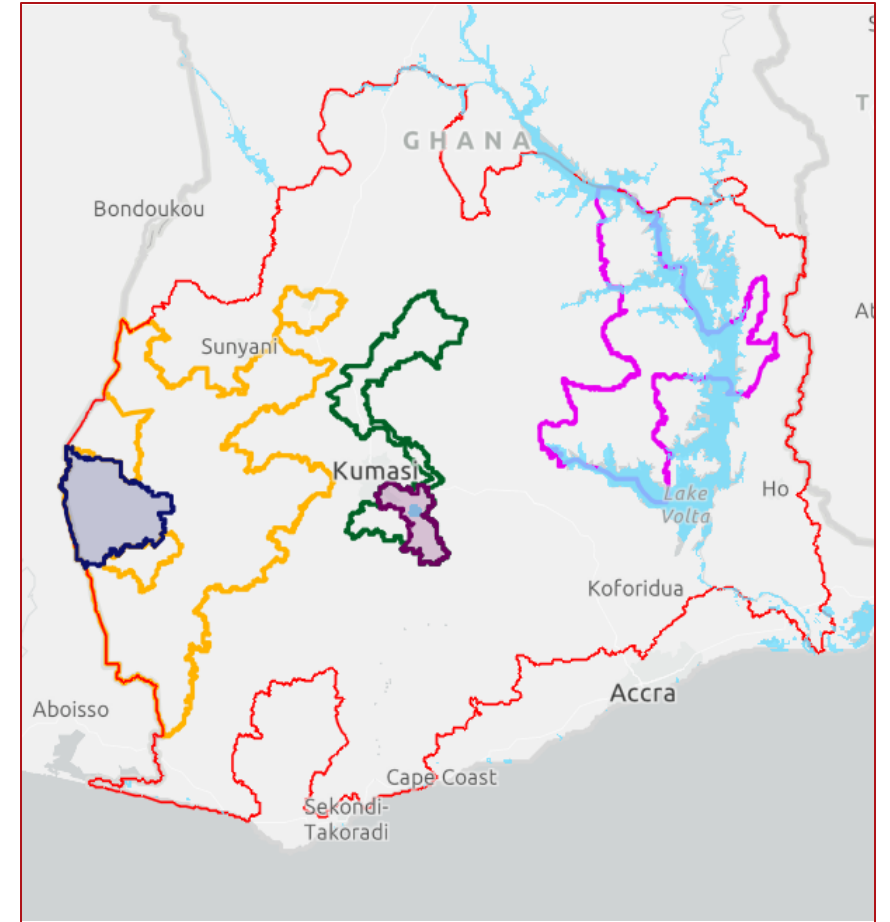
# The TerraFund Target Landscapes



**Greater Rift Valley of Kenya**



**Lake Kivu and Rusizi River Basin**



**Ghana Cocoa Belt**

*...And currently expanding to include Ethiopia*

## The TerraFund Founding Partners



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## Your Contracts Are Managed By:



**AFRICA**  
TREES



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- WRI is a non-profit organization dedicated to meeting people's essential needs, protecting and restoring nature, and stabilizing the climate
- WRI is a founding member of the TerraFund initiative and works in collaboration with its partners to:
  - Raise funds and connect finance to champions
  - Vet, finance, and build capacity of all champions
  - Manage enterprise investments
  - Own and improve the monitoring, reporting, and verification framework
  - Operate the TerraMatch platform, home to applications and monitoring data



## Foundation

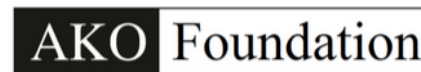
- Vumbuzi Impact Africa (VIA) Foundation is a non-profit organization based in Rwanda that finances & manages land restoration projects across Africa.
- VIA Foundation disburses grant funding to non-profit champions.
- On-the-ground project managers & field coordinators will closely support you through site visits and regularly scheduled check-ins.
- Project managers quality assure biophysical, socioeconomic, and financial data submitted by organizations
- One Tree Planted advises VIA Foundation on grantmaking.



- Africa Trees, a holding company in Mauritius, makes debt and equity investments in for-profit restoration champions.
- Africa Trees is a wholly owned subsidiary company of Realize Impact, a non-profit based in the United States.
- They vet and select enterprises and determine the characteristics of each investment, e.g., interest rate, tenor, company valuation.
- They disburse and collect payment on loans, make equity investments by buying shares, and track the financial progress for all for-profit champions.
- They closely advise each enterprise, working with WRI enterprise managers.

# Our Financial Partners

- They provide finance to the TerraFund consortium to select, fund, manage, and monitor the work of restoration champions (you!)
- They receive regular updates on progress in aggregate, based on your reports.
- We will put you in contact with them, if necessary. Please do not use their logos.



# The Most Vital Partner: Restoration Champions... You!

- You are responsible for **executing TerraFund projects**, in adherence with your contract terms and targets
- You **submit progress reports** every 6 months on TerraMatch for 6 years
- You **support high-quality geospatial polygon collection** for your planting locations
- You **participate in site validation visits** for your project
- You **respond to inquiries and requests** for information quickly and honestly
- You **provide us feedback** on how to improve TerraFund
- You **communicate** about your impact to your community – and the world!

An aerial photograph of a dense tropical rainforest. The forest is a vibrant green, with a thick canopy of trees. In the distance, the forest gives way to a hazy landscape with rolling hills and scattered trees under a sky filled with large, grey clouds. A white rectangular box with a thin red border is centered over the middle of the image, containing the title text.

# How We Build a TerraFund Cohort

# Co-Creating Applications to Ensure Project Success

- Organizations in target landscapes were assessed to determine if they would be invited to apply to a closed call for applications
- Shortlisted organizations were paired with a co-creation focal point
- Applicants invited to co-creation workshops to coordinate with their focal point and peers, where they identified high priority areas for restoration
- Focal points worked with applicants to create high quality applications and submit revisions based on feedback from the vetting process



***Together, the applicants and TerraFund co-creation focal points designed strong project proposals that were well aligned with the program's criteria and priorities***



## a. Organization & Financial Health

**We choose reputable organizations led by experienced leadership.**

- Evaluate **leadership & decision-making**, including for women and young people
- Check **ownership structure** and board of directors
- Dive deep into **financial documentation** (audited, where possible)
- Oversee **project budgets** with caps on indirect costs and details on costs
- Verify past and future **budget, revenue, profit** figures
- Crosscheck past and current **funding sources** and totals



## b. High-Quality Restoration




**We choose knowledgeable organizations that maximize tree survival rate and pick the right species for the right place.**

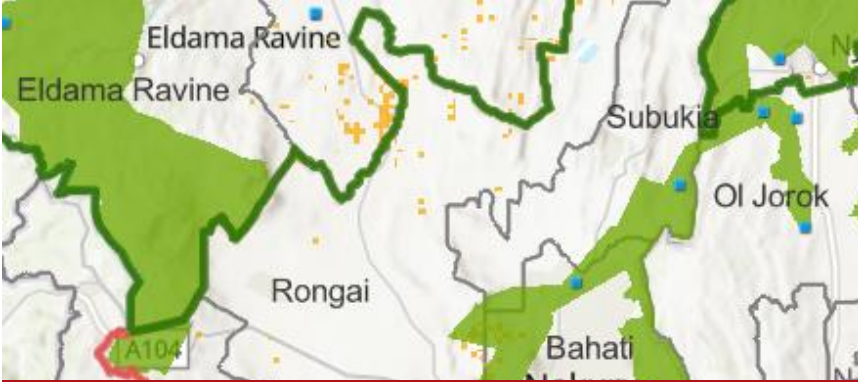
- Provide **multiple benefits**: ecosystem services, socio-economic, and climate
- **Avoid eco-system conversion**
- **Consider drivers** of degradation
- Maximize growth of **native species**
- **Protect rights** and provides safeguards
- **Improve resilience** to climate risk and other hazards
- Include a system for **monitoring and adapting**
- Resource for **long-term sustainability**



## c. Locally Led Restoration

**We invest in local organizations that know their communities the best and can mobilize people to plant, maintain, and monitor trees.**

- Ensure local communities have **agency** to make and influence restoration decisions, and **access to resources** they need (finance, capacity, information)
  - Understand local actors as **equal partners**, not beneficiaries
  - Create a supportive environment for **smallholder farmers**
  - Respect **local community and Indigenous rights** and knowledge
  - Apply the **appropriate restoration** approach for the local context and values
  - Allow **local communities to define their role** in restoration
  - Aim to **address power imbalances** between local communities and power-holding actors, as well as local social imbalances (e.g. gender and class)
- 



## d. Targeted Restoration

**We target restoration in the “most important” places of each landscape.**

- Native species in biodiversity hotspots, wildlife coordinators, protected areas, and community conservation areas.
- Agroforestry trees in agricultural lands to improve yields and limit encroachment
- Bamboo and trees alongside riparian areas and river ecosystems to protect water quality and quantity
- Open-source maps show exactly where restoration can have the most impact and we direct champions to those locations.
- We update these maps with monitoring data to show change across the landscape.



An aerial photograph of a rural village. The landscape is a mix of green fields, some of which are terraced, and scattered small houses with various roof colors. There are dirt paths winding through the area. The overall scene depicts a typical rural settlement in a developing region.

# How We Finance You

## Grants to Non-Profits



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## Investments in Enterprises



# Grant Funding: How It Works

1. NGO is vetted by non-profit experts and signs contract with VIA Foundation.
2. NGO receives a small upfront payment and receives additional tranches throughout project lifecycle. There are 14 standard payments in total.
3. Additional payments are made with each report and set of polygons submitted over 6 years.
4. VIA Foundation and WRI manage and advise each project closely.



# Non-Profit Organizations Only – VIA Foundation

- **14 Standard Payments:**
  - Aligned with your submitted budget at a standard distribution.
  - 3 payments in Year 1
  - 2 payments each in Year 2-6
  - 1 payment after project close, in Year 7
- **Supplemental Payment Incentive:**
  - In Year 5, VIA Foundation may issue you an extra “success” payment if satellite data indicates you have reached your contractual survival rate.
  - Dependent on available funding and the applicability of satellite monitoring data to your project.
- **Termination/Suspension:** Mutual for convenience; VIA Foundation may terminate for cause.
- **Audit:** VIA Foundation has the right to call for a project-specific audit but will pay for it.



to	[INSERT CHAMPION NAME] Attn to [INSERT SIGNATORY NAME], [INSERT SIGNATORY TITLE]
date	[INSERT]
code	[INSERT PROJECT CODE]
subject	Subagreement between Vumbuzi Impact Africa Foundation and [INSERT CHAMPION NAME]

Dear [INSERT CONTACT NAME],

We have the pleasure to inform you that Vumbuzi Impact Africa (VIA) Foundation has awarded [INSERT ORGANIZATION NAME] [FINAL APPROVED FUNDING] in support of a project titled “[CHAMPION NAME’s 2026 TerraFund Project],” starting on January 20, 2026 and ending March 31, 2032.

This grant is provided to enable [CHAMPION NAME] to implement a TerraFund project in [ENTER CLUSTER AND COUNTRY], with the purpose of advancing ecosystem restoration and in consortium with [INSERT ADDITIONAL CHAMPION NAMES]. Enclosed to this letter is the grant agreement to serve as the legal basis of our collaboration.

This Subagreement consists of the body of this Subagreement award letter and its Attachments 1 through 6. Should an inconsistency exist between the body of this Subagreement and/or its Attachments, it shall be resolved by giving precedence in the following order:

- (1) Attachment 1: Scope of Work & Outcomes Targets
- (2) Attachment 2: Budget
- (3) Attachment 3: Payment & Reporting Schedule
- (4) Attachment 4: Monitoring, Reporting, and Verification Requirements
- (5) Attachment 5: Indicator Definitions
- (6) Attachment 6: Consortium Roles & Responsibilities**
- (7) All other Attachments.

Please indicate your acceptance of the award pursuant to the terms of this Subagreement by signing the document.

Yours sincerely,

Assumpta Uzamukunda  
Interim CEO  
VIA Foundation

# Debt Funding: How It Works

1. Entrepreneur is vetted by business experts and signs contract with Africa Trees.
2. Entrepreneur receives the initial investment within weeks and then subsequent tranches according to schedule.
3. Every month, entrepreneur pays back a portion of the loan, starting with interest-only payments.
4. If they pay on time and submit impact reports on TerraMatch, the final payments are forgiven.
  - If you do not report on time, you become ineligible for more funding.
5. Capital is recycled to new enterprises within the portfolio.



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# Debt Funding: How It Works

- **2+ Investments in Debt or Equity:**
  - Each tranche of debt or equity is treated as a separate investment but monitored together.
  - Aligned with your submitted budget.
  - 1<sup>st</sup> tranche upon signature in Year 1
  - 2<sup>nd</sup> tranche eligible 12 months after signature
- **Loan Terms:**
  - 12-60 months, with interest-only period.
  - Interest: 8% USD, 12.5% KES, 14% RWF, 15% GHS.
  - We charge late payments of \$250.
- **Loan Credit Incentive:**
  - TerraFund will apply an annual credit to your loan if you have made all payments on-time and met all reporting and other monitoring requirements.
  - This will lower the balance on your loan every year!

This Promissory Note Agreement ("**Agreement**") is made on \_\_\_\_\_

## **BETWEEN**

**AFRICA TREES LTD**, a company incorporated under the laws of Mauritius, having its registered office at c/o Rogers Capital, Level 3, Rogers Capital House, 5 President John Kennedy Street, Port Louis, Mauritius (hereunder referred to as the "**Lender**")

## **AND**

**COMPANY NAME**, a company duly incorporated in [COUNTRY], with registration number NUMBER, having its registered office at [ADDRESS] (hereunder referred to as the "**Borrower**" or "**Company**").

(Collectively referred to as the "**Parties**").

## **WHEREAS:**

(A) The Company desires to borrow money from the Lender.

## **IT IS HEREBY AGREED AS FOLLOWS:**

### **1. DEFINITIONS AND INTERPRETATION|**

1.1 In this Agreement, unless the context otherwise requires, the following words and expressions and abbreviations shall have the following meanings:

"**Agreement**" means this Promissory Note Agreement as being entered into by the abovenamed parties;

"**Business Day**" means a day (excluding Saturdays, Sundays and any Public Holidays) on which banks generally are open in Mauritius for the transaction of normal banking business;

"**Company**" means [COMPANY];

# Equity Funding: How It Works

1. Entrepreneur is vetted by business experts and signs contract with Africa Trees.
2. Entrepreneur receives the equity investment within weeks.
3. Entrepreneur will use the funds for long-term growth, e.g., building infrastructure or planting seedlings.
4. As an equity owner, TerraFund serves as a close advisor.



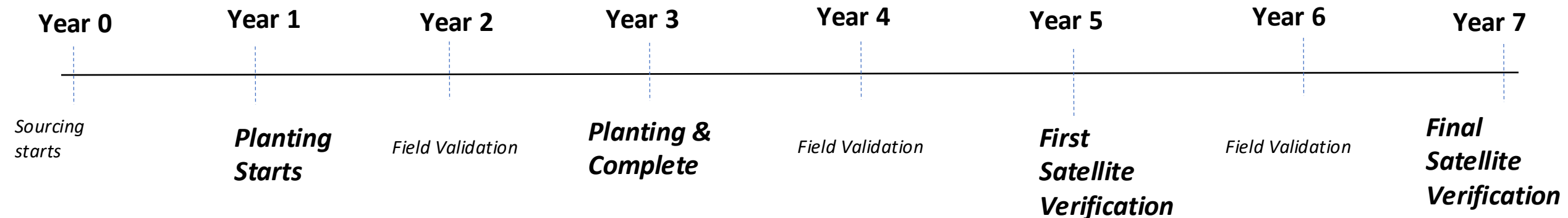
# Equity Funding: How It Works

- **Equity Terms:**
  - **Valuation:** 1.5-2x of your annual "top line" revenues – the company's total revenue or gross sales before any expenses are deducted.
  - **Patient:** No expectation of your company having an "exit."
  - **Ownership Cap:** Africa Trees never purchases more than 33% of a company's total shares and will consult with you before selling its shares to a third party.
  - **Governance:** TerraFund may appoint a member to your company's board of directors.
    - As a partial owner, TerraFund can support your company grow for the long haul!
    - We ask that you consult us on major business decisions, e.g., taking on debt, equity share issuance, major changes to the business.

<b>T</b>	Trailing 12 months revenues (in USD)	
<b>X</b>	X	Valuation multiple
<b>V</b>	$T \times X$	Pre-investment valuation
<b>A</b>	Adjustment due to inventories or other significant assets	
<b>F</b>	Fully Diluted (number of) shares	
<b>P</b>	$\frac{(V + A)}{F}$	Price per share
<b>D</b>	Investment amount	
<b>S</b>	$D \div P$	Number of shares to be purchased, rounded down to the nearest whole number of shares

# Funding is Contingent on Compliance with TerraFund Core Processes

- **Reports:** Impact reports and supporting documentation are collected every 6 months.
  - Expense and financial reports are collected every 12 months.
  - Reports of disturbances, e.g., fire, flood, are collected right after they occur.
  - Supporting documentation is required: land agreements, employee registry, etc.
- **Polygons:** You must collect geolocation data during planting seasons.
- **Site Visits:** Field officers will visit you regularly. We will conduct 3 evaluation visits.



# Your TerraMatch Dashboard: Insights into the TerraFund Impact

The screenshot displays the TerraMatch Dashboard interface. At the top, it says "TerraMatch Dashboards BETA" and "Last Updated on 2025-03-03". Below this are filter buttons for "Landscape: All Data", "Country: Kenya", "Organization Type: All Data", and "Cohort: All Data", along with a "Clear Filters" button. The main content area shows the breadcrumb "TerraFund Top 100 > Kenya > Drylands Agroforestry Tree Planting Project - DNRC". Three key metrics are highlighted: "Trees Planted 162,721", "Hectares Under Restoration 392 ha", and "Jobs Created 159". A project card for "Drylands Agroforestry Tree Planting Project - DNRC" includes a photo of people planting trees and details: "Operations: Kenya", "Registration: Kenya", "Organization: Non-Profit", and "Programme: TerraFund Top 100". An "Objective" section states the goal is to promote sustainable, resilient communities in Kenya's drylands. On the right, a satellite map shows the project area in Mbumbuni, with a legend for "Non-Profit Projects (1)" and "Enterprise Projects (0)". A sidebar on the left contains navigation icons for Dashboards, Project List, Project Insights, Impact Story, Learn More, and EN.

**TerraMatch Dashboards** BETA Last Updated on 2025-03-03

Landscape: All Data | Country: Kenya | Organization Type: All Data | Cohort: All Data | Clear Filters

TerraFund Top 100 > Kenya > Drylands Agroforestry Tree Planting Project - DNRC

Trees Planted: 162,721 | Hectares Under Restoration: 392 ha | Jobs Created: 159

### Drylands Agroforestry Tree Planting Project - DNRC

Operations: Kenya • Registration: Kenya • Organization: Non-Profit • Programme: TerraFund Top 100

#### Objective

Drylands Natural Resources Centre's primary goal is to promote sustainable, resilient communities in the drylands of Kenya. DNRC equips smallholder farmers with skills to restore their degraded land, secure their way of life and make sure they have enough to eat. In the last 11 years, the group has expanded from 27 to 800 farmer households, and from engaging one school to 12.

Mbumbuni

Legend: Non-Profit Projects (1), Enterprise Projects (0)

Map | Satellite

Visit: [www.terramatch.org/dashboard](http://www.terramatch.org/dashboard)



# Our Progress

## Investments in local projects

- \$33M in grants, loans, and equity
- 198 projects financed in 4 years
- 31 countries

## Delivering clear results

- 35.6 million trees planted
- 66,000 hectares under restoration
- 104,000 jobs created
- 454,000 people benefited

**Next up? Your project!**



*Questions?*

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+44 7456 289369

**Thank you!**