

THE RESTORATION INITIATIVE

Impacts of a multi-county Forest and Landscape Restoration Programme united in support of the Bonn Challenge

4 SUSTAINABLE FLR FINANCING

BACKGROUND

Ecosystems around the world are faced with the serious threat of degradation: approximately 30 per cent of the Earth's agricultural land is degraded¹ and over half of the world's tropical forests have been destroyed since the 1960s, affecting 1 billion of the world's poor.² Ecosystem degradation altogether impacts 40 per cent of the world's population, or around 3.2 billion people, and amounts to 10 per cent of global annual economic output caused by the loss of ecosystem services.³

Since 2018, [The Restoration Initiative](#) (TRI) has united nine countries and three leading institutions (IUCN, FAO, and UNEP) to implement 10 projects across Africa and Asia, with support from the Global Environment Facility (GEF). The main goal is to overcome existing barriers to restoration and restore degraded forests and landscapes in support of the Bonn Challenge.

- 1 United Nations Environment Programme (2021). *Becoming #GenerationRestoration: Ecosystem restoration for people, nature and climate*. Available at: <https://wedocs.unep.org/bitstream/handle/20.500.11822/36251/ERPNC.pdf>
- 2 IUCN. "Deforestation and forest degradation," *IUCN Issues Brief* (2021), <https://iucn.org/resources/issues-brief/deforestation-and-forest-degradation#:~:text=Over%20half%20of%20the%20tropical,forests%20to%20provide%20essential%20services>
- 3 IPBES. (2019). *Summary for policymakers of the IPBES Assessment Report on Land Degradation and Restoration*. Available at: https://files.ipbes.net/ipbes-web-prod-public-files/spm_3bi_ldr_digital.pdf

A group of women engaged in honey production, TRI Kenya Tana Delta © UNEP



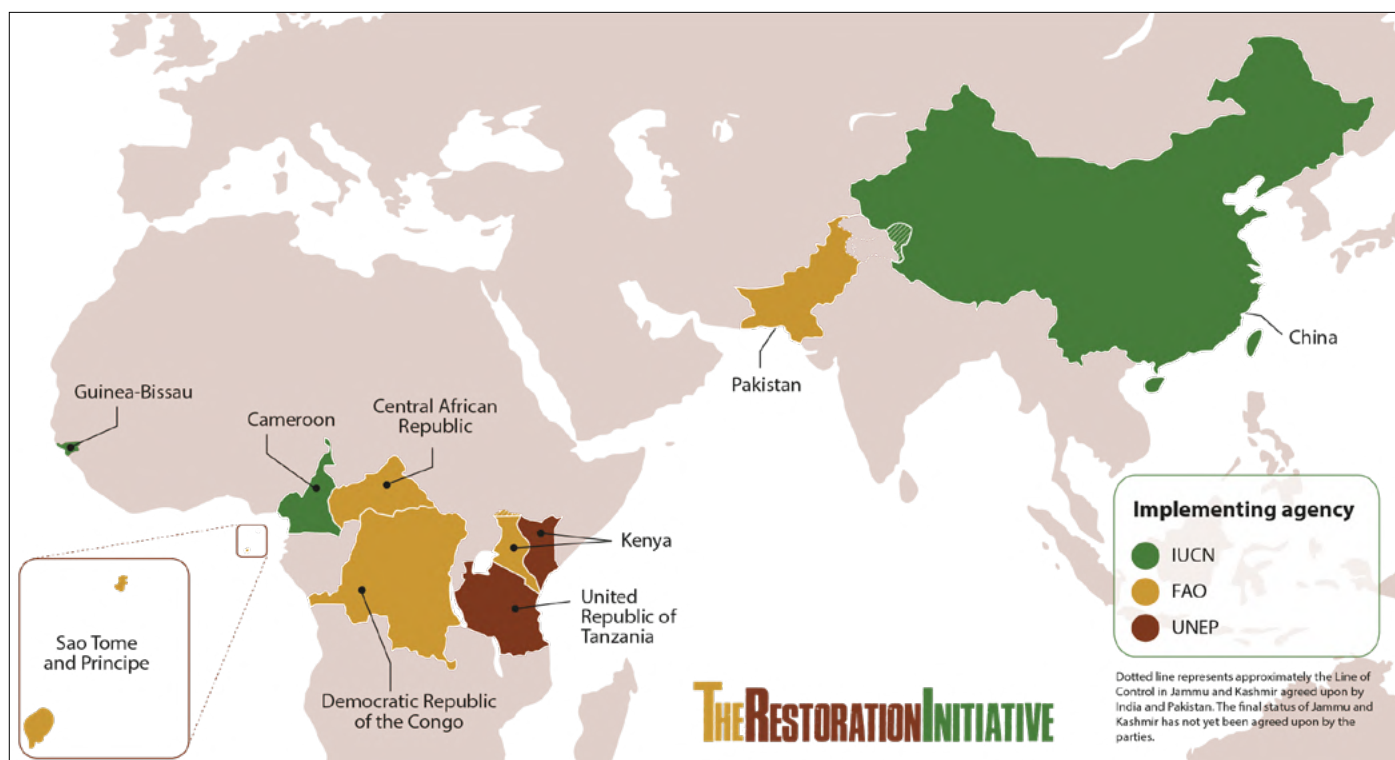


Figure 1: TRI participating countries. The boundaries and names shown on this map do not imply official endorsement or acceptance by the United Nations. Adapted from: Freepik. 2021. Earth map linear composition. Cited on 7 October 2021. [www.freepik.com/free-vector/earth-map-linear-composition_9386670.htm#page=1&query=world%20-The Myanmar project has been suspended since November 2021 due to the political situation](https://www.freepik.com/free-vector/earth-map-linear-composition_9386670.htm#page=1&query=world%20-The%20Myanmar%20project%20has%20been%20suspended%20since%20November%202021%20due%20to%20the%20political%20situation).

To ensure long-term sustainability and ecological integrity, TRI restoration activities are guided by the Forest and Landscape Restoration (FLR) principles, developed by IUCN and further updated in 2018 by the Global Partnership on Forest and Landscape Restoration (GPFLR) (See Figure 2).⁴ Informed by on-the-ground implementation, these FLR principles, along with others tailored for specific ecosystems, helped shape the *Principles for Ecosystem Restoration to Guide the UN Decade 2021-2030*⁵ (hereafter UN Decade Principles). TRI is an outstanding example of large-scale ecosystem restoration that quickly aligned with the global restoration movement led by the UN Decade, as it integrates both UN Decade and FLR principles to restore, enhance, and sustain essential ecological and social functions in priority degraded and deforested landscapes, supporting long-term resilience.⁶

Underpinning these FLR principles is the **landscape approach**. This holistic perspective on restoration considers ecological connections, socioeconomic factors, and stakeholder alignment central to all restoration activities. Instead of focusing on individual sites, this

approach seeks to restore entire landscapes through a continuum of integrated activities across diverse, interacting land uses. This ensures long-term sustainability for the benefit of both nature and people. Additionally, inclusive governance that incorporates Indigenous Peoples and local communities (IPLCs) who own, govern, manage, and/or rely on these resources and territories is a crucial component of the landscape approach.⁷

A successful FLR intervention using the landscape approach would not only involve tree planting but also consider the needs of diverse stakeholders in the planning phase, develop restoration interventions for surrounding ecosystems beyond deforested areas, support local and national policy adoption to strengthen future FLR implementation, address economic drivers of degradation through activities such as income diversification, and prevent future deforestation. TRI provides actionable insights on how a landscape approach can enhance biodiversity, climate resilience, and sustainable development, reinforcing global restoration goals.

4 The Global Partnership on Forest and Landscape Restoration. (n.d.). 'Our Mission.' Available at: <https://www.forestlandscaperestoration.org>

5 UNEP, FAO, IUCN, Society for Ecological Restoration (SER). (2021). *Principles for Ecosystem Restoration to Guide the United Nations Decade 2021-2030*. Available at: <https://openknowledge.fao.org/server/api/core/bitstreams/b234f058-9f77-4481-b870-a7fa2e7ad5f8/content>

6 TRI. (n.d.) 'Restoring Landscapes.' Available at: <https://www.therestorationinitiative.org>

7 Campese, J., Mansourian, S., Walters, G., Nuesiri, E., Hamzah, A., Brown, B., Kuzee, M. and Nakangu, B. (2022). *Enhancing the integration of governance in forest landscape restoration opportunities assessments. Analysis and recommendations*. Available at: <https://portals.iucn.org/library/sites/library/files/documents/2022-032-En.pdf>

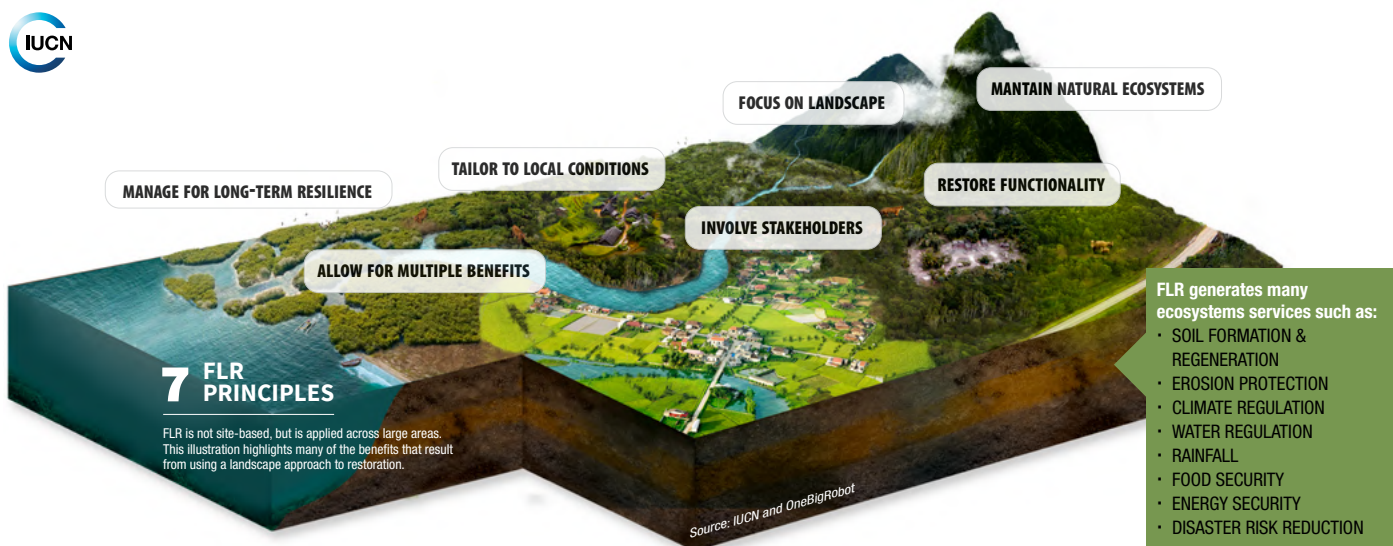


Figure 2: Principles of forest and landscape restoration (FLR). Source: IUCN and OneBigRobot











PURPOSE OF THIS BRIEF

This brief series highlights The Restoration Initiative’s multi-level, long-term impacts. For more than 5 years, TRI has implemented large-scale forest and landscape restoration, uniting nine countries across ten projects in Africa and Asia.⁸ Using the FLR and UN Decade Principles as a framework, this brief series explores TRI’s impacts.

The fourth impact brief features the work of TRI on developing long-term project funding and bankable projects using FLR interventions, captured in Principle 10 of the UN Decade and supported by Principles 2 and 4. Although the ten principles of the

UN Decade are complementary – meaning they should all be considered together when designing and implementing restoration interventions, they should all be considered together, this impact brief specifically focuses on UN Decade Principles 2 (broad engagement), 4 (benefits to nature and people), and 10 (policy integration). The key aspects of these principles are reflected in TRI’s work, as outlined in the box below and described in greater detail in the following section. Together, these principles guide TRI’s approach to creating lasting, adaptable financial systems that support both ecosystem recovery and resilient livelihoods.

THE TEN PRINCIPLES OF THE UN DECADE OF ECOSYSTEM RESTORATION

1		GLOBAL CONTRIBUTION	2		BROAD ENGAGEMENT	3		MANY TYPES OF ACTIVITIES	4		BENEFIT TO NATURE AND PEOPLE
5		ADDRESSING CAUSES OF DEGRADATION	6		KNOWLEDGE INTEGRATION	7		MEASURABLE GOALS	8		LOCAL AND LAND/SEASCAPE CONTEXTS
9		MONITORING AND MANAGEMENT	10		POLICY INTEGRATION						

8 Cameroon, Central African Republic, China, Democratic Republic of Congo, Guinea Bissau, Kenya, Pakistan, São Tomé and Príncipe, and Tanzania.



PRINCIPLE 2

ECOSYSTEM RESTORATION PROMOTES INCLUSIVE AND PARTICIPATORY GOVERNANCE, SOCIAL FAIRNESS AND EQUITY FROM THE START AND THROUGHOUT THE PROCESS AND OUTCOMES

UN Decade Principle 2 focuses on incorporating all stakeholders, right-holders, and especially under-represented groups into restoration opportunities equitably and meaningfully. This is achieved by:

- Securing equal and regular access to information and knowledge;
- Providing effective incentives and improving livelihoods and opportunities for local communities;
- Building dialogue, trust, and mutual respect through inclusive and transparent governance with mechanism for impartial conflict resolution.



PRINCIPLE 4

ECOSYSTEM RESTORATION AIMS TO ACHIEVE THE HIGHEST LEVEL OF RECOVERY FOR BIODIVERSITY, ECOSYSTEM HEALTH AND INTEGRITY, AND HUMAN WELL-BEING

UN Decade Principle 4 reflects on the need to achieve the highest level of recovery for biodiversity, ecosystem health and integrity, and human well-being by providing benefits to nature and people. This can be achieved by:

- Implementing restoration interventions as a means to enhance nature conservation, instead of substituting, particularly in areas with high ecological integrity and high value for ensuring ecological connectivity;
- Ensuring that management practices intended to be restorative should support and assist natural recovery process and not cause further degradation;
- Favouring genetically appropriate germplasm of native species over non-native species that may potentially have or already proven to be invasive should be avoided.



PRINCIPLE 10

ECOSYSTEM RESTORATION IS ENABLED BY POLICIES AND MEASURES THAT PROMOTE ITS LONG-TERM PROGRESS, FOSTERING REPLICATION AND SCALING-UP

UN Decade Principle 10 focuses on enabling ecosystem restoration by policies and measures that promote its long-term progress, fostering replication and scaling-up. This is achieved by:

- Mapping and adapting, where appropriate, all relevant governance instruments (laws, regulations, policies, strategies, and plans), and integrating them in the planning and implementation of projects, programmes and initiatives;
- Coordinating actions among institutions, sectors, and stakeholders;
- Providing capacity-development opportunities to empower the people, organisations, institutions and networks involved in restoration;
- Mainstreaming effective practices to have broad influence and allow replication;
- Identifying, mobilising, and maintaining adequate funding (from government, the private sector, international organisations, or other sources).

Source: <https://openknowledge.fao.org/server/api/core/bitstreams/b234f058-9f77-4481-b870-a7fa2e7ad5f8/content>

By focusing on these key principles, TRI has helped make US \$200,905,581 of financial resources from public, private, and development partners available in support of FLR; and develop and submit 36 bankable restoration projects.⁹ These numbers will likely increase as projects that began at different times continue to progress toward their targets, with many still on track to meet their goals by their respective end

dates.¹⁰ Two case studies in this brief explain how different types of financial strategies have been implemented by project countries to realise these impacts, with a broader overview of Restoration Factory – an innovative incubation program that supports eco-entrepreneurs in TRI country projects developing nature-based businesses.

9 A project is bankable, whether from public or private sources when its risk-return profile meets investors' criteria and can secure financing to implement the project. <https://citiesclimatefinance.org/publications/what-is-bankability>

10 The respective end dates of the TRI child projects are as follows: Cameroon (July 2024), Central African Republic (December 2025), China (December 2023), Democratic Republic of Congo (August 2024), Global Support Project (December 2024), Guinea Bissau (November 2024), Kenya ASAL (March 2025), Kenya Tana Delta (June 2025), Pakistan (December 2024), Sao Tome and Principe (May 2025), Tanzania (December 2026).

WHAT ARE THE PROJECT FINANCE IMPACTS OF TRI?

TRI’s ten country projects varied considerably in terms of landscapes and ecosystems, as well as their diverse initial financial conditions and resource availability. Despite these differences, however, all projects faced common challenges in establishing sustainable financial frameworks and building capacity for long-term FLR investment. Through comprehensive baseline analyses and participatory consultations that involved [Restoration Opportunities Assessment Methodology \(ROAM\)](#), TRI country teams identified key financial obstacles and worked to design strategies for achieving self-sustaining financial models that support both long-term finance for FLR and local income generation.

Recognising shared needs across varied contexts, TRI adopted the FAO’s three-stage FLR investment framework for sustainable financing (see Figure 3).¹¹ This framework is designed to guide projects through (a) **up-front readiness investments** to cover transaction costs and project design, (b) implementation investment to fund operational costs during project execution, (c) sustained financing to secure self-sustaining financial mechanisms for long-term operations.

Each stage involves a range of tailored measures and relies on diverse stakeholders, including investors, donors, and financial instruments. TRI prioritised foundational financial planning and capacity-building aligned

with the early stages of this framework. Initially, significant contributions were made to the readiness and implementation phases by conducting landscape-specific analyses, fostering stakeholder engagement, and establishing supportive policies to build resilient financial pathways.



Seedling planting among community, TRI Cameroon © FOGO John MUAFOR/IUCN

FLR activities covered by the three investment steps

1

Initial up-front investment/ readiness investment

- Analytical work (restoration opportunities assessment, barriers to sustainable forest management [SM] and sustainable agriculture, market potential for PES, etc.)
- Stakeholder participation and engagement
- Planning (specific national strategies, e.g. REDD, bioenergy, forest biodiversity, climate-smart agriculture, etc.)
- Information base (resource assessment, baselines, reference scenarios)
- Monitoring and verification system design
- Development of safeguards and SFM guidelines
- Initial capacity building
- Programme and project design
- Assessing application of responsible investment principles

11 FAO & Global Mechanism of the UNCCD. 2015. Sustainable financing for forest and landscape restoration: Opportunities, challenges and the way forward. <https://openknowledge.fao.org/server/api/core/bitstreams/9f03a4ea-2f11-4d9b-b741-eb7d43b1f5bc/content>

FLR activities covered by the three investment steps (cont'd)

Implementation investment

- Implementation of policy reform (including cross-sectoral impacts on forests and landscapes)
- Strengthening of institutions
- Land-use zoning and planning
- Strengthening of land tenure (demarcation, titling)
- Strengthening of law enforcement
- Restoration of degraded lands and forests
- Strengthening of stakeholder constituencies (smallholders, forest communities, civil society, private sector)
- Infrastructure development
- Scaled-up capacity building
- Education, training and extension for smallholders, farmers, communities, small and medium-scale enterprises, forest managers
- Research and innovation (silviculture, harvesting, utilization)
- Company-community/smallholder partnerships
- Implementation of monitoring and verification systems
- Assessing application of responsible investment principles

Sustained financing

Landscape and forest products and services

- Agricultural and food products
- Timber
- Non-wood forest products
- Ecotourism
- Other services

Payment for ecosystem services (PES) schemes

- REDD payments (sink protection)
- Sink creation payments (afforestation, reforestation, forest management)
- Biodiversity offsets
- Landscape offsets
- Watershed conservation offsets
- Bundled services
- Certification schemes (organic agriculture, ethical biotrade, etc.)

Source: Adapted from Simula, 2008

Figure 3: Three stages of investment for FLR. Source: FAO & Global Mechanism of the UNCCD. 2015. Sustainable financing for forest and landscape restoration: Opportunities, challenges and the way forward. <https://openknowledge.fao.org/server/api/core/bitstreams/9f03a4ea-2f11-4d9b-b741-eb7d43b1f5bc/content>

These efforts have laid the groundwork for the most challenging phase: **achieving sustainable, long-term financial models in alignment with Principle 10 of the UN Decade**. These models aim to attract investment from **public, private, and development sectors while ensuring local communities benefit directly**. TRI's strategic approach, informed by baseline analyses and stakeholder-driven processes, has enabled country teams to build the capacity and structures

necessary for securing **enduring financial support for FLR initiatives**.

While the TRI programme employs a diverse set of strategies for capacity building and policy change, with the eventual goal of the long-term sustenance of financial resources available for FLR initiatives, it uses two core financial indicators to measure and monitor its progress: (1) the total value of financial resources

flowing into restoration from public, private, and development partners, and (2) the number of “bankable” restoration projects developed.

These indicators enable TRI to systematically measure the mobilisation of resources for FLR initiatives and gauge each country’s success in attracting financial support from diverse sources. By embedding financial monitoring into the landscape approach, TRI ensures that its restoration interventions yield environmental and economic benefits. This supports resilience in local communities and aligns with UN Decade Principles 4 and 10, which emphasise the interconnected benefits of restoration for nature and people and the importance of sustainable funding mechanisms.

Mobilising financial resources for restoration

TRI’s financial sustainability goals are grounded in the acute need to raise \$837 billion to successfully achieve the global target of restoring 350 million hectares of degraded and deforested land by 2030 to unlock all benefits related to restoration.¹² Consequently, TRI is committed to supporting and scaling FLR initiatives through multi-source funding that addresses the complex needs of degraded landscapes and communities. Hence, the indicator of the value of financial resources flowing into restoration captures the volume and diversity of funding channelled into restoration efforts, encompassing contributions from (a) public, (b) private, and (c) development partners, measured in US dollars.

This core metric allows TRI to monitor the total financial inflows supporting FLR activities across its project countries. It serves as a vital measure of commitment from various stakeholders in addressing degradation’s ecological and socioeconomic drivers. These investments span grants, private investments, loans, and innovative financial instruments, like first loss guarantees, designed to de-risk and thus attract further private capital for restoration initiatives. **As a result, they constitute the bulwark of sustained finance for diverse sets of new projects, integrating policy and funding mechanisms for a complete restoration (Principle 10).**

By fostering a diverse portfolio of funding sources, TRI’s landscape approach strengthens ecosystem restoration’s financial viability while also empowering local communities through economic incentives, such as payments for ecosystem services (PES), sustainable production, and ecotourism – activities that would eventually support communities to halt economic activities **that would continue ecosystem degradation (Principle 4)**. This is especially important as restoration attracts more private investment, which is expected to form the bulk of the vital scaling up resource when generating direct economic benefits for multiple actors, including companies and local communities, through means such as sustainable and higher agriculture or timber yields.¹³ These funding mechanisms are structured within TRI to support long-term restoration objectives, ensure the flow of resources, and promote sustained environmental impact. **As a result, TRI has contributed to developing financial inflows worth US \$196,874,416 across its project countries** (see Figure 4 and Table 1).



TRI restoration event on National Forest Day, Sao Tomé.
© FAO/Marco Pagliani

12 FAO & Global Mechanism of the UNCCD. 2015. Sustainable financing for forest and landscape restoration: Opportunities, challenges and the way forward. <https://openknowledge.fao.org/server/api/core/bitstreams/9f03a4ea-2f11-4d9b-b741-eb7d43b1f5bc/content>

13 Besseau, P., Graham, S. and Christophersen, T. (eds.), 2018. Restoring forests and landscapes: the key to a sustainable future. Global Partnership on Forest and Landscape Restoration, Vienna, Austria. https://www.forestlandscaperestoration.org/site/assets/files/1137/gpflr_final-27aug.pdf

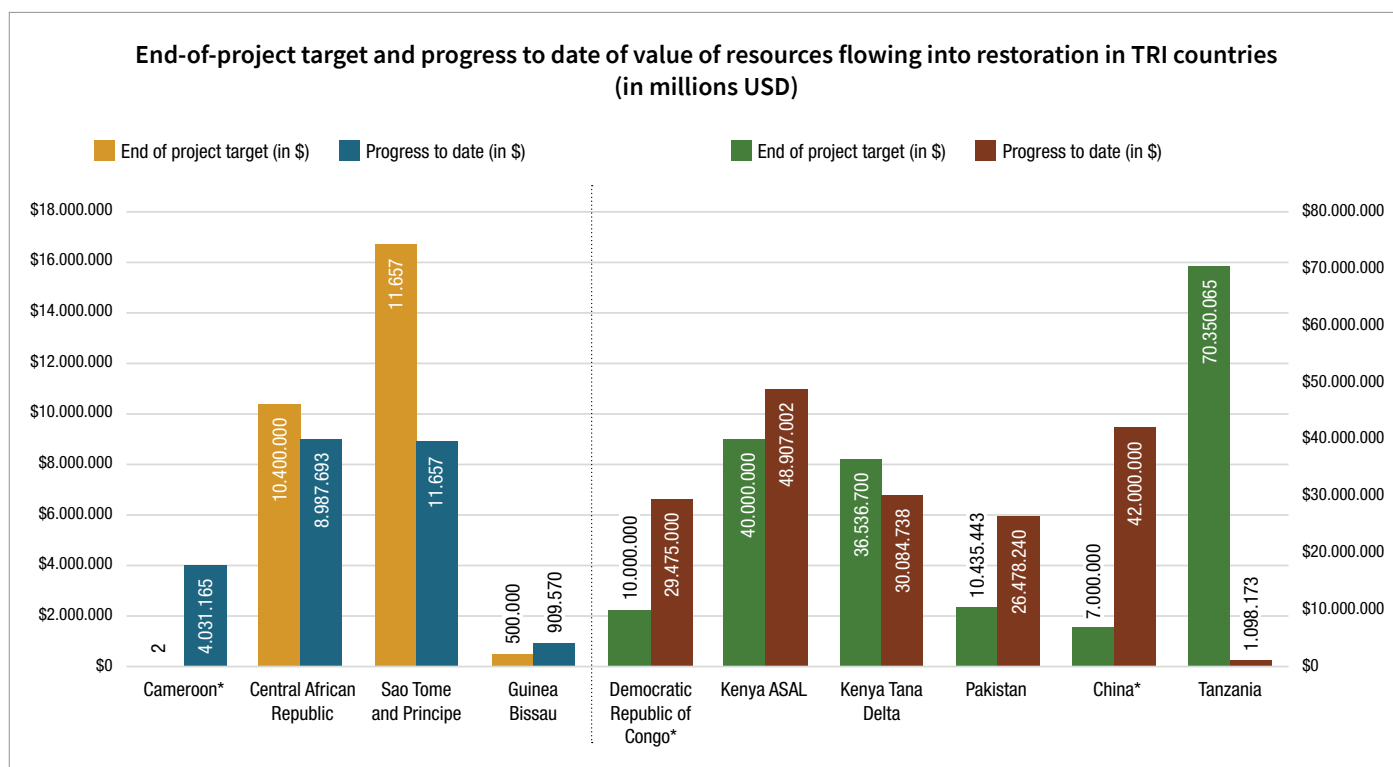


Figure 4. End-of-project target and progress to date of value of resources flowing into restoration in TRI countries (in millions USD)
*Cameroon’s end of the project target was 2 projects

TRI COUNTRY PROJECT	END OF PROJECT TARGET (IN \$)	PROGRESS TO DATE (IN \$)
Cameroon*	2 projects	4,031,165
Central African Republic	10,400,000	8,987,693
China*	7,000,000	42,000,000
Democratic Republic of Congo*	10,000,000	29,475,000
Guinea Bissau	500,000	909,570
Kenya ASAL	40,000,000	48,907,002
Kenya Tana Delta	36,536,700	30,084,738
Pakistan	10,435,443	26,478,240
Sao Tome and Principe	16,700,000	8,934,000
Tanzania	70,350,065	1,098,173
TOTAL	201,922,208	196,874,416

Table 1: End of project targets and progress to date of the total value of financial resources flowing into restoration (in \$) for each TRI country project.

* Represents that the country project has been completed.

Deploying bankable restoration projects for FLR

Another vital indicator of TRI’s sustainable finance impact is the number of “bankable” restoration projects developed within its project countries. Bankable projects are those that not only contribute to FLR objectives but also hold the potential to attract private and public investment by demonstrating financial viability and anticipated economic returns. This indicator highlights TRI’s efforts to transform restoration

projects into investment-ready initiatives, often creating restoration opportunities that can offer financial returns from sustainable production, ecotourism, or ecosystem services. TRI country teams’ development of bankable projects reflects an intentional move to make landscape restoration economically attractive, thus ensuring long-term financing and encouraging greater private-sector involvement. **As a result, TRI has contributed to developing 36 bankable projects across its project countries (see Figure 5).**

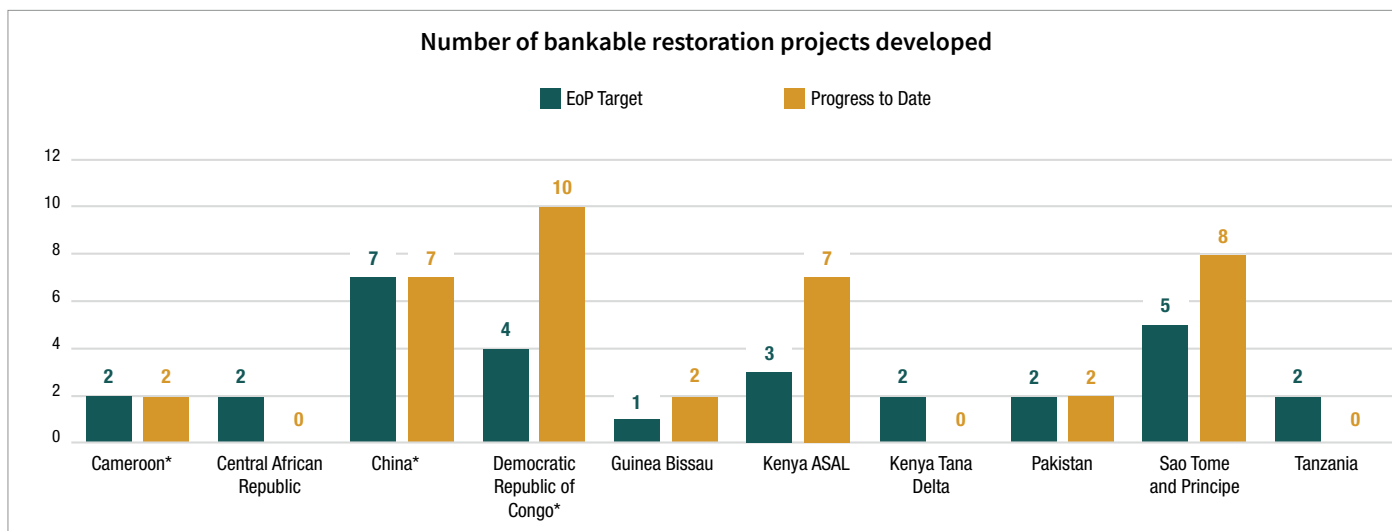


Figure 5. Child project targets and progress to date on the number of bankable restoration projects by TRI project countries for long-term sustainability of finance mechanisms.

Practical implementation of the Decade and FLR principles through TRI bankable restoration projects

TRI deployed multiple restoration projects across its country initiatives to deliver measurable benefits to ecosystems and communities (Principle 4) while embedding financial sustainability into its restoration efforts (Principle 10). The integration of bankable projects and structured mechanisms, such as the Restoration Factory, demonstrates a forward-thinking approach to ensuring that restoration activities achieve environmental goals and create sustained economic value. The Restoration Factory, as explained in detail below, plays a pivotal role by empowering entrepreneurs to develop viable, forest-based businesses and bridging the gap between restoration objectives and long-term financing models. This initiative aligns with the FAO’s three-stage FLR investment framework, moving projects seamlessly from readiness through implementation to financial self-sufficiency.

For instance, in Kenya ASAL, TRI leveraged readiness investments to establish seven bankable projects focused on sustainable grazing, honey production, and agroforestry. These projects were supported by the Restoration Factory, where local entrepreneurs received mentorship and resources to refine their business models. This support ensured that the projects were financially attractive to investors while delivering tangible benefits such as ecosystem restoration and community livelihood improvement.

The Restoration Factory’s entrepreneurship programme also played a critical role in São Tomé and Príncipe, where small to medium-bankable projects focused on sustainable agroforestry and food pro-



Mangrove restoration helps protect villages from climate change. © IBAP/P.Campredon

duction systems. Entrepreneurs trained through the programme successfully developed initiatives that restored degraded landscapes and created new income streams for communities. By attracting private investors and building market connections, the Restoration Factory enabled these projects to transition from dependency on external funding to self-sustaining operations.

This dual approach—leveraging structured investment frameworks and entrepreneurial capacity-building—demonstrates TRI’s ability to scale restoration efforts while maintaining financial viability. The Restoration Factory’s emphasis on innovation and market integration reinforces **Principle 4’s call for restoration to deliver benefits to both people and ecosystems and Principle 10’s focus on financial sustainability**. By embedding the entrepreneurial dimension into restoration activities, TRI showcases how economic resilience and ecological restoration can reinforce one another, providing a replicable model for scaling restoration across diverse contexts and landscapes.

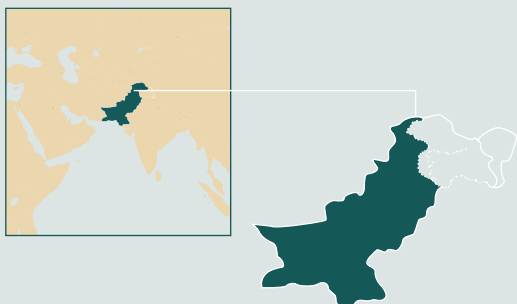
HOW DID TRI ACHIEVE THESE IMPACTS?

TRI adopted a comprehensive financing strategy to meet its restoration goals, blending customised financial tools with local economic initiatives across various landscapes. This strategy combined modern financing options with community-led economic efforts, ensuring restoration activities promoted ecological recovery and socio-economic stability for local populations. TRI’s financing methods involved expanding income-generating possibilities within the AFOLU sectors, supporting bio-enterprises through skills development, targeted funding, training initiatives, and improved market access while reinforcing value chains to enhance local economic value. By tackling the financial

factors contributing to degradation, such as deforestation, land-use changes, and resource depletion, TRI’s strategy aimed to foster enduring environmental and social resilience, illustrating how restoration financing can benefit both the environment and communities—boosting income and food security.

These three case studies—from Pakistan, São Tomé, and the Restoration Factory—illustrate TRI’s impactful, finance-driven approaches to restoration, which support sustainable livelihoods and address the root causes of landscape degradation.

PAKISTAN



Chilgoza nut sorting, TRI Pakistan © FAO

OUTCOMES

TRI in Pakistan has focused on strengthening national and provincial FLR policies, particularly within the Chilgoza (*Pinus gerardiana*) forests, which are vital for the livelihoods of local communities and provide essential ecosystem services. Despite these benefits, they face serious challenges, such as unsustainable harvesting, perpetuated by the limited governance capabilities of provincial forest departments. By promoting innovative and sustainable financial mechanisms like payment for ecosystem services (PES) schemes, TRI in Pakistan advanced policies that would maximise the impact of long-term protection mechanisms for Chilgoza forests. **Furthermore, the TRI in Pakistan team successfully engaged stakeholders like local communities and governments in the**

By promoting innovative and sustainable financial mechanisms, TRI in Pakistan advanced policies that would maximise the impact of long-term protection mechanisms for Chilgoza forests.

policy development process – that significantly combined 4, which advocates for restoration benefits for both nature and people, with sustainable financing tools for the long-term continuation of restoration activities (Principle 10).

Payments for Ecosystem Services (PES) are an innovative financing model for FLR that links the beneficiaries of ecosystem services to the communities managing these landscapes. In Pakistan, PES is particularly relevant for the Chilgoza forests, incentivising forest communities to adopt conservation-based practices rather than unsustainable harvesting. **Under PES, these communities are compensated for the opportunity cost of conservation, which often proves more profitable than traditional practices. Thus, PES aligns with UN Decade principles by integrating sustainable financing and addressing ecosystem degradation.**

INTERVENTIONS

1. Enhancing policy frameworks and governance

In the first stage of FLR financing, TRI in Pakistan focused on enhancing policy frameworks at the national and provincial levels to establish long-term financial mechanisms. By collaborating with local and provincial authorities, TRI enabled the development of regulatory and governance structures that integrate sustainable finance mechanisms like PES into FLR policies. This foundational work also laid the groundwork for capacity building, enabling local communities and forest departments to manage these landscapes effectively and sustainably.

2. Capacity building for sustainable practices

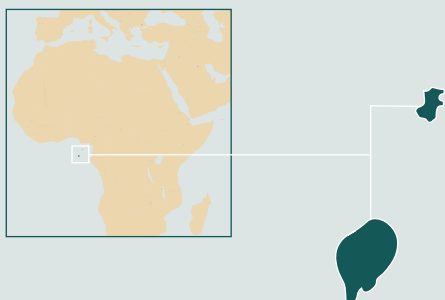
Building on this foundation, the second stage of FLR financing involved capacity-building initiatives tailored to support PES as a viable strategy. TRI in Pakistan organised workshops that engaged over 210 local authorities and community members, providing foundational knowledge on sustainable forest management and restoration practices. This training empowered 165 participants (150 men and 15 women) with insights into managing the unique value of Chilgoza forests, while 45 additional participants gained practical skills in forest restoration methods. As part of this process, communities gained the tools and understanding needed to implement PES, establishing a sustainable finance mechanism that preserves ecosystems and supports local livelihoods.

The foundation for PES began with a stakeholder workshop that trained 60 participants to implement PES schemes in their communities and establish sustainable Chilgoza landscapes for ongoing financial viability. PES enables local communities to gain **diversified income sources, improve financial independence, and enhance conservation initiatives.** These successes illustrate how PES can provide a sustainable income stream for communities while aiding ecosystem restoration. **In addition to PES, TRI in Pakistan has endorsed two viable projects under GEF cycle 8, concentrating on sustainable rice production and bio-economy applications that align with FLR objectives (Principle 4).** These initiatives aim to ensure long-term, sustainable financing for restoration efforts, including diversifying income sources from forest landscapes. Furthermore, two concept notes for marine biodiversity and forest ecosystem restoration projects have been submitted, showcasing Pakistan's commitment to scalable, sustainable landscape management.

3. Economic empowerment and value chain development

Economic empowerment via value chain development is vital to TRI's strategy. Surveys from 2021 to 2023 show that about 1,225 metric tons of Chilgoza nuts are harvested yearly, **yielding an estimated USD 12 million in revenue, roughly half benefiting local communities (Principle 4).** By promoting non-timber forest products (NTFPs) such as pine nuts, TRI in Pakistan ensures that local farmers receive equitable returns from these resources. Initiatives to improve value addition through innovative processing methods and market connections have further boosted revenue for local communities. 575 small grants have also been distributed to support livelihood diversification efforts, including honey production, medicinal plant collection, and fodder plot establishment. **The Pakistani government has also provided substantial support, committing over USD 23.5 million to sustainable forestry projects across various provinces (Principle 10).** This funding strengthens the alignment between public resources and sustainable financing objectives, as TRI and government initiatives work together to enhance FLR activities.

SAO TOME AND PRINCIPE



Mangrove seedlings, TRI Sao Tome and Principe © FAO

OUTCOMES

In São Tomé and Príncipe (STP), TRI has established a foundation for sustainable financial systems that align with UN Decade Principles 2, 4, and 10. These efforts emphasise inclusive engagement with diverse stakeholders, the development of sustainable financial models benefiting nature and people and the integration of enabling policies to ensure the stability and scalability of restoration efforts. TRI’s initiatives have significantly improved access to restoration financing, reshaped financial sector practices, and fostered restoration-aligned businesses, laying the groundwork for a resilient green economy.

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INTERVENTIONS

The TRI CAR team undertook two main activities to achieve these outcomes: (1) capacity development programmes and (2) coordination of action amongst stakeholders – both activities highlighted in UN Decade Principle 10 and Principle 6.

1. Green Finance Training for Financial Sector Professionals

TRI collaborated with the Central Bank and the Association of Banks (ASB) to deliver training on green finance practices. These sessions equipped banking and insurance professionals with tools to assess socio-environmental risks, understand sustainable finance products, and develop instruments like green bonds. By integrating UN Decade Principle 10, these initiatives bridged public and

private investments to create a stable financial environment for scaling FLR efforts, ensuring informed credit and insurance decisions that align with restoration goals.

2. Stakeholder Engagement on Climate Risk and Green Taxonomy

In alignment with UN Decade Principle 2, TRI initiated climate risk dialogues with the insurance sector, consulted with legislative authorities on green taxonomy, and conducted workshops on environmental compliance standards. These efforts engaged various stakeholders—governments, private sector actors, and local communities—to build inclusive financing strategies. This approach enabled STP’s financial institutions to support FLR initiatives at a systemic level while addressing sustainable development needs.

3. Collaboration with Sustainable Businesses

By partnering with local enterprises such as BioTech, which sustainably harvests medicinal plants from STP’s Obô Natural Park, TRI demonstrated the practical application of UN Decade Principle 4. Supporting businesses committed to sustainable land management showed how restoration-aligned ventures can drive economic growth and preserve ecological health. Capacity-building programs, including “Landscape Finance and Bankable Projects” and “The Restoration Factory,” empowered small and medium enterprises to develop feasible restoration-focused business models, contributing to local communities’ economic and ecological resilience.

4. Integration of Environmental and Climate Criteria in Financial Regulations

To ensure long-term financial stability for restoration efforts, TRI contributed to drafting banking and insurance regulations emphasising green financing and developed a Code of Conduct for the Banking Association. These reforms target sustainable financial models that deliver measurable ecological and community benefits while **fostering an enabling environment for public and private investment (Principle 10)**. These efforts redirected capital flows toward sustainable development goals, ensuring financial systems in STP support restoration and ecological health.

Restoration Factory: Nurturing Eco-Entrepreneurs for Sustainable FLR

The [Restoration Factory programme](#), implemented across TRI countries, provides a unique platform for eco-entrepreneurs, or “ecopreneurs,” focused on ecosystem restoration and sustainable business models – directly contributing to the long-lasting financial needs. Launched in April 2021 with a cohort of 13 entrepreneurs, the program has grown significantly, culminating in a second cohort in 2022 with 47 entrepreneurs across multiple TRI countries. By offering tailored mentorship, market access guidance, and investment preparation, the Restoration Factory helps eco-entrepreneurs overcome common financing and market entry barriers. The broader value proposition of the Restoration Factory includes a step-by-step methodological approach to business building and financial projection, meeting with other like-minded entrepreneurs and mentors, and joining sessions with restoration experts. The “Pitch Parade,” where mentees presented their restoration-focused business ideas, showcased diverse, scalable enterprises that exemplify the potential for FLR to yield environmental and economic benefits.

In Kenya, for example, TRI participants visited a local ecopreneur to understand the challenges of building a restorative business. These interactions enabled TRI participants to connect with eco-entrepreneurs, sharing contacts and insights to support the growth of these FLR-based businesses. The Restoration Factory presents itself as an important tool for community–nature **dual benefit (Principle 4) and providing local communities and entrepreneurs with capacity-building opportunities for long-term and self-sustaining finance for restoration (Principle 10)**.

A key aspect of the Restoration Factory programme is its emphasis on creating “bankable” restoration projects. Working with partners like UNEP’s Climate Finance Unit, Billion for Bridges (B4B), and Partnerships for Forests (P4F), TRI has helped eco-entrepreneurs such as Horizon Ventures and Nailepo Beekeepers in Kenya develop business cases around essential oils and honey value chains. The programme equips participants with tools like the Restoration Explorer and Financial Flow Tracking Tool to build financial acumen and facilitate access to credit and investment. These tools enable participants to monitor funding and assess the financial viability of FLR projects.

Beyond individual entrepreneurs, the Restoration Factory has expanded its reach by working with organisations in São Tomé and Príncipe, Kenya, and China to mobilise sustainable finance and create actionable tools for FLR. By guiding participants through FLR-focused financial planning, the Restoration Factory en-

sure that restoration enterprises are ecologically sound and economically viable. The programme's support, including detailed mentorship and technical tools, aligns with UN Decade principles by fostering an inclusive, scalable approach to restoration that integrates both conservation and commercial value.

The Restoration Factory continues to evolve as a vital platform for climate-resilient, community-driven businesses. The programme's impact is reflected in the 77% completion rate of its second cohort in Kenya, which demonstrates its effectiveness in training and scaling up eco-entrepreneurship. Through collaborations with banks, climate finance institutions, and local partners, the Restoration Factory exemplifies the holistic integration of restoration and sustainable finance, laying the groundwork for long-term landscape resilience and economic development. As a commitment to this approach, The Restoration Explorer is recently a complementary online decision-making tool geared towards providing customised business advice to restoration enterprises. By aiding the entrepreneurs at every stage at the start of their restoration business, the tool enhances the capacity-building efforts of the Restoration Factory.



Mangrove landscape, TRI Guinea Bissau © IUCN/IBAP