

**COSTA RICA AND GHANA AGREE LANDMARK DEALS TO SUPPLY FOREST CARBON CREDITS
TO LEAF COALITION BUYERS**

- *The two forest nations agree deals worth over \$60 million combined.*
- *First ever agreements involving funds from multiple private and public sector buyers, including Bayer, Capgemini, McKinsey, PwC, Walmart Foundation and the governments of Norway, UK and US.*
- *LEAF Coalition continues to work towards agreements with more forest governments.*

COP28, Dubai | 2 December: Costa Rica and Ghana have become the first forest governments to finalize Emissions Reductions Purchase Agreements (ERPAs) with Emergent to supply high-integrity jurisdictional REDD+¹ emissions reductions and removals credits to LEAF Coalition buyers.

These landmark agreements, potentially worth over \$60 million in total for credits from 2017 to 2019, are the first globally to involve funds from multiple corporate buyers alongside the public sector. They demonstrate the potential of the LEAF approach to rapidly scale finance to support forest governments in their efforts to reverse deforestation. At least ten corporate buyers from the LEAF Coalition including Bayer, Capgemini, McKinsey, PwC and Walmart Foundation will purchase credits from the governments of Ghana or Costa Rica. All credits will meet the Architecture for REDD+ Transactions' (ART) The REDD+ Environmental Excellence Standard (TREES), guaranteeing the highest levels of environmental integrity and social safeguards. The agreements are backed by purchase guarantees from the governments of Norway, UK and US, covering a percentage of the credit volumes.

Building on these initial transactions for credits from 2017-2019, Emergent continues to work toward signing ERPAs for years 2022-2026 with Ghana and Costa Rica, as well as the governments of Vietnam, Nepal, Kenya and Ecuador and a number of Brazilian states, including Acre, Pará and Mato Grosso. The first of these agreements are anticipated in 2024.

Emergent also announced today that it will welcome purchase commitments from the private sector through 2030 and beyond, and that it aims to negotiate off-take agreements with forest governments through the same period. This brings the opportunity to mobilize significant additional

¹ [Reducing Emissions from Deforestation and Degradation](#)

finance to support tropical forest governments' actions to tackle deforestation and provides corporates with a platform to purchase high-integrity JREDD credits beyond 2030.

The agreement with Ghana is worth up to \$50 million for 5 million tonnes at \$10 a tonne for ART TREES credits from 2017 to 2019, while the agreement with Costa Rica is worth up to \$14 million at \$10 a tonne for ART TREES credits from crediting year 2017. First credits will be issued in 2024, generating much needed finance for these forest nations and providing high-integrity credits to support corporate buyers' climate strategies.

Proceeds from credit sales represent results-based payments to Ghana and Costa Rica and will be channelled to different stakeholders according to the benefit sharing plans developed by the two governments through extensive stakeholder consultation. Payments will be made to final beneficiaries via financial intermediaries, in line with the LEAF Coalition's robust framework for fund monitoring, compliance and reporting.

Ghana's Cocoa Forest REDD+ Program (GCFRP), developed with the World Bank's Forest Carbon Partnership Facility (FCPF), is the world's first commodity-based emissions reductions program. It focuses on six priority cocoa production areas, aiming to reduce emissions from deforestation and forest degradation whilst improving smallholder farmers' livelihoods. LEAF proceeds will be used to scale up the program, rewarding local communities that have been historic guardians of the forest, supporting farmer organizations to improve yields without encroaching on forests, and implementing long-term policies to halt and reverse deforestation. Under existing REDD+ benefit sharing plans, 69% of REDD+ proceeds are to be distributed to local communities.

Costa Rica has long been an international leader in the implementation of policies and programs to reduce deforestation. These include the development of a National System of Conservation Areas and financial mechanisms that recognize the positive environmental impact of forests through a payment program for environmental services on privately owned land. Proceeds from LEAF transactions will be distributed in accordance with the national benefit sharing plan, which identifies transparently the ownership of carbon rights, in which SINAC, FONAFIFO and the owners of Indigenous lands and territories participate. Costa Rica carried out a consultation process from 2012 to 2020, with a broad participation of forest-related actors, applying the principles of free, prior and informed consent with Indigenous Territories.

The confirmed LEAF buyers have committed to purchase the majority of the credits. The remaining volumes will be offered to other LEAF Coalition corporate buyers for up to 90 days from the ERPA signature date. Emergent anticipates strong levels of interest for these remaining credits, now that supply is available. All corporate buyers must adhere to LEAF's strict [buyers' criteria](#), ensuring action taken by companies via the Coalition is in addition to plans to cut value chain emissions.

For both agreements, LEAF sovereign donors will provide a purchase guarantee at \$10 a tonne for a portion of the volumes. If Emergent can find a private sector buyer for these volumes, the credits will be sold to that buyer with all extra proceeds above \$10 returned to the forest government, providing an opportunity to receive a higher price. If a buyer cannot be found, the sovereign donors pay for the credits in the form of a results-based payment to the forest government. The credits are retired on behalf of the sovereign donors, who do not take delivery or title. Emissions reductions will not be counted towards the sovereign donor's Nationally Determined Contribution (NDC). They will remain available for use towards the host country's NDC, at its own discretion.

'These agreements with Ghana and Costa Rica demonstrate the potential of our public-private model to mobilize finance at scale to support forest governments in their efforts to reverse forest loss,' said Eron Bloomgarden, CEO of Emergent. 'Most importantly, we believe we have created an approach that works for all parties: providing much needed funding to forest governments; involving Indigenous Peoples and Local Communities to ensure their rights are recognized and they receive a fair share of the benefits; and giving corporate buyers confidence in the integrity and quality of the credits. Now that we have proof of concept we aim to scale up rapidly, agreeing deals with more forest governments and bringing in finance from many more companies. We believe this has the potential to be a transformational platform to accelerate collective action to end tropical deforestation.'

These landmark agreements have attracted strong support from a wide range of stakeholders.

Forest Governments

'Ghana is proud to be one of the two forest nations at the forefront of this pioneering approach and inching towards delivery on Glasgow,' said Hon. Samuel A. Jinapor, MP, Minister for Lands and Natural Resources of Ghana. 'We have worked inclusively for many years, to develop our

jurisdictional REDD+ program and this agreement brings in finance to recognize and reward our efforts. We are particularly encouraged to witness the investment from corporations, and look forward to working with the LEAF Coalition, to scale private sector funding support to tackle deforestation, and build a strong economy, based on a truly sustainable approach. This is only the beginning, and we hope to create in Ghana an example and blueprint, for learning and exchange by other countries.’

Representatives of Indigenous Peoples and Local Communities

Levi Sucre Romero, General Director, Mesoamerican Alliance of Peoples and Forests (AMPB), said, ‘This announcement between the LEAF Coalition and the Government of Costa Rica is possible thanks to a robust process of government consultation and inclusion in the construction of the National REDD+ Strategy. Indigenous participation has been a fundamental key in the process, which has been confirmed through regional dialogues, affirming a two-way communication and our indigenous inclusion in this agreement. This agreement is truly an example for the world. When governments genuinely include Indigenous Peoples and maintain an effective dialogue mechanism, carbon credit buyers can have full confidence that rights have been respected, without the need for additional verifications.’

Daniel Amponsah Gyinayeh, Chairman, Asunafo-Asutifi Hotspot Intervention Area in Ghana said, ‘The signing of the Ghana ERPA with LEAF participants is extremely timely, signifying an important step towards emissions reductions. Local communities participating in Ghana REDD+ welcome this positive move realizing that proceeds from the partnership would contribute to livelihood improvements of smallholder farmers, build resilience and sequester carbon for a safer planet.’

Gustavo Sanchez Valle, President of Red MOCAF, said, ‘The first final agreements of the LEAF Coalition are encouraging news. REDD+ initiatives at the jurisdictional level, such as those supported by LEAF, can scale impacts and investment in the territories at a time of climate emergency, and contribute decisively to more ambitious public policies on environmental issues. But these advances for the LEAF Coalition must go hand in hand with the full and effective participation of Peoples and Communities.’

Influential Voices From Civil Society

Luiz Amaral, CEO of the SBTi, said: ‘The urgency of the climate crisis and the need to invest in protecting the world’s natural resources cannot be overstated. The SBTi encourages and welcomes

agreements with countries to sell jurisdictional REDD+ carbon credits to companies with validated science-based targets and a clear commitment to decarbonization and the protection of nature.’

Mark Kenber, Executive Director of VCMI said, ‘This is a significant moment for the carbon market. Public-private partnerships to finance jurisdictional REDD+ programmes have huge potential to drive private capital towards Paris Agreement goals. It is vital that businesses deploy every tool in the box in the fight against climate change. Along with VCMI’s Claims Code and the availability of the first credits to be tagged with ICVCM’s CCPs², commitments like this from countries and companies will boost corporate confidence and help to drive positive market growth in 2024 and beyond.’

Mark Morage, Vice President, Natural Climate Solutions at the Environmental Defense Fund said, ‘Today’s announcement is a win for forest countries, people and the climate, and a significant positive proof-point for both the LEAF Coalition’s unique approach and jurisdictional REDD+ overall. High integrity jurisdictional REDD+ programs are essential, as they can help unlock a greater pace and scale of results towards halting and reversing deforestation by 2030. EDF congratulates all parties involved, and looks forward to continuing to partner in our collective efforts to ensure durable outcomes and impacts for frontline communities, tropical forests and the climate.’

LEAF Corporate Buyers

‘We are delighted to be among the first buyers of high integrity forest carbon credits as part of the LEAF Coalition,’ said Bob Moritz, Global Chair of PwC. ‘Protecting tropical rainforests is crucial to ensure the world can meet global climate targets and address other issues like nature loss, the need for sustainable development and more. The LEAF Coalition has made important strides in mobilising finance at scale to tackle deforestation and this is an important moment in its journey’.

“We are delighted to be one of the first corporate participants supporting today’s deal with Ghana. The LEAF Coalition addresses deforestation in a ground-breaking way by generating finance through collective action that can help entire countries like Ghana deliver their strategy to reverse deforestation, while also providing a supply of high integrity jurisdictional carbon credits. Beyond our 90% decarbonization strategy we have a commitment to invest in carbon credits to abate and remove carbon from beyond our own value chain. This deal will provide credits at the highest level of environmental and social integrity,” said Cyril Garcia, Head of Global Sustainability Services and Corporate Responsibility at Capgemini and Group Executive Board Member.

² Integrity Council for the Voluntary Carbon Market’s Core Carbon Principles

'Our top priority is to reduce greenhouse gas emissions along a 1.5°C pathway. Furthermore high-integrity jurisdictional forest carbon credits have a vital role to play in tackling the urgent climate and nature crises and are also an important element of Bayer's sustainability strategy,' said Matthias Berninger, Global Head of Public Affairs, Science, Sustainability, Health, Safety & Environment at Bayer. 'We are delighted to be involved in this landmark agreement. Collective action via initiatives like the LEAF Coalition is key to protecting forests and mobilizing finance at scale to support more governments and their people in their efforts to tackle deforestation.'

'McKinsey is delighted to be part of this landmark agreement that will help address both the climate and nature crises by accelerating global efforts to halt tropical deforestation,' said Daniel Pachtod, Global Leader of McKinsey Sustainability. 'We're proud to join forces with LEAF and a coalition of public and private sector leaders to help further scale the use of high-integrity jurisdictional forest carbon credits.'

'The LEAF Coalition's focus on protecting tropical forests aligns with Walmart and the Walmart Foundation's goal to help protect, restore, or more sustainably manage 50 million acres of land and 1 million square miles of ocean by 2030. Walmart Foundation joined the LEAF Coalition to help mobilize investments in high-integrity results-based payments for conservation and restoration of tropical forests at jurisdictional scales because of the ability to help deliver benefits for climate, nature, and communities. We are pleased to join this initial set of public-private deals under the LEAF Coalition by supporting the emissions reductions actions taken by Ghana and verified under

ART-TREES. We hope that this will act as a major step forward to helping provide results-based financing for forest conservation at scale and help inspire other institutions to join,' said Julie Gehrki, VP, Walmart Foundation.

LEAF Sovereign Participants

Graham Stuart, UK Government Minister for Energy Security and Net Zero, said, 'Halting tropical deforestation is critical to tackling climate change - and forest governments are working hard to protect these precious natural ecosystems. We are proud of the leadership role the UK has played:

not only by funding the LEAF Coalition with £200 million, but by driving forward policy to support progressive forest countries and give private finance providers the confidence to invest. The new approach announced today has the potential to be a real game changer. We'll continue to support

the LEAF Coalition to grow the market so it can deliver immense benefits not just for the climate but for development and nature too.’

Andreas Bjelland Eriksen, Minister of Climate and Environment of Norway, said, ‘I am very excited to see these first transactions with the LEAF Coalition signed. Ghana and Costa Rica are pioneers – not only in undertaking ambitious efforts to protect and restore their forests, but also in being the first to enter into contracts with private sector buyers. We need to ramp up public and private finance for forest countries that deliver high-quality results, and I hope these transactions can pave the way for other forest countries to partner with the LEAF Coalition and the growing market for high quality forest carbon.’

Voices From Wider Civil Society

María Mendiluce, CEO, We Mean Business Coalition, said, ‘Despite providing the greatest potential to reduce emissions this decade, the protection, management and restoration of land and nature receives a paltry 3% of global climate finance. High integrity carbon markets will play an important role in filling the finance gap, and seeing LEAF close its first two deals is a huge sign of optimism in a new way forward.’

Lucy Almond, chair of Nature for Climate said, ‘These LEAF deals can be a catalyst for significant market growth in 2024 – and they demonstrate much-needed corporate confidence to invest in nature-based solutions and forest carbon credits.’

Rupert Edwards, Senior Finance and Carbon Adviser, Forest Trends, said, ‘LEAF has shown leadership in developing a vitally important demand signal for jurisdictional REDD+ credits and its Call for Proposals has proven catalytic in attracting responses from jurisdictions.’

Andrea Meza, Deputy Executive Secretary UNCCD (UN Convention to Combat Desertification), former Minister of Environment and Energy of Costa Rica, said, ‘Nature based solutions have a key role to play in combating land degradation and tackling climate change. These agreements show the potential to raise funding at scale to support countries like Ghana and Costa Rica in their efforts, rewarding them for their achievements to date and incentivizing future ambition. Many issues remain to be solved across forest countries, from land tenure to ensuring the rights and participation of Indigenous Peoples and local communities. But without finance this will not happen. These

agreements are a positive start. It is my profound hope to see many more over the coming months and years.’

John Verdieck, Director of International Climate Policy, TNC and Chair, ART Board of Directors, said, ‘These pioneering agreements with multiple corporate buyers mark a promising beginning, and it’s time to supercharge our efforts. We implore more businesses to join this critical cause and act swiftly.’

Rod Taylor, Global Director, Forests, World Resources Institute, said, ‘We need to rapidly scale finance for forest conservation and restoration, but we need to do this with real integrity. The exciting thing about these agreements is that they bring multiple private sector buyers to table, a first for jurisdictional deals.’

Gabriel Labbate, Head, Climate Mitigation Unit at the United Nations Environment Programme, said, ‘This approach has the potential to provide finance at the scale needed to help forest governments put in place real and lasting programs to halt and reverse forest loss, changing once and for all the incentives that drive the destruction of forests that are so valuable to people, nature and climate.’

Jack Hurd, Executive Director, Tropical Forest Alliance and Member of the Executive Committee, World Economic Forum, said, ‘I congratulate the LEAF Coalition members for their investments in jurisdictional-scale action in Ghana, Costa Rica and other places in the near future. These are the types of investments at the scale that really matters, and the scale that is commensurate with the problem.’

Latham & Watkins LLP advised Emergent on these transactions. ‘This project represents a milestone in the development of a vibrant market for jurisdictional forestry projects,’ said JP Brisson, the Latham & Watkins partner who led the team advising Emergent on these landmark agreements. ‘Our team – which involved lawyers from the firm’s Energy Transition, Economic Sanctions, Arbitration, and Tax groups — is delighted to support such an important initiative.’

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Notes to Editors

The LEAF Coalition

Launched during President Biden’s Leaders’ Summit on Climate in April 2021, the LEAF Coalition aims to build a market for high-integrity REDD+ emissions reductions credits from large-scale schemes

operated by national or subnational governments (known as the jurisdictional approach). LEAF ensures the highest environmental and social integrity of REDD+ results by only purchasing credits issued by ART as verified to meet requirements of its TREES standard for jurisdictional REDD+ emissions reductions and removals. This builds buyer confidence and trust by ensuring the highest levels of environmental integrity and social safeguards, particularly for Indigenous peoples and local communities.

Emergent

Emergent is a U.S. non-profit that serves as a transactions platform engaging between tropical forest countries and the private sector to mobilize finance to support emissions reductions in deforestation. It does this by developing and bringing practical, credible and large-scale forest protection solutions to market. Emergent serves as the coordinator of the LEAF Coalition.

ART TREES

ART is a standalone, independent program that develops and administers standardized procedures for crediting emissions reductions and removals from national and large subnational REDD+ programs. ART's standard for the measurement, monitoring, reporting and verification of emissions reductions and removals from the forest sector — The REDD+ Environmental Excellence Standard, known as TREES — represents the next step in the evolution of global efforts to protect and restore tropical forests. TREES supports transformational climate action at scale, while upholding rigorous social and environmental integrity.

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