

May 2022 – Summary of updates

The LEAF Coalition launched its first proposal window on April 22nd, 2021. It was open through July 30th, 2021 (the “First Proposal Window”).

The LEAF Coalition is opening a **new submission window** for jurisdictions to submit expressions of interest. The submission window will be open from **May 13th** until **September 15th**, 2022 (the “Second Proposal Window”).

For the Second Proposal Window, the LEAF Coalition has updated the First Proposal Window terms to reflect modest revisions to the expected transaction architecture and the role of the Financial Intermediary.

The table below provides a summary of the key updates to the First Proposal Window terms:

Topic	Update or clarification	Section	Brief description of update
Standard	Added footnote to clarify that Emissions Reductions will be transacted under TREES Version 2.0	All	TREES 2.0 was published in Summer 2021 after the LEAF Coalition had already issued the Call for Proposals. TREES 2.0 includes several updates to the TREES 1.0 standard, including methodologies for calculating removals.
Role of the transaction platform	Clarified language as to Emergent’s role	Introduction, Resale revenue, Contracting, and Emergent Role and Function	Emergent is a transactions platform that acts as counterparty to Suppliers, on the one hand, and as counterparty to Sovereign and corporate participants on the other. Emergent may also retire credits in pathway #1 and #2 transactions
Dates	Dates have been updated throughout to reflect the timing of the second proposal window. Additionally, verb tenses have been revised in some cases.	All	Timelines have been revised per the Second Proposal Window
Confidentiality	Removed provision that Supplier proposals will be kept in confidence	Submission Process	In the interest of transparency, Supplier proposals may be shared by Emergent with

			participants, relevant civil society organizations, and other entities, and successful proposals posted on the leafcoalition.org website.
Eligibility of Financial Intermediaries (FIs)	Removed reference to the entities accredited by the Global Environment Facility (GEF) and removed Emergent developing a process for assessing eligibility of other FIs	Use of Proceeds	All entities accredited by the GEF are also accredited by the Green Climate Fund (GCF), so using one accreditation process simplifies the structure. Additionally, GCF has over 100 entities accredited and well-developed protocols for financial intermediaries that disburse funds to implementing entities.
UN Race to Zero	Removed reference to “We Mean Business” as one of the initiatives through which a buyer joins the UN Race to Zero	Nature of the transaction and expectations of participants	Correction
Proposal requirements and template	Updated proposal template and clarified criteria	Appendix	Specified that proposals should include the level of readiness to meet the ART/TREES standard (Please see summary of changes in Appendix)

The LEAF Coalition

Lowering Emissions by Accelerating Forest finance



APRIL 22, 2021
(updated May 13, 2022)

Call for Proposals

Performance-Based Public-Private Coalition for Tropical and Subtropical Forest Conservation

Administrative coordinator



The Lowering Emissions by Accelerating Forest finance (LEAF) Coalition aims to raise global climate ambition and contribute to halting tropical and subtropical deforestation and forest degradation by 2030.

It is a voluntary global coalition bringing together companies and governments to provide finance for tropical and subtropical forest protection at a scale not seen before.

The Call for Proposals aims to provide substantial financial support to tropical and subtropical countries that successfully reduce emissions from deforestation and forest degradation.

Call for Proposals

Emissions Reductions from tropical and subtropical jurisdictional REDD+ programs

1. Context

The Lowering Emissions by Accelerating Forest finance (LEAF) Coalition (<https://leafcoalition.org/>) aims to raise global climate ambition and contribute to halting tropical and subtropical deforestation and forest degradation by 2030.

It is a voluntary global coalition bringing together companies and governments to provide finance for tropical and subtropical forest conservation commensurate with the scale of the climate change challenge. The initial group of participants included the governments of Norway, the United Kingdom, and the United States and a group of leading international companies including Amazon, Airbnb, Bayer, BCG, GSK, McKinsey, Nestlé, Salesforce and Unilever. Additional companies have joined the Coalition since its launch and can be seen on the [LEAF Coalition website](#).

[Emergent](#), a US non-profit organization, serves as the administrative coordinator of LEAF. It will also offer support including acting as a counterparty for the purchase and sale of emission reductions, and, as applicable, and provide post-transaction infrastructure for participants.

2. Call for Proposals (CFP)

The LEAF Coalition launched the CFP to provide substantial financial support to tropical and subtropical countries and states (“jurisdictions”) that successfully reduce emissions from deforestation and forest degradation. The CFP is expected to help catalyse significant reductions of greenhouse gas (GHG) emissions through a combination of forward purchase agreements and floor price commitments at USD 10 per tonne for at least 100 million metric tonnes of CO₂. It is expected that this will contribute to the rapidly expanding market for high quality emissions reductions (ERs) from jurisdictional REDD+ (Reducing Emissions from Deforestation and forest Degradation) programs. Over the next few years, such a market may channel much greater volumes of finance to tropical and subtropical forest jurisdictions that take rapid actions to halt their emissions from forests.

The [first proposal window](#) was open from April 22nd to July 30th, 2021.

The LEAF Coalition is launching a new submission window for jurisdictions to submit expressions of interest. The submission window will be open from May 13th until September 15th, 2022 (the “Second Proposal Window”). Submissions are welcomed from tropical and subtropical forest countries and sub-national jurisdictions. Jurisdictions that have not

previously submitted a proposal as well as jurisdictions which did not progress in the first proposal window are eligible to apply.

The finance provided through this CFP will pay for high-quality ERs, while allowing Supplier jurisdictions to use the underlying mitigation results towards ambitious Nationally Determined Contributions (NDCs).¹ As such, it will provide large-scale finance to help tropical and subtropical forest jurisdictions achieve their forest protection and climate objectives.

The LEAF Coalition will thus help ensure that ambitious tropical and subtropical forest jurisdictions have access to predictable performance-based payments for high quality ERs at scale, enabling them to further invest in reduced deforestation and forest degradation, and sustainable development.

Proposals must meet the [ART/TREES standard](#) requirements and ensure the full and effective participation of relevant stakeholders — in particular, Indigenous Peoples and local communities.

3. CFP Terms

The LEAF Coalition invites eligible tropical and subtropical forest jurisdictions to submit proposals for transactions with participants in the LEAF Coalition. The terms of this CFP, as detailed below, are designed for voluntary rather than for international compliance purposes, although the terms may align with some international compliance systems.

Emissions Reduction (ER)	Emissions Reduction (ER) is a unit generated from qualified jurisdictional REDD+ programs as described herein; each unit represents 1 metric tonne of CO ₂ or CO ₂ equivalent.
Standard	Each ER shall be issued under The REDD+ Environmental Excellence Standard (TREES) as developed by the Architecture for REDD+ Transactions (ART). ²
Volume	Participants to make payments for or purchase a minimum collective target of 100 million ERs for the first CFP, aiming to grow significantly in following CFPs.
Geography	Tropical and subtropical forest countries and sub-national jurisdictions globally ³ with some initial private sector buyers having a preference for ERs from specific geographic regions.
Supplier	Supplier is a Participant as defined under ART TREES.

¹ Unless the Supplier country elects to make a corresponding adjustment, as detailed in the terms below.

² ART published TREES 2.0 in Summer 2021 after the LEAF Coalition had already issued the Call for Proposals. TREES 2.0 includes several updates to the TREES 1.0 standard, including methodologies for calculating removals.

³ Per ART/TREES, “jurisdictional” REDD+ is defined as national or sub-national in scale, with the boundaries of a sub-national area corresponding to the entire area of one or more administrative jurisdictions no more than one level down from the national level.

Supplier Country	Either a participating tropical or subtropical forest country, or the country in which a participating sub-national jurisdiction is located.
Crediting Years	2022 – 2026 ⁴
Price	USD 10/ER ⁵ to be paid upon the delivery of issued ⁶ ERs; some Sovereign contributors may offer a floor price guarantee of USD 10/ER (being willing to cede the ERs to a private sector buyer that is willing to offer the same or higher price on terms acceptable to the Supplier).
Resale revenue	<p>Any net proceeds generated from resale by a private sector buyer—net of the original purchasing price and any taxes or fees paid—to go to Supplier, as to be stipulated in contracts between each buyer and the transaction platform.</p> <p>Resale of ERs by private sector buyer will be limited to a single sale cycle.⁷ A private sector buyer may sell the ERs, but instead of transferring title, it must retire the ER on behalf of the purchaser and issue necessary letter or supporting document such that the ER may inure to the benefit of the purchaser in order to meet the purchaser’s independent audit requirements.</p>

⁴ To provide continuity to demand, buyers may consider other TREES vintages on a case-by-case basis outside of the LEAF initiative.

⁵ Suppliers may be responsible for paying the transaction costs, including the cost of registration with ART and administrative costs of Financial Intermediary (FI). Emergent engages in transactions between participants and Suppliers and serves as the administrative coordinator for the CFP. Emergent will not serve as the FI for any Supplier and therefore will not charge a fee to the Supplier.

⁶ Delivery will be construed according to the pathway. Under pathways 1 and 2, delivery will be construed as retirement, and under pathways 3 and 4 delivery will be construed as transfer of title.

⁷ Transfers or assignments of ERs among affiliate entities of the private sector buyer are not subject to this “single sale cycle” limitation.

<p>Nature of the transaction and expectations of participants</p>	<p>The underlying mitigation represented by the ERs will not be used towards the Paris Agreement targets (NDCs) of countries other than the Supplier’s country in any instance, and may be used towards the Supplier Country’s NDC) for pathways #1 to #3⁸ (see footnote below). The terms of this CFP are designed for voluntary rather than for international compliance purposes, although the terms may align with some international compliance systems where the Supplier Country is willing to make a corresponding adjustment. Sovereign contributors will provide results-based payments (RBPs) and will not take title to the ERs.</p> <p>There is one pathway for Sovereign contributors to engage in transactions (#1 below), and three pathways for private sector buyers to do so (#2-4 below). In #1-#3, results-based payments support forest-based mitigation under the Supplier Country’s NDC, and the underlying mitigation counts towards the Supplier Country’s NDC. To that extent, there is no transfer of the underlying mitigation outcomes under pathways # 1, 2 and 3. The ART registry will clearly identify each ER issued and delivered under LEAF and transparently communicate that the underlying mitigation contributes to the Supplier Country’s progress towards NDC implementation and achievement. Under #4, the Supplier Country will apply corresponding adjustments for the underlying mitigation associated with these ERs in accounting for its NDC. For all pathways, the ART registry will clearly identify each issued ER for which the Supplier Country intends to or did carry out a corresponding adjustment for the underlying ERs in accounting for its NDC.</p> <p>#1: Sovereign contributors will provide results-based payments (RBPs) and neither take title to the ERs nor use them towards their NDC targets. Supplier receiving RBPs will be required to retire the ERs on the ART registry, or Emergent may retire the ERs; in either event the Supplier Country may include the underlying mitigation in accounting for its NDC.</p> <p>#2: Private sector buyers may replicate the sovereign approach (e.g., RBP without taking title). Supplier receiving RBPs will be required to retire the ERs on the ART registry, or Emergent may retire the ERs; in either event the Supplier Country may include the underlying mitigation in accounting for its NDC.</p> <p>#3 Private sector buyers may provide results-based finance and take title to the ERs. If private sector buyers take title to the ERs under this option, the Supplier will transfer the ERs to Emergent on the ART registry, and Emergent will then transfer the ERs to private sector buyers, but the Supplier Country will include the underlying mitigation in accounting for its NDC. The private sector buyer will transparently communicate that the</p>
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⁸ ERs will not be used towards the Paris Agreement targets (NDCs) of Sovereign contributors or those of the Supplier Country. The underlying mitigation associated with these ERs, however, may be included by the Supplier Country in accounting for its NDC in cases where corresponding adjustments are not applied.

	<p>underlying mitigation counts towards the Supplier Country's NDC implementation and achievement.</p> <p>#4 Private sector buyers may take title to ERs, including for use towards compliance targets, for which the Supplier Country is willing to make a corresponding adjustment. Under this option the Supplier will transfer the ERs to Emergent on the ART registry, and Emergent will then transfer the ERs to private sector buyers, and the Supplier Country will apply corresponding adjustments for the underlying mitigation in accounting for its NDC.</p> <p>Suppliers will describe how payments received will be used to enhance the ambition of their country's current and/or subsequent NDC, and how their future NDC ambition level will build on the level of mitigation and actions taken as a result of LEAF.</p> <p>Sovereign contributors will have an NDC that represents their highest possible ambition and aligns with clear and credible pathways towards net zero emissions in line with the latest science, and have established, or have plans to establish as soon as possible, a 2050 Long-Term Strategy to implement this global net zero goal.</p> <p>Private sector participants of the LEAF Coalition will meet the following criteria:</p> <ul style="list-style-type: none"> • Private sector buyers publicly commit to science-based targets (SBTi) or equivalent quantified and independently verified decarbonization targets, consistent with limiting warming in line with the long-term temperature goal of the Paris Agreement, with no or limited overshoot. Private sector buyers should aim to have set SBTi or equivalent targets (as above) before taking title to ERs⁹ and have the targets in place no later than 2023. Private sector buyers also publicly commit to mid-century net zero targets covering all three scopes. • Join the UN Race to Zero.¹⁰ • Publicly report a greenhouse gas emissions inventory following the Greenhouse Gas Protocol (GHGP). • Separately report publicly any use of ERs or other carbon credits, including purpose of use. Reporting should be independently audited.
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⁹ SBTi allocates 24 months for a thorough target setting process

¹⁰ Through initiatives such as The Climate Pledge or Business Ambition for 1.5 C

Subsequent Calls for Proposals	<p>These terms will be reviewed in preparation of any future CFP and may be revised taking into consideration relevant developments, including progress on LEAF's implementation and norms and standards governing voluntary carbon markets.</p> <p>In future CFPs, including for future crediting periods, buyers may prioritize Suppliers based on, inter alia, performance under the first crediting period; the level of Supplier Country's NDC ambition and progress towards NDC implementation; enhancement of NDC ambition over time; and transparent and constructive engagement in international carbon markets.</p>
Proposal	<p>Proposals submitted for this Second Proposal Window should include the following elements:</p> <ol style="list-style-type: none"> a. A commitment to adhere to the ART/TREES standard and a (non-binding) estimate of ART/TREES crediting level. b. Level of readiness to meet the ART/TREES standard including ability to meet safeguard requirements c. A description of approach to monitoring deforestation and degradation emissions, including monitoring systems and data sources, or a reference to where this information is provided. d. Target ERs achieved annually between 2022-2026. e. An outline of intended policy measures the Supplier determines are adequate to achieve the ERs, or a reference to where this information is provided. f. A proposed institution to receive, manage, and invest received payments for ERs. g. If applicable, initial approach to project nesting. <p>A proposal template has been provided as an appendix to this document.</p>
Use of Proceeds	<p>Proceeds can be utilized by Supplier at its discretion to further its priorities consistent with achieving the Supplier Country's NDC and sustainable economic development with a priority for forest protection and forest restoration, including its REDD+ strategy/action plan. The Supplier will be required to provide a high-level investment framework demonstrating how proceeds will be deployed in line with the above.</p> <p>An accredited Financial Intermediary (FI) will be identified as a channel for disbursement of funds. Supplier should propose an FI of their choice. FI's must be selected from the list of institutions accredited by the Green Climate Fund (GCF) All FIs will have the capacity to ensure fund controls consistent with the specific requirements of the parties and partners involved, and will ensure that funds are disbursed in accordance with Approved Uses, Governing Principles and Prohibited Practices (described in Emergent guidelines to be published on the website: www.leafcoalition.org). FIs will also ensure that robust monitoring and reporting procedures on the use of proceeds are in place.</p>

<p>Review Criteria and Process</p>	<p>Proposals will progress based on their ability to meet the ART/TREES requirements, and their ambition and their readiness to reduce deforestation to generate ERs while ensuring the full and effective participation of relevant stakeholders — in particular, Indigenous Peoples and local communities. Suppliers demonstrating political willingness to make or maintain/reinforce durable policy changes that enhance ambition under the Paris Agreement would greatly strengthen their proposals.</p> <p>In line with the Paris Agreement, Suppliers’ countries are expected to have an NDC that represents their highest possible ambition. Proposals will be prioritized from Suppliers in countries or Supplier-countries with clear and credible pathways towards net zero emissions in line with the latest science, and have established, or have plans to establish as soon as possible, a 2050 Long-Term Strategy to implement this global net zero goal.</p> <p>The LEAF Coalition will reserve the right to select which Suppliers they will support through RBPs and/or ER purchases.</p>
<p>Contracting</p>	<p>Final Suppliers that progress under the CFP will enter into mutually acceptable contracts with Emergent (or with Sovereign contributors and/or private sector buyers, as applicable). Contracts will include commercially reasonable terms for sales of ERs.</p>
<p>Emergent Role and Function</p>	<p>Emergent has been designed to facilitate transactions like those under the LEAF initiative by acting as a cost-efficient transaction platform whereby Emergent is able to act as counterparty to Suppliers, Sovereign contributors, and private sector buyers. Emergent will serve the following functions, including:</p> <ul style="list-style-type: none"> • Facilitate, coordinate, and convene coalition participants • Develop templates and guidelines, as referenced in this document • Issue and administer the Call for Proposals • Transact as a counterparty with Suppliers, and Sovereign contributors, and with Suppliers and private sector buyers, as applicable • Support the transaction (contracting, closing, etc.) for Sovereign contributors and private sector buyers that choose to transact with Emergent • Provide post-transaction infrastructure and support including monitoring, reporting, and fund control for partners that choose to transact with Emergent • Emergent may also offer its transactions platform to Suppliers, recognizing that Suppliers may consider selling subsequent and/or additional credits to buyers beyond this coalition.

Timeline for the Second Proposal Window	Indicative timeline for the Second Proposal Window, subject to change	
	22 April, 2022	Second Proposal Window announced
	See specific dates in announcement text	Q&A sessions
	May 13, 2022	Proposal template and Q&A materials published. Proposals will be reviewed on a rolling basis upon receipt. Early submissions will increase the potential for jurisdictions that submit complete proposals in line with the outlined criteria to be considered for signing Letters of Intent in advance of COP27 in November 2022.
	15 Sept., 2022	Second proposal window closes
	Early Nov., 2022	Announcement of Letters of Intent at COP27 for eligible jurisdictions which submitted early
Dec. 2022 onward	Announcement of Letters of Intent with additional eligible jurisdictions	

4. Submission Process

The CFP proposals submitted by jurisdictions should include:

- The completed Proposal Template. Incomplete proposals will not be considered as eligible for the CFP.
- Any relevant supporting documents to justify the information provided in the proposal

For participation in this Second Proposal Window, eligible jurisdictions are invited to submit their proposals and any supporting documents via email with the subject line "[[Jurisdiction name_ CFP Proposal]]" to: LEAF-callforproposals@emergentclimate.com by 17:00 EST on September 15th, 2022.

Early submissions will increase the potential for jurisdictions that submit complete proposals in line with the outlined criteria to be considered for signing Letters of Intent in advance of COP27 in November 2022. Jurisdictions that have not previously submitted a proposal as well as jurisdictions whose submissions did not progress in the first LEAF proposal window are eligible to apply.

Proposals should be submitted in English, following the template included in the appendix of this document.

Supplier proposals may be shared by Emergent with participants, relevant civil society organizations, and other entities, and successful proposals posted on the leafcoalition.org website. Supplier proposals should not contain confidential information.

Submissions that progress under the CFP may enter into mutually acceptable contracts with the transaction platform and, subject to certain limits, other counterparties as applicable.

5. Contact Us

If clarification or support is required, please submit queries to:

LEAF-callforproposals@emergentclimate.com. Please include the subject line "[[Jurisdiction name] Call for Proposals Question(s)]". Written responses will be provided on a rolling basis and in a timely manner.

Please note that questions and responses may be published to share relevant information with all potential applicants, unless agreed otherwise.

Disclaimer:

LEAF Coalition, its participants, and Emergent acting as its administrative coordinator of the Coalition, reserve the right to change, cancel the terms of the proposals, or not award any contracts for the purchase of ERs as a result of this CFP. Use of this information constitutes acceptance for use 'as is'. There are no warranties with regard to this information. In no event shall LEAF Coalition participants, or Emergent acting as administrative coordinator of the Coalition, be liable for any damages or costs whatsoever arising out of-- or in connection with-- this CFP process. The LEAF Coalition participants, or Emergent acting as administrative coordinator of the Coalition, may cancel the proposal if it determines that corrupt or fraudulent practices were engaged in by representatives of a Supplier during the procurement or during the execution of a contract