

Help end tropical deforestation with high integrity jurisdictional credits from Costa Rica and Ghana

Emergent and participating jurisdictions are on track to offer the first ever large-scale jurisdictional REDD+ credits verified through the ART TREES standard. This is a groundbreaking moment for carbon forest finance and the global effort to halt tropical deforestation and maintain a 1.5°C degree pathway.

- The ART TREES standard is designed to ensure additionality in jurisdictional programs. At least **11 million MtCO₂e of TREES credits** generated by Costa Rica and Ghana that have reduced emissions from deforestation and forest degradation, and increased carbon sequestration from reforestation, are anticipated for purchase by corporations that meet Emergent's pre-2022 buyer's criteria.
- This will deliver an estimated total of **USD 120M in results-based financing** for reinvestment in forest protection and sustainable development programs.
- The first transactions are anticipated in the first half of 2023, enabling buyers to be among the first corporations to support tropical forest countries implementing REDD+ at national or sub-national scale.

WHY INVEST?

REDD+¹ supports low-carbon economic development pathways for tropical forest countries, accelerating the just transition to 1.5°C and the UN Sustainable Development Goals.

Various donor-funded readiness initiatives² have provided funding over the past decade, supporting dozens of countries with the development and implementation of REDD+ programs intended to unlock future, sustained results-based finance through market mechanisms.

As the outcomes of these jurisdictional REDD+ efforts are realized, there is a huge opportunity for the private sector to reward and further support the efforts of forest countries, while achieving ambitious climate, nature, and people goals.

Results-based financing opportunities, like those presented by ART TREES verified emissions reductions and removals credits, will provide valuable funding to help countries sustain existing forest protection initiatives, invest in further action, and generate additional credits at scale for years to come.

PRE-2022 ART TREES CREDITS: ADDITIONALITY AT SCALE

The ART TREES Standard is specifically designed to ensure that jurisdictional REDD+ credits represent real additional emissions reductions and removals. To meet the standard, jurisdictions must have national REDD+ Strategies in place and demonstrate progress in implementing actions outlined under REDD+ Action Plans. The outcomes of these actions to reduce deforestation and degradation are measured against a conservative baseline with a significant buffer pool built in and managed by ART.

This means that ART TREES credits are only issued if REDD+ programs demonstrate clear and additional reductions in emissions below this baseline, net of any other jurisdictional or project-based crediting.

The baseline is reassessed every five years and can only go down, driving increased ambition for future years.

Costa Rica and Ghana have enacted jurisdictional REDD+ policies and programs, delivering emissions reductions and removals at scale in anticipation of carbon finance. These reductions and removals will be eligible for crediting upon completion of the ART TREES verification and validation process.

Both countries have established plans and mechanisms to ensure reinvestment of funds from credit sales into new and existing REDD+ activities, benefiting local stakeholders in a fair, transparent and accountable manner, as required by ART TREES.



COSTA RICA



GHANA

READINESS EFFORTS & ANTICIPATED RESULTS

READINESS EFFORTS & ANTICIPATED RESULTS

- Costa Rica’s globally recognized REDD+ efforts have leveraged national and FCPF Readiness funds to deliver emissions reductions and removals via forest conservation and restoration initiatives.
- Costa Rica anticipates over 2 million MtCO₂e of jurisdictional emissions reductions and removal credits from 2017 to be verified by ART, 1 million of which are being offered to private buyers by Emergent for the first time.

- Ghana’s robust National REDD+ Strategy has been in place since 2016 and is supported by the FCPF via the Readiness Fund with complementary support from UN-REDD.

- \$50M of results-based payments have been secured via the Carbon Fund for results achieved through Ghana’s jurisdictional programs between 2020-2024.³

JURISDICTIONAL REDD+ PROGRAMS

- Now ready for the voluntary carbon market, Ghana anticipates issuing approximately 10 million MtCO₂e emissions and reduction credits through ART for the years 2017-2019.

- Costa Rica’s **Payment for Environmental Services (PES)** program has been used as a policy instrument to increase participation from different types of landowners in REDD+ initiatives that promote forest conservation and increase carbon stocks through natural regeneration and reforestation.

JURISDICTIONAL REDD+ PROGRAMS

- The Ghana Forestry Commission, in collaboration with the Ghana Cocoa Board, has delivered programs to significantly enhance conventional agricultural practices, helping farmers move away from mono-cropping cocoa and clearly delineating forest reserve boundaries to prevent farmland encroachment.

- Specific PES modalities encourage and reward Indigenous territories for practicing traditional forest management and provide more flexible financing mechanisms for areas with special or unclear land tenure regimes.

REINVESTMENT PLANS

- Ghana has developed a highly consultative **Benefits Sharing Plan (BSP)**, which intends to direct proceeds from the sale of credits to reward actors who contributed to 2017-2019 reductions, the majority being local communities.

- Costa Rica has also strengthened the Protected Area System to protect forests and guarantee the conservation of critical biodiversity.
- Costa Rica has continually reinvested FCPF funding to incrementally grow its ambitions and outcomes over time. This has secured results-based payments from the Carbon Fund, and primed Costa Rica for the voluntary carbon market.

REINVESTMENT PLANS

- These returns will be further complemented by a \$54M grant from GCF for the period 2021-2027 for the expansion of emissions reductions programs in the northern part of the country.

- Proceeds from private sector crediting transactions are earmarked for distribution to public and private entities responsible for generating emissions reductions, in alignment with agreed benefit distribution plans. These include landowners participating in PES, Indigenous Peoples, the Sustainable Biodiversity fund, and the **National System of Conservation Areas (SINAC)**.

- The public and private entities responsible for generating Ghana’s emissions reductions will receive proportional shares of the proceeds in alignment with agreed benefit sharing plans.

1. Reducing Emissions from Deforestation and Forest Degradation (REDD+) is a framework created by the UNFCCC Conference of Parties (COP) to guide activities in the forest sector that reduce emissions from deforestation and forest degradation, and the sustainable management of forests and the conservation and enhancement of forest carbon stocks in developing countries.

2. The World Bank Forest Carbon Partnership Facility (FCPF) Readiness and Carbon Funds, the Green Climate Fund, and the UN-REDD Program are examples of initiatives supporting forest countries to develop and implement Jurisdictional REDD+ policies and programs.

3. Ghana has 285,000 tons of ERs committed to the FCPF for 2019