

LEAF Coalition Mobilizes \$1 Billion for Tropical Forest Conservation

LEAF is convened by the Governments of Norway, the United Kingdom, the United States, and private sector leaders including Amazon, Airbnb, Bayer, Boston Consulting Group, Delta Air Lines, E.ON, GSK, McKinsey, Nestlé, PwC, Salesforce, and Unilever

Coalition Signs First Letters of Intent with jurisdictions including Costa Rica, Ecuador, Ghana, Nepal, and Vietnam at COP26

New LEAF participants include BlackRock, Burberry, EY, Inditex, Intertek, SAP, and Walmart.org, bringing the total to 19

Glasgow, Scotland, November 2, 2021 -- The LEAF Coalition (Lowering Emissions by Accelerating Forest Finance) today announced that it has mobilized \$1 billion USD for countries and states committed to increasing ambition to protect tropical and sub-tropical forests and reduce deforestation. LEAF is a voluntary global coalition bringing together the private sector and governments to provide finance for tropical and subtropical forest conservation commensurate with the scale of the climate change challenge. Reversing deforestation is essential to achieve the goals of the Paris Agreement and for any pathway to a 1.5-degree future.

The announcement took place during the World Leaders Summit on November 2nd as part of the United Nations Climate Change Conference (COP26). LEAF is on track to become one of the largest-ever public-private efforts to protect tropical forests, with total demand for verified emission reductions from its growing list of participants estimated to potentially reach at least several billion dollars. This ground-breaking public-private finance commitment will provide invaluable support for countries protecting their tropical forests, to the benefit of hundreds of millions of people.

The Coalition also announced at COP26 that jurisdictions including Costa Rica, Ecuador, Ghana, Nepal, and Vietnam will sign the first Letters of Intent (LOIs) with Emergent, acting as the transaction intermediary for the Coalition, signaling interest in reducing deforestation and receiving payments. Emergent is a US non-profit created to address the urgent climate and biodiversity crises by accelerating finance to support reductions in deforestation at scale, and serves as the initiative's administrative coordinator and facilitates LEAF transactions.

The LEAF Coalition looks forward to more agreements in the months ahead. To date, 23 jurisdictions (countries, states, or provinces) have submitted eligible proposals to the Coalition. These jurisdictions collectively have the potential to protect up to half a billion hectares of forest, greater than the area of the European Union, and their estimated self-reported emissions reductions amount to several times LEAF's initial goal of 100 million tonnes of emissions reductions.

The LEAF Coalition also announced that seven new participants - BlackRock, Burberry, EY, Inditex, Intertek, SAP, and Walmart.org - are joining corporate climate leaders Amazon, Airbnb, Bayer,

BCG, Delta Air Lines, E.ON, GSK, McKinsey, Nestlé, PwC, Salesforce, and Unilever. What began in April with nine private sector participants, anchored by Amazon, has already more than doubled to 19 in total. Participants in the Coalition must be committed to deep voluntary cuts in their own greenhouse gas emissions in line with science-based targets and consistent with the long-term temperature goals of the Paris Agreement. Their contributions to the LEAF Coalition come in addition to, and not as a substitute for, internal emissions reductions.

UK Prime Minister Boris Johnson said: *“The UK is proud to be part of this ambitious coalition that is massively scaling up the amount of finance available to support efforts to stop deforestation, cut global greenhouse gas emissions and put nature on the path to recovery.”*

“Time is running out to protect our tropical forests from irreversible loss. Communities, livelihoods and endangered species rely on these vast ecosystems. History will not judge us kindly if some of the world’s most precious resources are degraded on our watch, given their crucial role in helping us limit the rise in global temperature”

“The LEAF Coalition represents a breakthrough for global efforts to protect tropical forests. We have already mobilized our first \$1 billion, and this is just the beginning. More leading companies keep joining in to pay forest countries that successfully reduce deforestation. They do this voluntarily, in addition to committing to deep cuts in their own emissions. Equally important – we see overwhelming interest from forest countries to engage with LEAF to achieve ambitious reductions in deforestation with a strong emphasis on social justice and inclusion” said **Norwegian Prime Minister Jonas Gahr Støre.**

LEAF welcomes participation by any private sector leader that meets its high-bar criteria of commitment to science-based emission reductions in its own value chain, backed by a mid-century net zero target and participation in the UN Race to Zero.¹ With the public and private sectors working in concert, LEAF can help build a market for high-integrity emissions reductions, providing assurance of long-term finance to jurisdictions.

“Since its launch at the White House Leaders Summit on Climate in April, the LEAF Coalition is demonstrating the scale and collaboration needed to fight the climate crisis and make a meaningful contribution to the global effort to achieve net-zero emissions globally by 2050. The Coalition has already exceeded its target for mobilizing government and private-sector resources to support the sort of large-scale action to halt deforestation and begin to restore tropical and subtropical forests. And importantly, all these contributions are in addition to taking urgent action to cut their own emissions.” said **John Kerry, US Special Presidential Envoy for Climate.**

“Ecuador is one of the countries with the greatest megabiodiversity on the planet, it has 65 forest ecosystems, which constitute 51% of the terrestrial territory with 12.5 million hectares of native forests. In this context, it is a priority for Ecuador the conservation of this natural wealth and for this we are committed to transparent and inclusive climate action.

¹ See Editor's Notes for the full list of criteria

Since 2009, Ecuador has worked on the implementation of its REDD + Action Plan with an ecosystem approach and with a robust system of environmental and social safeguards, which includes the participation of indigenous peoples and nationalities, as well as subnational governments. The scheme proposed by Ecuador has allowed it to be the second country in the world to achieve payment for results of the GCF and also receive financing from Norway and Germany under the scheme payment for results for the Red Early Movers (REM) program, all this in the framework of REDD+. In recent months the Ecuadorian proposal has been approved by the LEAF Coalition, which constitutes an opportunity to receive new financing for the implementation of deforestation reduction strategies." said **Gustavo Manrique, Minister of Environment, Water, and Ecological Transition of Ecuador.**

"To achieve 1.5 degrees Celsius is to accelerate the speed of sustainable financing, without which there will be no ambition to fight the climate emergency. This speed of finance can only be achieved through the right mix of public and private finance. The LEAF Coalition has led the way in fostering such initiatives and is phenomenal by providing such a lever to accelerate the speed of Finance for demonstrable action with commensurate results to empower forest fringe communities and keep forests intact. May the LEAF deliver as "expected" and in record time." said **the Honourable Samuel A. Jinapor, Minister of Lands and Natural Resources (MLNR) of Ghana.**

"Commercial emission reductions from forests are not only Vietnam's strategic objectives, but also specific action plans and achievement from effective cooperation between Vietnam with the LEAF and Emergent thanks to valuable support from various countries and international organisations", said **Mr. Le Minh Hoan, Vietnam's Minister of Agricultural and Rural Development.** He added that "the LOI implementation will contribute to the integration of forest values and promote sustainable forest management with improving livelihoods for local people and communities and ensure ecological safeguards and socio-economic development in Vietnam."

"As a co-founder of The Climate Pledge—a commitment by companies and organizations to reach the goals of the Paris Agreement 10 years early—we know that addressing the global crisis of climate change will take a combination of big, bold measures and everyday actions," said **Andy Jassy, Amazon CEO.** "Emissions from tropical deforestation and degradation make up over 10% of net human-caused greenhouse gas emissions. I am proud of Amazon's work over the past six months with the Governments of Norway, the United Kingdom and the United States, and a growing number of other leading companies, to spearhead this important initiative and mobilize \$1 billion to fight tropical deforestation. Together, we can work to create a more beautiful, livable, and breathable planet. We're encouraged by the coalition's impressive progress thus far and look forward to lending our continued support."

LEAF recognises the critical role of Indigenous Peoples and local communities (IPLCs) in stewarding and safeguarding the world's forests, and the [weight of evidence showing that deforestation rates are two to three times lower in secure Indigenous lands](#). LEAF will only provide finance to those countries and states able to implement and maintain robust safeguards, showing that consultation has occurred, benefit sharing plans are agreed and in place, and

grievance mechanisms are working, as required by TREES' safeguards. LEAF strongly encourages, and participants prioritize supporting, jurisdictions that include Indigenous Peoples and other stakeholders as an integral part of program design, including the development of benefit sharing plans.

Cecile B. Ndjebet, Founder & President African Women's Network for Community Management of Forests (REFACOF) said *"Supporting Indigenous Peoples and Local community rights is a key objective of the LEAF Coalition. It is more than urgent that the struggle of Indigenous and local women against climate change leaves the theoretical field of mere recognition for the practical field of climate finance!"*

On Earth Day earlier this year, the LEAF Coalition issued a call for proposals from jurisdictions for emissions reductions with the initial aim to mobilize at least \$1 billion USD in financing. Since the launch of LEAF, the Coalition has assembled a panel of experts to lead a technical screening process to review proposals. 23 jurisdictions have passed this initial screening process, and LEAF buyers have begun to identify those jurisdictions with which they wish to begin transaction discussions. Costa Rica, Ecuador, Ghana, Nepal, and Vietnam have received initial interest from buyers and will be signing LOIs with Emergent. LEAF looks forward to additional agreements over the next several months.

"The LEAF Coalition was created to increase the speed and scale of forest protection by changing incentives on the ground that make forests worth more alive than dead. The pathway to a stable climate requires massive reductions in deforestation. LEAF and Emergent were created to mobilize unprecedented financial support to jurisdictions that commit to rapidly and verifiably reduce deforestation. We are excited to have reached our initial \$1 billion target through the support and raised ambition of corporate participants including Amazon, Salesforce, McKinsey, Bayer, but we know much more is needed. Developed countries have committed to \$100 billion per year and LEAF aims to help channel some of this to support reversing deforestation. The Coalition aims to move quickly to bring on more buyers and enter into additional transactions with more supplier jurisdictions," said **Eron Bloomgarden, the Executive Director of Emergent.**

Reductions are measured and verified to an independent third-party standard called The REDD+ Environmental Excellency Standard (TREES), developed by the Architecture for REDD+ Transactions (ART). Forest protection programs that operate across entire states matter not only for achieving results at scale, but also because acting at the jurisdictional level supports critical public policies to address deforestation.

As required by TREES, before funding is provided, independent third-party validators will ensure total deforestation across a jurisdiction has been reduced, that efforts to reduce deforestation have not negatively impacted local communities, and that plans are in place to equitably share benefits with local communities.

"Urgent action is needed to preserve our tropical forests which are the lungs of our planet and home to Indigenous communities and rich biodiversity. Airbnb is proud to participate in the LEAF

Coalition which has mobilized \$1 billion to protect tropical forests in at-risk regions around the world,” said **Brian Chesky, co-founder and CEO of Airbnb.**

“Both governments and businesses share a huge responsibility, but also a big lever in combatting and mitigating climate change. The LEAF Coalition brings public and private partners together and provides a path for large-scale forest protection that we urgently need to reach the goals of the Paris Agreement. That’s why we at Bayer are so committed to this initiative.” said **Werner Baumann, CEO, Bayer.**

“Achieving a net zero future depends on a collective effort and collaboration across governments, corporates and society. We are committed to supporting the goal of net zero by 2050 or sooner. Our corporate sustainability strategy is underpinned by actions to avoid and reduce emissions, while compensating for those emissions we cannot yet eliminate. We are pleased to be joining the LEAF Coalition alongside other public and private sector organisations in this innovative approach to accelerating climate action by providing results-based finance to countries committed to protecting their forests,” said **Alexis Rosenblum, BlackRock Chief Corporate Sustainability Officer.**

“Tropical forests are one of humanity’s most important assets. Our research at BCG estimates that the total value of the world’s forests is as much as 150 trillion US dollars. That’s why we are proud participants of the LEAF Coalition and remain committed to accelerating the pace and scale of global forest protection.” said **Christoph Schweizer, Global CEO, Boston Consulting Group.**

“Nature and the outdoors are the foundation of Burberry’s unique heritage and fundamental to our future. As deforestation continues to pose an unrelenting threat to not only the goals of the Paris Agreement but also our ecosystems and livelihoods, we are proud to be a part of the LEAF Coalition to help protect and restore our natural world.” said **Dr. Gerry Murphy, Chair of Burberry.**

“Global climate change is a challenge that we can only tackle in close partnerships across borders. And only in such cross-border partnerships can we achieve the necessary scale and speed. The LEAF Coalition is an outstanding example of this. States and companies are working together to preserve tropical and subtropical rainforests. Protecting such unique ecosystems in combination with decarbonizing the energy landscape are basic prerequisites for achieving the Paris climate goals.” said **Leonhard Birnbaum; CEO E.ON SE.**

“The science is clear, both nature loss and climate change are harming human health. That’s why as a science-based healthcare company, GSK has committed to net zero impact on climate and net positive impact on nature by 2030. This includes action to protect forests – the lungs of our planet. Forests are fundamental to fighting climate change, they are vital in safeguarding human health through cleaning water and air, and their destruction increases the risk of disease. But it’s of course not just about one company, we also need to work together with partners around the world. That’s why GSK is proud to join the LEAF Coalition, so that together we can mobilise at least 1 billion dollars for countries committed to protecting their tropical forests.” said **Emma Walmsley, CEO, GSK.**

André Lacroix, Chief Executive Officer of Intertek, said: *“With the world having reached a tipping point in terms of sustainability, Intertek is proud to join the LEAF Coalition and contribute to accelerating the pace and scale of global forest protection. Since the onset of 2020, the issues facing the world have been felt more acutely than ever. The pandemic has amplified and accelerated the challenges facing humanity and our impact on the planet. Tackling the effects of climate change requires coordinated action and the LEAF Coalition is a great example of how governments and businesses can work together in solving the most pressing challenges of our time.”*

“At McKinsey, we’re working together with our clients and others on scaling the solutions we need to address climate change. Our research indicates that we need to nearly halt deforestation by the end of this decade to achieve the Paris Agreement. The LEAF Coalition is spearheading the next horizon of innovation around solutions that will protect nature at scale and we are proud to participate and encourage others to join us.” said **Bob Sternfels, Global Managing Partner, McKinsey & Company**.

“As leaders come together in Glasgow to make progress on delivering the Paris Agreement, we are determined to play our part. As part of our strategy to build trust with stakeholders and deliver sustained outcomes, we want to see the market for high integrity carbon credits work as effectively as possible. By consolidating demand in order to stimulate supply, we believe the LEAF Coalition can help both governments and businesses deliver on the goals they have set while protecting the world’s forests. That’s why we’re delighted to be part of this effort.” said **Bob Moritz, Global Chairman, PwC**.

“We’re in a planetary emergency, and we’re destroying one of our best defenses against climate change — trees,” said **Marc Benioff, Chair and CEO, Salesforce**. *“As a participant of the LEAF Coalition, Salesforce is proud to help protect our planet’s tropical forests and the communities that depend on them, and as a member of 1t.org, we’re part of the global movement to conserve, restore and grow 1 trillion trees. This is a movement that every government, every business, every community and every individual can join”*

“We are committed to being part of the solution to climate change,” said **Luka Mucic, Chief Financial Officer and Executive Board Member, SAP SE**. *“As we accelerate our transformation to be a net zero company, we continually look for ways to avoid, reduce, and, if needed, compensate emissions. No company or country alone, however, will turn the tide on climate change. So, it is also our priority to collaborate. That’s why we’re excited to join forces and accelerate action as part of the LEAF Coalition. We’re confident that our investment will support nature-based solutions benefitting the environment, biodiversity, and local communities.”*

“The LEAF Coalition’s focus on protecting tropical forests aligns with our commitment to regeneration and 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. The needed progress for climate and nature will take urgency and multiple approaches. The LEAF model helps bring investment in conservation and restoration activities at the jurisdictional level to scale – and enables nature-positive practices as a result. We look forward to collaborating with

LEAF and the other Coalition participants on this critical effort.” said **Julie Gehrki, Vice President, Walmart Foundation.**

“We cannot solve climate change unless we stop deforestation, and we cannot stop deforestation without accelerated investment from the private sector. Large-scale tropical forest protection programs like those supported by the LEAF Coalition are critical to bringing down climate pollution in the near- and medium-term, and supporting Indigenous and local communities. It’s encouraging to see more business leaders take meaningful climate action by joining LEAF. The urgency of the climate crisis demands that other companies follow suit, fast,” said **Fred Krupp, President, Environmental Defense Fund.**

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Editors notes

- In April the LEAF Coalition issued a global Call for Proposals, posted at www.LEAFCoalition.org, for emissions reductions from deforestation verified against the independent and rigorous TREES.
- Interested jurisdictions were invited to submit proposals by July 2021.
- The following jurisdictions are eligible for purchase agreement discussions with Coalition participants. These jurisdictions submitted proposals via the Call for Proposals held from April – August 2021, and have completed an initial technical screening process led by a panel of technical experts. The 23 jurisdictions which have completed this process are: Acre (Brazil); Amapá (Brazil); Amazonas (Brazil); Burkina Faso; Costa Rica; Ecuador; Ghana; Guyana; Jalisco (Mexico); Kenya; Maranhão (Brazil); Mato Grosso (Brazil); Nepal; Nigeria; Papua New Guinea; Para (Brazil); Province of Tshuapa (DRC); Quintana Roo (Mexico); Roraima (Brazil); Tocantins (Brazil); Uganda; Vietnam; and Zambia
- Payments will be made upon the delivery of results for performance in the years 2022 through to 2026.
- Performance is measured against The REDD+ Environmental Excellency Standard (TREES), developed by the Architecture for REDD+ Transactions (ART). ART is governed by globally recognized experts and operated by an independent secretariat, hosted by Winrock International. TREES is a high integrity standard building on over a decade of progress in international support for reducing deforestation and ensuring environmental integrity.
- Payments will be made after actual emissions reductions have been achieved by reducing levels of deforestation and forest degradation, or restoring forests. These reductions are independently verified by third-parties, called Verification and Validation Bodies (VVBs). VVBs are publicly listed on the ART website, accredited by an internationally recognized body, and approved by the ART.
- Payments will help tropical forest countries set a course for sustainable economic development that conserves and restores forests, while supporting local communities and livelihoods.
- Emergent, a US non-profit, is providing a platform to facilitate transactions to provide finance to these programs and serves as LEAF’s administrative coordinator.

- To participate, private sector buyers must meet four key criteria:
 - 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 goals of the Paris Agreement, with no or limited overshoot. In addition, private sector buyers should aim to have set SBTi or equivalent targets (as above) before taking title to ERs, and have the targets in place no later than 2023.² Private sector buyers must also publicly commit to mid-century net zero targets covering all three emissions scopes.
 - Join the UN Race to Zero.
 - Publicly report a greenhouse gas emissions inventory following the Greenhouse Gas Protocol (GHGP).
 - Separately report publicly any use of Emissions Reductions or other carbon credits, including purpose of use. Reporting should be independently audited.

² SBTi allocates 24 months for a thorough target setting process