

COSTA RICA TO BECOME FIRST COUNTRY TO ACCESS CLIMATE FINANCE FROM THE LEAF COALITION

19 June: Costa Rica is set to become the first country in the world to access climate finance through the LEAF Coalition, recognising its achievements in forest conservation and restoration.

This follows the announcement by the Architecture for REDD+ Transactions (ART) that it has issued high-integrity jurisdictional TREES credits for Costa Rica, enabling transactions to proceed with LEAF Coalition public and private sector participants, including the government of Norway and Bayer.

As a result, millions of dollars in climate finance will begin flowing to Costa Rica through an independent financial intermediary, in line with an agreed benefit-sharing plan developed through consultations with stakeholders, including Indigenous Peoples and local communities, over more than a decade. These frameworks are designed to ensure that finance supports forest protection efforts while delivering tangible benefits on the ground.

Costa Rica's program covers the country's national forest area, totalling roughly 3.1 million hectares. ART has issued 1,095,881 removals credits for Costa Rica for the monitoring period 2017-2019. Funds from the LEAF transaction will go towards financing mechanisms such as the successful Payments for Ecosystem Services, which will be broadened to cover areas such as wetlands, marine ecosystems, and sustainable agroforestry landscapes, as well as strengthening program management, reporting and monitoring.

Costa Rica was among the first countries to sign an agreement to access climate finance from the LEAF Coalition at COP 28. It becomes only the second country in the world to have TREES credits issued under the ART program, following Guyana, and the first to have TREES removals credits.

Mónica Navarro del Valle, Minister of Environment and Energy of Costa Rica, said:

'This is a proud moment for Costa Rica. Becoming the first country to receive climate finance through the LEAF Coalition is a testament to our long-standing commitment to forest conservation and sustainable development. This finance will directly benefit the communities and Indigenous Peoples who have been the custodians of our forests for generations, and it validates the approach we have taken to build transparent, inclusive mechanisms for protecting our natural heritage.'

Andreas Bjelland Eriksen, Minister of Climate and Environment of Norway, said:

'Costa Rica is showing what is possible. Through sustained leadership in forest conservation, the country has delivered results that are now unlocking international public and private finance through the LEAF Coalition. This will directly support Costa Rica's impressive Payment for Ecosystem Services programme, benefiting farmers, landowners, Indigenous Peoples and local communities.'

Eron Bloomgarden, CEO, Emergent, said:

'Many congratulations to Costa Rica on becoming first country to achieve issuance of the ART TREES credits for the LEAF Coalition. This is not only a major milestone for Costa Rica, but for the evolution of high-integrity jurisdictional forest finance globally. It provides full proof of concept for the LEAF Coalition model, from financial commitments, to transactions, to credit issuance and the flow of finance to forest jurisdictions. This first issuance demonstrates that large-scale public-private partnerships can mobilize meaningful finance to support countries that are delivering verified reductions in deforestation while protecting communities, biodiversity and the climate.'

Levi Sucre Romero, Bribri Indigenous leader and Executive Director of the Mesoamerican Alliance of Peoples and Forests (AMPB), said:

'What Costa Rica achieved through the LEAF Coalition did not happen on its own. It is the result of sustained collaboration between Indigenous Peoples and the government, which built agreements on inclusion, safeguards, benefit-sharing mechanisms, and Environmental, Forest, and Territorial Plans (PAFTs), establishing transparency and trust in the carbon market. I recognize the LEAF Coalition's vision in understanding that what has been built provides the necessary guarantees for safe and responsible investment. But the most important work begins now: implementation, where everything that has been agreed upon must be translated into tangible benefits for our communities.'

Mattias, Berninger, Senior Vice President Public Affairs, Science and Sustainability at Bayer, said:

'What we are seeing alongside reduced deforestation and contribution to the fight against climate change are tangible benefits for people on the ground, such improved incomes for communities and Indigenous Peoples through direct payments for their work to protect the forest, and the extension of payments to more small landholders. This program brings together the public and private sectors to make real climate and nature contributions, and support people-focused goals by helping improve lives in forest communities across Costa Rica.'

Mary Grady, Executive Director of ART, said:

'Costa Rica has long been a global model for what is possible when a country commits to protecting and restoring its forests, and we are proud to recognize that leadership with this issuance. With 26 jurisdictions now listed on the ART Registry, we are seeing jurisdictional REDD+ reach the scale that climate action demands. Costa Rica's success further illuminates the path for other jurisdictions following closely behind.'

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Notes to Editors

The LEAF Coalition

The LEAF Coalition aims to build a market for high-integrity REDD+ emissions reductions and removals from large-scale schemes operated by national or subnational governments (known as Jurisdictional REDD+). LEAF only purchases credits issued by ART, which meet the robust requirements of its TREES standard. This builds buyer confidence and trust by ensuring the

highest levels of environmental and integrity and social safeguards, particularly for Indigenous peoples and local communities.

Emergent

Emergent is a US non-profit that serves as a transactions platform engaging between tropical forest countries and the private sector to mobilize finance to support emissions reductions from 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.