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Offtake Guidance for the Symbiosis Reforestation & Agroforestry RFP

Since [launching a 20M-tonne advance market commitment \(AMC\)](#) for high-quality nature-based carbon removal in May of this year, Symbiosis Coalition has been working to translate that headline commitment into action – first, through our first [RFP](#) and second, through signed offtakes with successful projects. The financeability of these offtake contracts (i.e., their ability to unlock low-cost upfront project financing) is critical to our goal of catalyzing high-quality nature restoration and carbon removal at scale.

In preparing to negotiate offtake agreements following this first RFP, we've spoken to dozens of project developers, buyers, financiers, banks, and insurance providers to help develop our approach. This guide reflects their input and is intended to provide an overview of what project developers can expect if they reach the contracting stage of the Symbiosis RFP. More specifically, we hope that this guidance will:

1. **Provide project developers applying to the RFP with clarity** on the high-level deal structure and key terms they can expect upon reaching the contracting stage.
2. **Provide the broader market and public with an educational resource** on key terms addressed in an offtake for nature-based carbon removal.

We expect these takeaways to help facilitate continued dialogue between developers, buyers, and investors about how to best structure nature-based offtakes to unlock the financing needed to catalyze the market.

While this guidance draws upon lessons from other successful carbon removal transactions and from other industries (such as renewables and commodities), we hope to learn and adapt in the coming year as we work on specific reforestation and agroforestry deals. We plan to publicly share lessons learned along the way to help accelerate the pace of transactions needed to meet the speed and scale of impact required by the climate and biodiversity crises.

What to Expect in a Symbiosis Offtake Agreement

Each offtake agreement that is ultimately signed between project developers and members will be unique to the project. However, we expect Symbiosis offtake agreements to share many standard terms to both increase efficiencies and ensure that final signed agreements can attract the necessary financing. Below is a high-level overview of the terms and structure that developers can expect in a Symbiosis offtake agreement and guidance on what to include in their RFP submission.

1. “Pay-on-Delivery” Structure

We expect the vast majority of our deals will use a pay-on-delivery structure, meaning buyers pay developers after the carbon removal units ([CRUs](#)) are delivered. All project developers submitting to the RFP should submit a pay-on-delivery structure as their primary proposal. In some cases, Symbiosis may consider partial prepayment to enable projects to get off the ground (especially where it can lower the cost of capital or unlock

larger amounts of capital), so developers may optionally submit another offer with prepayment included, with a rationale for how this helps the project.

Pay-on-delivery structures have played a critical role in unlocking financing in other nascent industries (such as the renewables market). We believe this structure can similarly help to mobilize the large amounts of institutional capital needed for nature restoration over the long term.

2. Price

Carbon price per tonne for reforestation and agroforestry projects can vary widely depending on geography, whether land is leased or acquired, carbon accounting assumptions, and financing source, among other factors. We also understand that incorporating conservative carbon accounting methods and stricter requirements for social, community, and ecological benefits come at a cost. Symbiosis has not set a specific price target or range for the RFP, but we expect project developers to provide transparency into what is driving price (including carbon accounting, project design, and structuring/financing considerations).

The RFP questionnaire will ask all developers to submit a price schedule with a price in USD for each target delivery date and quantity (see *Exhibit A* below). This price schedule may include a fixed escalator or increase on an annual basis.¹ Note that there does not need to be a delivery every year (see Issuance Frequency section below).

Exhibit A: RFP Commercial Proposal Submission

10-year offtake proposal (2026 - 2035) ⓘ

Year ↑	Target Offtake CRUs (Issued/Delivered)	Unit price (USD)	Project's Total CRUs (Issued/Delivered)
2026			
2027			
2028			
2029			
2030			
2031			
2032			
2033			
2034			
2035			

¹ We recognize that some projects may prefer an inflation-adjusted escalator (e.g. an escalator tied to CPI) to account for cost inflation. We hope that pricing in USD will mitigate at least a portion of that concern and we may consider these types of inflation-adjustment mechanisms at later stages of diligence and negotiation.

As developers price their proposals, we ask that they consider the following:

- (1) *Fair compensation of relevant stakeholders* - Does the price factor in sufficient proceeds to all key stakeholders, including the developer and investor, as well as landowners or other communities impacted by the project?
- (2) *Cost of capital* - Does the price factor in an appropriate return for the upfront investment required to implement the project?
- (3) *Project Cost Inflation* - Has the financial model accounted for a base level of inflation to cover implementation and maintenance costs over the project lifetime?
- (4) *Minimum credit guarantees and related shortfalls* - Has the price appropriately accounted for providing minimum credit delivery guarantees, by setting aside an internal buffer or other mechanisms? (discussed in section 4 below)
- (5) *Security* - What form of security could the developer hold to safeguard project offtake? (discussed in section 8 below)

Developers interested in submitting a proposal with a partial prepayment will be asked to show how the blended price per CRU varies with different amounts of prepayment (see Exhibit B below). The blended price per CRU should be averaged across prepaid and pay-on-delivery CRUs and may be indicative – the purpose is to help us understand how a partial prepayment would impact the price per CRU.

Exhibit B: RFP Commercial Proposal Submission for Partial Prepayment

% of CRUs pre-purchased	10 year - Blended Price per CRU (USD)	15 year - Blended Price per CRU (USD)	20 year - Blended Price per CRU (USD)	30 year - Blended Price per CRU (USD)
10%				
25%				
50%				

We understand that some of the factors above may evolve as developers work with prospective financiers. We ask that developers highlight in their proposals where there is still uncertainty and what is driving it. We will give developers an opportunity to refine their proposal if the project moves into full diligence and term sheet negotiation.

3. Contract Term

Term length is a critical component of financeability given the typically long payback periods of restoration projects, especially in slower-growing regions of the world. For the Reforestation and Agroforestry RFP, Symbiosis is seeking minimum 10-year offtakes with deliveries through 2035, with the possibility of signing longer-term contracts where required to make project economics feasible. All developers should provide prices, delivery schedules, and other project information based on a 10-year offtake from contract signature (for an offtake contract signed in 2025, this would mean deliveries through 2035) in their RFP submission. We understand that a 10-year time frame may require higher price points for projects with a slower ramp-up to delivery, so developers may also submit a 15-year, 20-year, 30-year, or other length offtake. If a longer-term

offtake would enable you to secure better financing or create more impact, please describe this in your proposal.

4. Delivery Volumes and Dates

Delivery Volumes: Developers will be asked to provide their target delivery volumes (“Target Carbon Removal Unit (CRU) Offtake Amounts”) based on conservative estimates of the project’s carbon removal potential to provide a high degree of certainty on delivery amounts. The offtake will also specify a Minimum Carbon Removal Unit (CRU) Offtake Amount, currently set at 70% of the Target, with potential shortfall remedies for under-deliveries (discussed in Section 5 below). In order to meet minimum delivery volumes, developers may choose to set aside a portion of forecasted CRUs as an internal buffer to ensure deliveries can be met (though this is not a requirement). During the diligence process, Symbiosis will compare the Target CRU Offtake Amount to the project’s carbon removal projections to evaluate whether the project can support the proposed offtake, but ultimately it will be up to developers to set offtake delivery volumes that are realistic and achievable.

Delivery Dates: We recognize that numerous factors, both within and outside the developer’s control, create uncertainty in the timing of credit delivery, especially in projects that will be undergoing their first validation and issuance. However, it is important for offtakers to understand the timing of credit delivery and payment for internal carbon accounting and budgeting purposes. Certainty around deliveries and cash flow is also an important component of whether an offtake will attract project financing. For these reasons, we ask that project developers provide Target Delivery Dates or the dates by which developers have a high degree of certainty of CRU delivery (including a reasonable amount of buffer for anticipated registry timelines). The offtake may also specify a Guaranteed Delivery Date, set as a pre-defined grace period following the Target Delivery Date for any unanticipated delays, provided that the developer can share a clear plan to minimize such delays. For certain types of delays, such as unexpected registry-related delays in particular, the offtake may allow for an additional extension of the Guaranteed Delivery Date.

Issuance Frequency: Developers should submit a delivery schedule based on the most frequent issuance schedule their project can realistically accommodate operationally -- at least every 2-3 years and ideally annually for larger projects.

Exhibit C: Sample Delivery and Price Schedule in Term Sheet

Contract Year #	Contract Year Ending	Delivery Date	Guaranteed Delivery Date	Target Offtake CRU Amount (CRUs)	Minimum Offtake CRU Amount (CRUs)	Unit Price (\$ USD)	Total Cost (\$ USD)
1	DD MM YYYY	DD MM YYYY	DD MM YYYY	[•]	[•]	\$(•)	\$(•)
2	DD MM YYYY	DD MM YYYY	DD MM YYYY	[•]	[•]	\$(•)	\$(•)
3	DD MM YYYY	DD MM YYYY	DD MM YYYY	[•]	[•]	\$(•)	\$(•)
4	DD MM YYYY	DD MM YYYY	DD MM YYYY	[•]	[•]	\$(•)	\$(•)
5	DD MM YYYY	DD MM YYYY	DD MM YYYY	[•]	[•]	\$(•)	\$(•)

6	DD MM YYYY	DD MM YYYY	DD MM YYYY	[•]	[•]	\$(•)	\$(•)
...	...	...		[•]	[•]	\$(•)	\$(•)
TOTAL				[•]	[•]		\$(•)

5. Delivery Shortfalls and Remedies

Developers may be asked to guarantee a Minimum Offtake CRU Amount by the Guaranteed Delivery Date discussed above. If a project underdelivers, the offtake agreement could require shortfall remedies to make up for the amount of the underdelivery, likely in the form of either replacement CRUs or cash damages. Replacement CRUs would need to be of a similar quality level (e.g., aligned with Symbiosis' quality criteria) and of a similar vintage so the offtaker could still use the credit to meet their sustainability goals. We understand that because the supply of high-quality removal credits is limited and illiquid today (Symbiosis exists to try to help change this dynamic), replacement credits can be difficult for developers to commit to, especially for those without a large portfolio of diversified projects to draw from. For this reason, if requiring shortfall remedies, we may include a cash damages option, which represents a known and capped liability that can more easily be priced into a proposal. We intend to provide flexibility for the developer to choose whether to provide replacement credits, cash damages, or other remedy solutions in the event of a delivery shortfall.

6. Reversals

Any unintentional reversal events (i.e., unforeseen events outside the control of the developer) will typically be handled by the relevant registry buffer pool process, as long as that buffer pool process replaces reversals with like-for-like credits. Any unintentional reversals not appropriately covered by the registry buffer pool process and all intentional reversals may be subject to similar shortfall remedies as described above.

Intentional reversal events related to deliberate human action (typically not covered by the registry buffer pool process), will be the responsibility of the project developer to notify the buyer and remedy.

7. Key Milestones

Depending on the project stage, offtake agreements may detail a key milestones schedule (e.g., Project Design Document (PDD) submitted, PDD Validated, quantifiable progress on implementation activities) and give the buyer the ability to terminate the contract if certain key milestones have not been met (with appropriate cure periods or time to address the issue), with limited damages owed by the project developer. After these key milestones are complete and the Commencement Date (CD) has been achieved, the cost to replace the contract is much higher for the buyer, and so any remedies will attempt to reflect that increased cost (e.g., the buyer's cost to go out and purchase CRUs on the market or source a replacement offtake contract).

Project developers will be asked to provide a list of proposed key milestones and target dates for completion, per their best judgment, upon entering the term sheet negotiation phase of the RFP. Developers will also be asked to provide regular reporting on the status of key milestones to the buyer leading up to CD.

8. Events of Default

In order for an offtake contract to be financeable, investors need to be comfortable that there is a high degree of certainty in future cash flows. Buyer creditworthiness (i.e., ability to pay in the future) and limited buyer “outs” that allow them to exit the contract are key to providing investors with this certainty. With that in mind, we will aim to provide avenues for both parties to stay in the contract for as long as is feasible (remedies, cure periods, etc).

In the pre-CD phase of the contract, termination would most likely arise if the project developer fails to develop the project as planned. Post-CD, termination should be less likely, typically arising if the project fails to perform. Post-CD, termination payments from the developer to the offtaker will be based on replacement contract losses incurred, or otherwise calculated with respect to market quotes for a replacement agreement on similar terms.

In general, we expect to have the following seller events of default in our offtake contracts:

1. The developer fails to complete key agreed-upon milestones, subject to a cure period (*with limited termination payment*)
2. The developer fails to deliver the Minimum Offtake CRU Amount by the Guaranteed Delivery Date, subject to a cure period
3. The developer breaches any representations, warranties, or covenants set forth in the contract;
4. The project generates CRUs but fails to deliver them to the buyer(s) (e.g., because they've chosen to break the contract to sell CRUs at a higher price elsewhere)

We expect that buyer events of default would include the following:

1. Failure to make a payment within 90 days of delivery, subject to a cure period
2. Buyer breaches any representations, warranties, or covenants set forth in the Definitive Agreement

Force majeure and change of law events (discussed below) would not be considered an event of default because they are outside the reasonable control of buyer and seller.

9. Security

The concept of a security or collateral is common in project finance as a way to provide an offtaker with assurance that the project can cover its obligations or liabilities if the project is not successful (and to disincentivize developers from terminating the contract with the intention of seeking more attractive offtake opportunities). Common forms of security include:

1. A letter of credit from a qualified institution (defined as a commercial bank with a sufficiently high credit rating, typically A- from S&P or A3 from Moody's)
2. A parent company guaranty or evidence that a parent guarantor has a contribution commitment to the seller (parent guarantor must meet a certain credit rating level, typically BBB- or higher by S&P or Baa3 or higher by Moody's)
3. Seller meets Required Credit Rating or another financial metric such as net worth or cash on balance sheet
4. Cash in escrow
5. Bond

There are two types of security: development security (which is held prior to the project meeting the key milestones that define the CD) and operational security (held following CD for the life of the offtake).

- The **development security** is intended to ensure the developer can pay a subset of damages that could occur prior to CD. The amount is typically calculated based upon the total offtake amount, in dollars per CRU or as a % of deal size.
- The **operational security** is intended to cover the outstanding liability for potential shortfall damages that may be incurred in case the developers cannot pay such damages (e.g., in the case of insolvency). The amount is typically calculated based on the total potential shortfall damages exposure on a rolling basis (e.g., over a 3-year period).

We expect that developers will provide some form of security to protect forward offtake commitments. However, we recognize that the concept of securities is newer in the nature-based carbon removal space, and therefore, Symbiosis may be willing to be more flexible in the forms of security provided, including considering alternatives such as an internal buffer pool. We ask about the form of security as part of the RFP intake questionnaire. Developers that aren't yet sure of the form of security or how it will impact price, please note that in the RFP submission.

10. Right of First Offer (ROFO)

ROFOs are a common mechanism for early buyers in the market to set the foundation for long-term partnerships while also compensating for the risk of guaranteeing offtake from an early-stage project. At the same time, Symbiosis wants many more buyers to enter the carbon removal market and does not want to burden developers' ability to sell to other buyers in the market.

There are many ways to structure a ROFO. Symbiosis may look for a ROFO at the end of the contract term to renew the contract, ultimately subject to the discretion of the buyer to exercise. In some cases, especially where the offtake may be taking on more delivery risk, Symbiosis may seek more expansive ROFOs on excess credits delivered. Additionally, Symbiosis may seek a ROFO to ensure that a developer does not intentionally terminate the contract by missing a key milestone in order to sell to a different buyer. In any case, we would aim to scope these ROFOs to a specific project, geography, or volume such that the developer's ability to expand and find additional buyers is not overly restricted. We expect that as the market matures and offtakes become less risky, ROFOs may become less necessary for buyers to get offtake contracts signed.

11. Indemnification and Limitation of Liability:

Members signing offtake through Symbiosis will expect full indemnification from claims of third parties that assert they have been harmed due to the developer's actions, negligence, or failure to meet contractual obligations, including those related to project implementation. Neither party will be responsible to the other for any special or indirect damages, such as lost profits, business interruptions, or missed business opportunities, even if these arise from the performance or lack of performance under the agreement, except for in narrowly defined circumstances. Besides serious issues including fraud, gross negligence, the indemnification obligations above, or similar categories of damages, Symbiosis expects there will be an overall cap on the liability of both parties under the contract. These points are non-negotiable for all members and will be present in all Symbiosis-negotiated offtake agreements.

12. Force Majeure and Change of Law:

Symbiosis offtake contracts will clearly define what constitutes force majeure or change of law that would alter the obligations of the parties or potentially allow for termination if these events are prolonged.