

Article 6.4 Webinar: “Draft Standard: Addressing non-permanence and reversals”

Webinar

Bonn, Germany, 18 September 2025



Opening remarks by Martin Hession, SBM Chair



Presentation by MEP Co-Chairs



Background

- **SBM10** requested the MEP to prepare recommendations on the following products relating to the recommendation on removals:
 - Guidance on post-crediting period monitoring, reporting, and remediation of reversals, post-reversal action and host Party roles;
 - Guidance on late, incomplete, or missing monitoring report submissions and treatment of activities for which a reversal results in removals level that falls below baseline;
 - **Reversal risk assessment tool**;
 - Guidance on avoidable and unavoidable reversals and reversal compensation.
- **SBM014** the SB adopted the “Standard: Requirements for activities involving removals under the Article 6.4 mechanism” (“Removals Standard”) and requested the MEP to continue its work on the above issues on the basis of the adopted Removals Standard.
- At **COP29**, the CMA took note of the adoption of the document by the Supervisory Body.



MEP007 publishes draft Reversal standard

- **MEP007** in July 2025 prepared a draft Reversal Standard consisting in **two alternative proposals**.
 - MEP agreed to launch a call for public inputs on this draft Reversal Standard.
 - The input received during the open call period from 15 July to 4 August 2025 were considered at MEP008.



SBM017 provides direction on further work on the Reversal standard

- SBM017 in **August 2025** noted the MEP’s ongoing work on implementation of the “**Standard: Requirements for activities involving removals under the Article 6.4 mechanism**” related to **addressing non-permanence and reversals**.
 - a) SBM017 requested the **MEP to prepare a single recommendation**, identifying options where necessary.
 - b) SBM017 also underlined that, while the MEP is invited to explore the full range of potential approaches to operationalize the requirements of the removals standard for consideration of the Supervisory Body, **it shall stay within the mandate** set by the previous decisions of the Supervisory Body **including the removals standard**.
- SBM also further requested the MEP to prepare a concept note on options for the implementation of **paragraph 62** of the “Standard: Requirements for activities involving removals under the Article 6.4 mechanism” and agreed to the updated MEP workplan for 2025.
- SBM also requested the MEP **to expedite the work to develop a reversal risk assessment tool** and report back on the progress on this work at its next meeting.



MEP008 and SBM018

- Reversal small group met for additional days to address all comments submitted by stakeholders.
- MEP008 made a single recommendation to the SBM, which will be considered at SBM018 scheduled from 06 to 10 October 2025.
- SBM018 will consider the draft recommendation of the MEP, along with inputs from the stakeholders on the draft Standard. The call for input is open from 10 to 24 September 2025.



Background: Call for input

- **Total submissions:** 112 submissions (some highly similar)
- Around 1280 inputs (including duplicates); 659 unique inputs pertaining to:

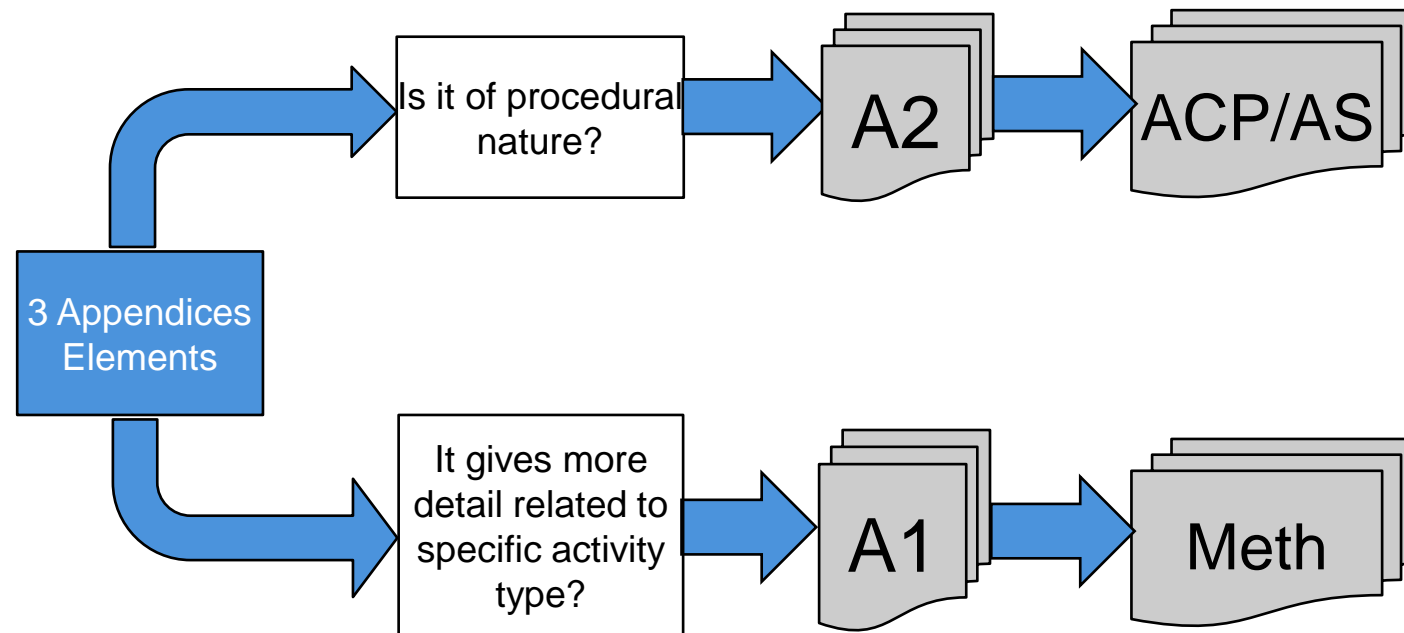
General comments	98
Cover note	100
Appendix 1	177
Appendix 2	138
Appendix 3	146

- **Stakeholders:** Parties, regional organizations, IGO, researchers, private sector, NGOs, non-affiliated individuals and consultants.



Review of stakeholder input

- Small group members **reviewed all the comments** received from the call for public input and updated the draft standard.
- The small group implemented a way forward for:
 - Merging and incorporating elements of the 3 appendices into one single recommendation, except for elements which did not align with the Removal Standard



How were these submissions considered?

Resolving 1280 public comments:

1. Addressed in the recommendation by the MEP
2. Noted in the recommendation by the MEP
3. Not addressed in the recommendation by the MEP for the following reasons:
 - a) Input was found not to be aligned with the Removals Standard;
 - b) Input related to other standards that have already been adopted by the Supervisory Body; or
 - c) Input related to ongoing and future work by the Supervisory Body and the MEP on other regulatory documents.

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Public comments addressed in the MEP recommendation

Provision	Content
Materiality Threshold	Introduced flexibility for mechanism methodologies to apply a materiality threshold to determine non-reversal of minor GHG releases.
Negligible Risk of Reversal	Narrowed range from 0.1%-5% to 0.5%–2.5% of A6.4ERs over 100 years; Supervisory Body to select final value.
Alternative Monitoring Approaches	Permitted under limited conditions where standard reversal accounting is infeasible; must ensure full remediation and avoid moral hazard.
Reversal Risk Buffer Pool	Clarified that the reversal risk assessment tool applies exclusively to changes in GHG reservoir storage.
SOP and OMGE Contributions	Finalized one option (formerly Option 1) for transferring A6.4ERs to Adaptation Fund and cancellation fund.
Reporting Timelines	Extended grace periods and added automatic 90-day extensions for reversal-related reports in cases of force majeure or DOE unavailability. ¹¹

Public comments taken note of in the MEP Recommendation

Provision	Content
Applicability Conditions	Clarified that listed activity examples do not prejudge methodology approval or registration eligibility.
Annual Reversal Reports	Confirmed simplified format listing prior notifications or declaring none occurred; verification may occur during subsequent monitoring.
Reversals Below Baselines	Developed a single approach to address reversals below baseline levels.
Activity De-Registration	Elaborated standardized requirements for de-registration of activities.
Stakeholder Engagement	Acknowledged requests for more engagement opportunities (e.g., webinars, 2 nd call for input).
Technical/Editorial Updates	Numerous updates made throughout the document in response to stakeholder input.



Public comments not addressed in the MEP recommendation

Reasons	Suggested Comments
Not Aligned with Removals Standard	<ul style="list-style-type: none"> • Preference for “intentional/unintentional” language/definition of reversals (see 9e & 9f) • Use of “acceptable risk” language (see 28a) • Fixed post-crediting monitoring period (see 26 & 28) • Objections to reversal-related reporting (see 4.6.2) • Alternative reversal risk assessment mechanisms (see 4.6.3.1)
Already Covered by Adopted Standards	<ul style="list-style-type: none"> • Leakage standard: objections to international leakage and alternative calculation methods
Related to Future/Ongoing Work	<ul style="list-style-type: none"> • Large-scale crediting programmes • Reversal risk assessment tool development • Insurance, guarantees, and other reversal risk management mechanisms (ref. paragraph 62 of Removals Standard – SBM017 decision)



Recommendation by MEP008 to SBM018: no consensus

- The MEP did not achieve full consensus in respect to the progression of the Standard: Addressing non-permanence and reversals. A member of the MEP requests that the Supervisory Body consider concerns that the draft standard would preclude participation by land-based activities due to the required consistency with the Removals Standard for the reasons listed below and believes that amendments to the Removals Standard would allow more equal participation opportunity to both technological and land-based activity types without lessening the credibility of the outcome.
- The other members of the MEP noted that the MEP was mandated to work within the scope of the Removal Standard and was not requested to provide feedback on the Removals Standard as part of this work.



Recommendation by MEP008 to SBM018

The MEP recommends the Supervisory Body to:

- Consider the range of values proposed for defining a negligible risk of reversal **0.5%–2.5%** , specify a single value to be adopted for the definition of a negligible risk of reversal, and adopt the draft standard “Addressing non-permanence and reversals in mechanism methodologies” included in Appendix 1;
- Confirm that the approach implemented in section 6.6 and 6.7 of the draft standard is appropriate that mitigation contribution A6.4ERs are to be forwarded to the Reversal Risk Buffer Pool Account without effecting a first transfer and that the forwarding of authorised A6.4ERs is to be effected as a first transfer, consistent with the approach for OMGE and SOP; and
- Request the secretariat to develop a simplified template for monitoring reports for the post-crediting monitoring period.



Key elements of the Draft Standard: Addressing Non-Permanence and Reversals



Structure and content of the draft – Key issues

- APPENDIX 1.Draft Standard: Addressing non-permanence and reversals in mechanism methodologies
- APPENDIX 2.Elements for inclusion in relevant regulatory documents



A1: Identification and quantification of reversals – Reversals Classification

Categorization	Definition and Criteria	Examples
Avoidable	Actions or omissions attributable to the activity participants.	<ul style="list-style-type: none">- Mismanagement or neglect- Willful actions- Failure to implement risk mitigation plans- Intentional use of stored materials- Missing required reports
Unavoidable	Resulting from external, uncontrollable events or legal constraints.	<ul style="list-style-type: none">- Natural disturbances & extreme events- War or terrorism- Legal/policy changes- Illegal third-party actions beyond participant control

- Reversals not identified in an Article 6.4 activity's reversal risk assessment shall be classified as avoidable reversals by default.
- Mixed reversals where applicable.



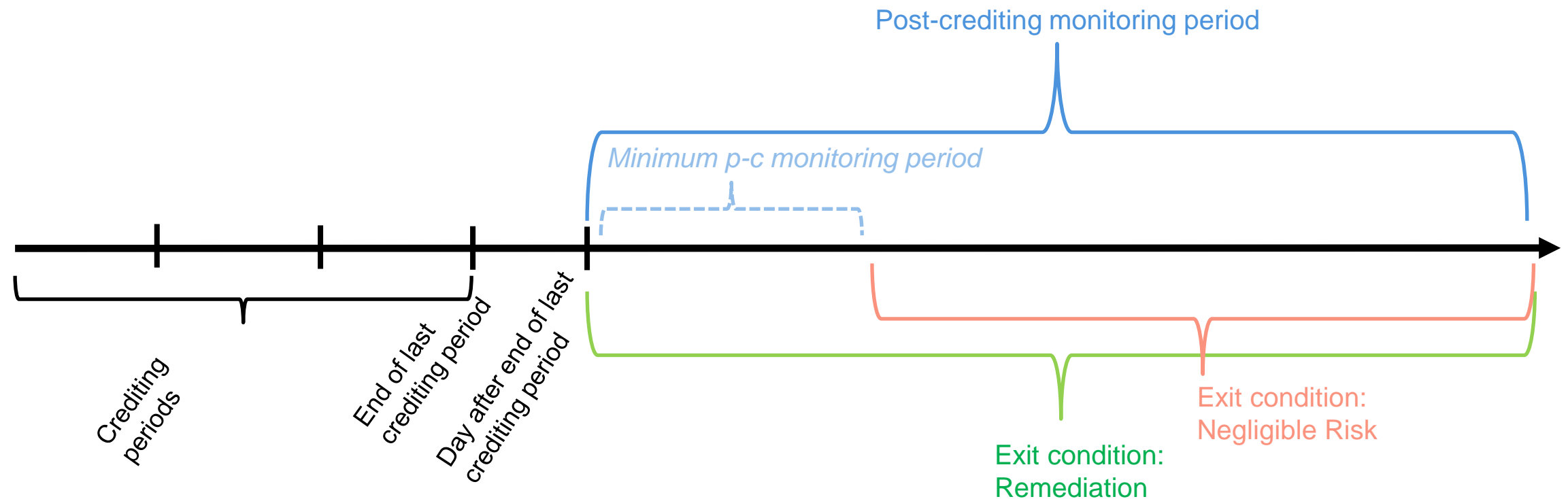
A1: Identification and quantification of reversals - Post-Crediting Monitoring

- Minimum post-crediting monitoring period must be defined.
- Participants may request termination of monitoring upon **demonstrating negligible risk of reversal**.
 - Criteria must ensure stored gases are stabilized or in steady state for at least 100 years from the year of demonstration.



A2: Post-crediting period monitoring and reporting

- The post-crediting monitoring period shall **start** on the first day after the end of the last active crediting period and shall **continue** indefinitely or until one of the **exit conditions**:
 - Remediation of potential future reversals; or
 - Negligible Risk of Reversal.



A2: Reversal-related notifications and reports

Table 3. Summary of reversal-related reporting requirements

Requirement	Purpose	Timing of submission	Whether verification is required
Notification	Inform the Supervisory Body of a potential reversal	Within 30 days of the end of an observed event	No
Preliminary assessment report	Determine whether a reversal has occurred	Within 90 days of the end of an observed event	Yes, but only if the preliminary assessment report concludes that a reversal has not occurred
Monitoring report	Quantify amount and classify the type of reversal	Within 365 days of the end of an observed event	Yes
Annual reversal report	Ensure regular communication with activity participants	Annually, due 31 March each year	Yes, and verification can be done ex post as part of the verification of a monitoring report



A2: Late, incomplete or missing report submissions

Table 4. Summary of consequences of late or missing report submissions

Report	Consequence of late report	Timing of consequence (late)	Consequence of missing report	Timing of consequence (missing)
Preliminary assessment report	None	Not applicable	Require monitoring report	60 days after notice
Monitoring report	Registry functionality suspended	Immediate	Avoidable reversal (deemed)	180 days after notice
Annual reversal report	Registry functionality suspended	30 days after notice	Avoidable reversal (deemed)	90 days after notice



Subsequent work

- The MEP will continue working on some elements of the mandates provided by the Supervisory Body, including:
 1. A reversal risk assessment tool that addresses:
 - Whether upper limits are needed in respect of the overall risk rating or specific risk factors are to be included within the tool, including options and science-based rationales for upper limit(s);
 - Risk rating that constitutes a negligible risk;
 - Any further categorization of risk; and
 - How remediation measures are taken into account in the risk assessment tool.
 2. A concept note on options for the implementation of **paragraph 62** of the “Standard: Requirements for activities involving removals under the Article 6.4 mechanism”



Subsequent work and future alternative approaches

Cover note paragraph 59

1. “The MEP notes that many public comments referred to the challenge for private sector entities to assume responsibility for monitoring and compensating for long or undefined periods in the case of project-level activities. In this respect, the MEP notes that this **standard does not yet incorporate any possible alternative approaches for addressing reversals in the post-crediting monitoring period that will be explored within the mandate provided to develop a concept note on paragraph 62 of the Removals standard.** The MEP further notes that the standard could be amended, following the finalisation of the concept note, to incorporate such approaches.



Paragraph 62 of the Removal standard

1. The Supervisory Body will consider and implement any potential **remedial actions necessary to manage risks to the robustness of the Reversal Risk Buffer Pool Account**, including ongoing consideration of measures to remediate reversals and ensure the resilience, sufficiency, and solvency of the Reversal Risk Buffer Pool Account, and other appropriate measures and procedures that may provide suitable alternative means to remediate reversals, including the following:
 1. (a) Requirements and approval procedures for the **use of insurance policies, or comparable guarantee products, or third-party guarantee approved by the Supervisory Body to cover the risk that reversals occur**;
 2. (b) Procedures for establishing, managing, and **using a monetary permanence reserve enabling remediation of reversals through the direct or potentially centralized purchase and cancellation of A6.4ERs with negligible or no reversal risk**.





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- Reminder: the call for input will remain open until **24 September 2025**:



E-mail

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Newsletter

<https://unfccc.int/a64-news>

