

IETA's Submission on Draft Standard: Addressing Non- Permanence/Reversal

IETA STATEMENT

IETA submitted input on the “Draft Standard: Addressing Non-Permanence/Reversal” to the Methodological Expert Panel (MEP) of the Paris Agreement Crediting Mechanism (PACM), which was open for consultation from 15 July to 4 August 2025. This draft standard aims to set detailed requirements for any Article 6.4 activity (both reductions and removals) with a reversal and non-permanence risk.

The draft standard presented by the MEP contains two alternative options, presented as mutually exclusive. Option A (Appendices 1 and 2) is supported by a large majority of the MEP, while Option B (Appendix 3) is supported by only one MEP member. While neither option is favorable to forestry and other land-based activities, Option A is significantly more problematic.

If adopted, Option A would effectively exclude all the land-based activities from PACM by imposing unfeasible monitoring requirements. In essence, activity proponents are required to continue monitoring for reversals and submit annual monitoring reports after the end of the crediting period unless the risk of reversal can be defined as “negligible”. Given that “negligible risk” is defined as a risk of reversal of either 0.5% or 5% over a 100-year period, this would mean perpetual monitoring for land-based activities.

While challenging requirements for land-based activities have to some extent been set by the removals standard adopted by the SBM immediately prior to COP29, such an outcome is the result of deliberate choices by MEP members. We believe such an approach is in breach of the mandate provided by the CMA to the SBM. It is also broadly inconsistent with the Paris Agreement, which aims “to achieve a balance between anthropogenic emissions by sources and removals by sink in the second half of this century” (Article 4.1) and calls on Parties to “take action to conserve and enhance, as appropriate, sinks and reservoirs of greenhouse gases (...), including forests” (Article 5.1).

The reaction of stakeholders to this proposal was strong. Despite the very short consultation period, more than 110 submissions were received, including input from developing countries, academic institutions, and multilateral organisations. The MEP is meeting again next week (1-5 September) and, according to its annotated agenda, it plans to finalise this standard and recommend a single option to the SBM for adoption.

KEY POINTS HIGHLIGHTED IN IETA’S SUBMISSION

Conduct a more thorough stakeholder consultation on the full package of standards and tools

Given the complexity and relevance of the topic, the type of consultation undertaken by the MEP is wholly inadequate. We believe the draft standard should be presented in conjunction with the relevant tools (e.g. the Risk Assessment Tool and Buffer Pool Design), so stakeholders can properly assess the impact on activities and provide comprehensive input, as all relevant elements will have critical impacts on the implementation of removal activities under PACM.

The consultation period should be significantly longer than three weeks, and its modalities should go beyond requesting written input on specific sections of documents. We suggest the MEP and SBM convene a series of workshops and stakeholder dialogues (either virtual or in-person), so all relevant stakeholders are given the opportunity to elaborate on their positions and solutions. We also suggest that the significance of the topics under consideration may call specifically for Party inputs.

Adopt a pre-determined post-crediting period

Option A proposes that post-crediting monitoring should continue indefinitely. This monitoring period can only be terminated if the activity participant meets one of two stringent conditions: either remediating all potential future reversals through the cancellation of all credits issued, or demonstrating a “negligible risk of reversal” calculated over a 100-year timeframe. These requirements are identified as unrealistic and impractical for land-based activities.

In response, IETA calls for a more feasible framework. We propose to establish a pre-determined post-crediting period defined at the methodology level, coupled with the following additional safeguards:

- Automatic cancellation of buffer pool contributions at the end of the crediting period to address the future risk of reversals at the portfolio level.
- Transfer of any remaining liability to the host country or another third party.

Furthermore, IETA advocates that the standard explicitly permit the use of emerging and innovative models, such as insurance products and monetary guarantees (such as a “permanence fund”), noting that such mechanisms have already been endorsed and included in previous guidance.

Re-define negligible risk of reversal

The MEP draft standard defines “negligible risk of reversal” over a 100-year timeframe. This approach is in contradiction with the most recent scientific knowledge referenced in the IPCC report (Joos et al., 2013). CO₂ has multiple atmospheric lifetimes and follows a decay curve, suggesting the concept of ‘durability’ may be more useful than the concept of ‘permanence’. According to Joos et al.’s model, about 40% of a CO₂ pulse is removed from the atmosphere within 20 years, 60% within 100 years, and only ~25% persists beyond 1,000 years.

In light of this, IETA proposes replacing the 100-year period with a 40-year period, stipulating that any residual risk beyond forty years must be covered by an adequate buffer pool contribution, insurance, or a host party guarantee. A more refined diminishing liability based on the duration of the project could also be considered.

In addition to this fixed percentage, IETA recommends that the standard consider the scale and impact of a potential reversal event. This would introduce flexibility, allowing for a strict 5% confidence interval for larger projects while permitting more adaptable requirements for small-scale activities.

Review event monitoring and reporting scope

Option A proposes a reporting framework that is considered unworkable and impractical for nature-based solutions. The draft requires project participants to report any potentially impactful event, including minor environmental fluctuations or routine ecological processes, even if they do not lead to an actual reversal. Furthermore, it mandates that any observed event involving the release of greenhouse gases be reported to the Supervisory Body within an unrealistic 30-day window and summarised in an annual report. This approach is problematic because a single event may not constitute a net reversal until assessed over a full monitoring period.

Moreover, the draft requires the submission of annual reversal reports verified by a third party. This would amount to an unprecedented amount of bureaucracy that would burden project proponents and overwhelm the UNFCCC Secretariat.

IETA proposes a more streamlined and practical reporting system based on materiality and established verification cycles. We suggest amending the frequency of reversal report to 5 years and removing the requirement to report minor events. Instead, reporting should only be triggered by actual reversals, defined as a significant carbon stock loss (e.g., >5%) outside the scope of the validated project plan. This information should be included in regular monitoring reports rather than through immediate notifications. Furthermore, approved management practices, like crop rotation, should not trigger separate reporting obligations.

IETA is also concerned about punitive measures imposed on activity participants in case of a reversal. The draft proposes to suspend a project proponent's account from the time of notification of a potential reversal and until the reversal is fully remediated. Such an action is overly onerous, unwarranted, and would prevent the project proponent from continuing to manage other projects during that time fully. So long as the project proponent is fully cooperating to quantify and remediate the reversal, there is no need to suspend their account.

CONCLUSION

The MEP's draft standard for addressing non-permanence is largely disconnected from the realities of nature-based climate solutions and would lead to a de facto ban on land-use projects from PACM. By imposing overly strict requirements like perpetual monitoring and reporting obligations and event-based reporting for minor natural fluctuations, the standard would create unsurmountable barriers and limit participation.

IETA strongly urges the MEP to reconsider this draft standard and to engage with stakeholders in a collaborative and meaningful revision process. We are committed to supporting this constructive path forward. In case the MEP failed to deliver an inclusive standard in line with the mandate provided by the CMA and the spirit of the Paris Agreement, the SBM should reconsider the mandate provided to the MEP and discuss the necessary steps.

Given the relevance of this topic and the very tight timeframe the MEP and SBM are imposing, we urge all Parties to closely monitor the process and provide input to SBM members. The active involvement of governments, especially those in developing countries hosting these nature-based activities, is critical to ensure the final standard is both practical and equitable.

IETA is planning to elaborate further on the alternatives to perpetual monitoring we are proposing in our next submission and welcomes the opportunity to work with all Parties and stakeholders to develop a robust and effective standard.

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