

IETA's second Submission on Draft Standard: Addressing Non-Permanence/Reversal (version 02.2)

IETA STATEMENT

IETA submitted its comments to version 2.2 of the “Draft Standard: Addressing Non-Permanence/Reversals (version 02.2)”. The Methodological Expert Panel (MEP) presented a single document and recommended it for adoption by the Supervisory Body.

Despite receiving over 110 submissions (with more than 1,200 comments), including input from developing countries, academic institutions, and multilateral organizations, the MEP ignored warnings that the proposal would exclude land-based activities from PACM and recommended a version that is not materially different from the first one.

KEY POINTS HIGHLIGHTED IN IETA'S SECOND SUBMISSION

1. IETA urges that adoption of the standard be put on hold until its impacts across activity types are fully assessed and reviewed alongside the Reversal Risk Assessment Tool and the Concept Note on alternative measures to remediate reversals (i.e. insurance, third party guarantees, monetary permanence reserve).
2. IETA urges the SBM to reject the current approach that would impose perpetual monitoring on land-based projects, effectively excluding them from PACM. We note that the Removals Standard does not mandate an indefinite length of post-crediting monitoring. We also request that the MEP conduct further research on the definition of “negligible risk,” including an assessment of different confidence intervals and time horizons, with broad stakeholder input and independent scientific expertise. Establishing clear liability end-dates would also allow the use of insurance and guarantees, ensuring market stability and legal certainty.
3. IETA also urges the SBM to launch a call for input on the Removals Standard and consider amendments based on the feedback received.

EXISTING GOOD PRACTICES

Decades of experience in forest and soil carbon show it is possible to address durability risk and issue high-integrity credits.

Here is a non-exhaustive overview:

- CORSIA-eligible programmes such as ACR and ART rely on buffer pool contributions up to 25% of total credits and cancel these credits at the end of the crediting period;
- The UK Woodland Code relies on a buffer pool contribution of 20%. According to a recent analysis by the UK government, the credits are considered to be “highly permanent carbon storage” as they are “projected to represent continuously stored carbon for 2,300 in the central scenario, and 500 in the worst-case scenario.”
- The Continuous Work Programme of the ICVCM recommends a monitoring period of 40 years from the start of the activity.
- The ACCU scheme in Australia sets post-crediting obligations. The “permanence period” is 100 years but can be shortened to 25 years in exchange for a 20% reduction in the credits issued.

CONCLUSION AND NEXT STEPS

While the Removals Standard adopted by the Supervisory Body before COP29 set challenging requirements, this draft standard takes some normative policy decisions that exclude nature from PACM (among others: definition of what constitutes negligible risk; perpetual liability and monitoring obligations if the risk is not negligible). The result will be less finance to nature protection/restoration and higher emissions.

Some provisions risk imposing perpetual monitoring and liability obligations, particularly on land-based projects, which would make their participation in PACM economically unviable. We emphasize that obligations extending indefinitely contradict both scientific evidence on carbon decay and the objectives of the Paris Agreement. IETA continues to believe that the consultation process has been inadequate, with very limited Party engagement and insufficient use of independent experts, despite the mandate given by Parties at COP29.

IETA will attend the upcoming meeting of the Supervisory Body in person, taking place from October 6–10 in Bonn. If the standard is adopted, we will consider further actions leading up to and during COP30.

CONTACTS

Andrea Bonzanni
International Policy Director
bonzanni@ieta.org

Björn Fondén
International Policy Manager
fonden@ieta.org

Agustina Cundari
International Policy Advisor
cundari@ieta.org

IETA

Headquarters
Grand-Rue 11
CH-1204 Genève
Switzerland
+41 22 737 05 00

Brussels
Rue du Commerce
Handelsstraat 123
1000 Brussels Belgium
+32 2 893 02 39

Washington
1001 Pennsylvania Ave. NW
Suite 7117
Washington, DC 20004
+1 470 222 IETA (4382)

Toronto
180 John Street
Toronto, ON M5T 1X5

Singapore
62 Ubi Road 1 #04-24 Oxley
Bizhub 2
Singapore 408734

IETA also has
representation in: Argentina,
Brazil, China, Colombia,
Japan, Italy, Spain and the
UK.

ieta.org