United Nations Framework Convention on Climate Change

**Agenda item 3.2.**
Paragraph 7 of the annotated agenda

# Tool: Reversal risk assessment

**Methodological Expert Panel - 11th meeting**
26 to 30 January 2026
Bonn, Germany

***UNFCCC Secretariat***
Mitigation Division

# Procedural background

- At SBM 017, held on 4-7 August 2025, the Supervisory Body 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.
- At MEP 008, held on 1-5 September 2025, the small group agreed to continue to work on the "Tool: Reversal risk assessment", including:
  a) whether upper limits are needed with respect to the overall risk rating or specific risk factors that will be included within the tool, including options and science-based rationales for upper limit(s);
  b) risk rating that constitutes a negligible risk;
  c) any further categorization of risk; and
  d) how remediation measures are taken into account in the risk assessment tool.

# Procedural background

- At MEP 008, held on 1-5 September 2025, the MEP proposed a definition of "negligible risk of reversal" and categorized avoidable and unavoidable risks on its draft "Standard: Addressing non-permanence and reversals in mechanism methodologies" (A6.4-MEP008-A03).
- At SBM 018, held on 6-10 October 2025, the Supervisory Body modified and approved a "Standard: Addressing non-permanence and reversals in mechanism methodologies" (A6.4-SBM018-A13) that retained the MEP's proposed categorization of risks and provided a new definition of "negligible risk of reversal":

  *"Negligible risk of reversal: A risk of reversal that would result in a loss of no more than a maximum percentage to be specified in methodologies on the basis of guidance to be developed in the reversal risk assessment tool of all the A6.4ERs issued with respect to the total emission reductions and/or net removals achieved by the activity during its active crediting period, calculated over a 100-year timeframe starting from no earlier than the end of the last active crediting period."*

# Procedural background

- At MEP 010, held on 1-5 December 2025, the small group continued to work on the “Tool: Reversal risk assessment” and tentatively determined that:
  - Reversal risks may be analyzed with respect to total carbon storage in a given greenhouse gas reservoir ("total carbon"), whereas mechanism methodologies may issue A6.4ERs only for a subset of total carbon storage ("credited carbon");
  - For some activity types and/or methodologies, credited carbon may be equal to total carbon; in other cases, credited carbon may be less than total carbon;
  - When working with definitions and equations, it is important to explicitly indicate when a percentage is expressed as a percentage of total carbon or a percentage of credited carbon; and
  - Consistent with the Removals Standard, the buffer pool only insures losses of credited carbon and that $F_{buffer,i,t}$ (per Equation 8 of the Reversals Standard) is a percentage of credited carbon.

# Procedural background

- At MEP 010, held on 1-5 December 2025, the small group tentatively agreed that the tool should include four components that are applied for each relevant greenhouse gas reservoir:
  - A procedure to calculate individual reversal risk factors (expressed as a percentage of total carbon);
  - A procedure to combine individual reversal risk factors together (expressed as a percentage of total carbon);
  - A procedure to reduce reversal risk factors based on remediation measures (expressed as a percentage of total carbon); and
  - A procedure to calculate $F_{buffer,i,t}$ from the combined reversal risk factor (expressed as a percentage of credited carbon).

# Procedural background

- At MEP 010, held on 1-5 December 2025, the small group tentatively agreed to develop its work by focusing on separate components, with individual group members leading each component:
  - Common financial, management, and social risks that apply to most or all project types;
  - Additional reversal risks applicable to forest carbon storage;
  - Additional reversal risks applicable to geological carbon storage; and
  - Additional reversal risks applicable to biochar.

# Purpose

The purpose of the "Tool: Reversal risk assessment" is to support the "Standard: Addressing non-permanence and reversals in mechanism methodologies" ("Reversals Standard") by determining the number of A6.4ERs to be contributed to the Reversal Risk Buffer Pool Account.

Specifically, the tool is used to:

- Determine the parameter $F_{buffer,i,t}$ for each greenhouse gas reservoir *i* and period of time covered by a monitoring period *t*, per Equation 8 of the Reversals Standard; and
- Calculate the number of A6.4ERs to be contributed to the Reversal Risk Buffer Pool Account ($A6.4ER_{buffer,t}$), per Equation 8 of the Reversals Standard.

# Subsequent work and timelines

- At MEP 011, the small group will continue to work on the "Tool: Reversal risk assessment".