

Comments on 23rd meeting of the Article

6.4 Supervisory Body

Comments on the Draft Reversal Risk Assessment Tool

1. Allow the use of higher-quality local data where available

We welcome the MEP's effort to develop a globally applicable, evidence-based approach to assessing natural reversal risk. However, the underlying spatial resolution of the Wu et al. model (approximately 8 km × 8 km grid cells) is coarse for project-level applications. At this scale, a single grid cell may encompass multiple forest types, management regimes, elevations, disturbance histories, and risk profiles, making the resulting values suitable as defaults but not necessarily representative of conditions at a specific site.

In many cases, stakeholders have access to higher-resolution geospatial datasets, field measurements, and jurisdiction-specific risk assessments that can produce more accurate estimates of reversal risk than a globally derived default value. Where robust local data are available, environmental integrity is better served by using the most accurate and representative information rather than requiring the use of a less precise default estimate.

We therefore recommend that project participants be permitted to use site-specific or jurisdiction-specific natural reversal risk assessments where they can demonstrate that the underlying data and methodology are more accurate, robust, transparent, and representative than the default values derived from Wu et al. We also note that, while the MEP considered stakeholder proposals to allow individualized assessments, the revised draft ultimately maintains a standardized approach without providing a clear justification for why default values should take precedence over demonstrably more accurate local evidence.

2. Recognize natural risk mitigation measures

The draft tool recognizes that host-country policies and governance measures can reduce human-induced reversal risks and reward such actions through risk reduction factors. However, the absence of a reduction factor for natural risks may overlook important opportunities to incentivize actions that increase ecosystem resilience and reduce the likelihood or severity of natural disturbances. Strong forest governance, landscape planning, forest monitoring systems, wildfire management programs, ecological restoration, and other resilience-building interventions can influence exposure and vulnerability to natural reversal risks. There is growing evidence that landscape-scale and jurisdiction-scale management interventions can meaningfully reduce wildfire risk and improve ecosystem resilience, demonstrating that natural risk mitigation is not limited to project-level actions (e.g. [US Study on large scale forest restoration](#)).

We therefore encourage the Supervisory Body to continue exploring a mechanism analogous to the proposed human-induced risk-reduction factors for natural risks, particularly where jurisdictions can demonstrate that specific policies or management interventions measurably reduce exposure to or vulnerability to natural disturbances. This is likely to become increasingly important over time, as efforts to address human-induced drivers of deforestation and degradation succeed while climate change increases the frequency and severity of natural disturbances in many regions. Such an approach would create additional incentives for countries to invest in forest resilience while maintaining consistency with the broader structure of the tool, while also addressing the growing natural risks that are expected to play an increasingly important role in determining long-term durability outcomes.

3. Reassess the basis for default human-induced reversal risk factors

We appreciate the MEP's efforts to develop a pragmatic approach for estimating human-induced reversal risks in the absence of a comprehensive global dataset. However, we are concerned that the proposed default values may substantially overestimate long-term human-induced reversal risk because they are derived from historical gross forest-cover loss rather than net changes in forest cover and carbon stocks. The supporting documentation also acknowledges that forest recovery and regrowth are not fully reflected in the underlying estimates, despite their importance in determining long-term permanence outcomes.

The proposed default values imply that a very large share of existing forest carbon stocks could be permanently lost over the crediting period as a result of human activities. By contrast, data from the same underlying source used in the assessment indicate that net global forest loss (0.12%) is substantially lower than gross forest loss (0.44-0.5%), reflecting the fact that many areas experiencing forest loss are also undergoing recovery, regeneration, or gain elsewhere. As a result, estimates based solely on gross loss rates may significantly overstate long-term reversal risk when used as a proxy for permanence outcomes.

We recognize that gross forest loss may be relevant for identifying disturbance events. However, the durability risk being estimated extends over a 100-year period, and therefore should reflect not only carbon losses but also the extent to which forests recover and carbon stocks are rebuilt over time. A methodology based exclusively on gross loss effectively treats all losses as permanent, even though many disturbed forests subsequently regenerate, recover carbon stocks, or are restored. As a result, gross loss alone is likely to overstate long-term durability risks when used as a proxy for permanent carbon loss.

We therefore encourage the Supervisory Body to revisit the methodology used to derive default human-induced reversal risk factors. In particular, a more balanced approach could combine Sims' estimates of the proportion of forest loss attributable to human activities with GFW's observed net forest cover change, rather than relying exclusively on gross loss statistics. While no simplified global approach will perfectly capture long-term carbon dynamics, incorporating net change would provide a more realistic representation of observed landscape outcomes and reduce the risk of systematically overestimating human-induced reversal risk. Such refinements would help ensure that default values are proportionate, scientifically justified, and consistent with the objective of accurately estimating long-term reversal risk.

4. Reconsider the assumption that human-induced and natural reversal risks are statistically independent

We appreciate the MEP's efforts to develop a framework that explicitly recognizes potential interactions between human-induced and natural reversal risks. However, we are concerned that the proposed default assumption of statistical independence may not accurately reflect real-world conditions in many forest ecosystems.

In practice, human and natural reversal risks are often closely linked, as shown by the following [study on the interaction between human and natural risks](#). Human activities can directly influence the frequency, severity, and consequences of natural disturbances through land-use change, forest fragmentation, infrastructure development, fire ignition, and land management practices. For example, [evidence from the Cerrado](#) indicates that a large majority of wildfire ignitions originate from human activities.

As efforts to reduce deforestation and forest degradation succeed, and as climate change increases the frequency and severity of natural disturbances in many regions, natural reversal risks are expected to become an increasingly important driver of permanence outcomes. Under these circumstances, treating human-induced and natural risks as independent by default risks overstating total reversal risk through the aggregation of factors that are, in reality, partially overlapping or interrelated.

We therefore encourage the Supervisory Body to reassess whether statistical independence is the most appropriate default assumption. An alternative approach would be to require evidence demonstrating independence before combining risk estimates in this manner, while recognizing that some degree of interaction is likely to exist in many contexts. At a minimum, we encourage additional analysis and justification for the proposed default assumption, including an assessment of its implications for estimated reversal risk and buffer contribution requirements.

5. Establish a clear and mandatory update process

We support the MEP's recognition that the natural reversal risk factors should be updated as new evidence becomes available. The Wu et al. study is an important scientific contribution and provides a valuable starting point for estimating future reversal risks. However, both the MEP and the technical consultant acknowledge that additional peer-reviewed evidence may become available within the next 2-3 years and that future updates to the underlying science are likely.

At present, however, the update process remains unclear. The draft tool remains valid for five years, while the supporting documentation recommends reassessing the science within 2-3 years and seeks a mandate for future revisions. The relationship between these timelines is not explained, leaving uncertainty regarding when reviews will occur, what evidence would trigger an update, and whether such reviews are mandatory or discretionary.

Further, it appears that frequent updates are proposed for natural risks only, whereas improved estimates for human-induced reversal risks are assumed to be fixed for many years ("New evidence concerning these matters may take many years to develop, potentially as much as a decade, as the recommended reversal risk mitigation actions are relatively new." Sec 3.5.1 para 32 b). Yet we ourselves are actively working on better characterization of human-driven risks and expect these values to routinely improve over time. There are also other mitigation actions that are relevant (e.g., expansion of deforestation-free supply chains) that could be incorporated in the future as evidence grows for the magnitude of their efficacy.

We therefore encourage the Supervisory Body to establish a transparent and mandatory review process, including clear review intervals, criteria for evaluating new scientific evidence, and procedures for updating default risk and mitigation factors when warranted for both natural and human risks. This would provide greater certainty to stakeholders and help ensure that the tool continues to reflect the best available science over time.

6. Where policy judgments are required, the Supervisory Body should avoid compounding conservative assumptions

We appreciate the MEP's transparency in acknowledging that the selection of values for both the human-induced reversal risk factor and the human-induced reversal risk reduction factors cannot currently be determined on the basis of robust empirical evidence. The proposed ranges therefore represent policy judgments rather than scientific conclusions.

Given this reality, we encourage the Supervisory Body to avoid compounding conservative assumptions across multiple parameters. Selecting a human-induced reversal risk factor at the upper end of the proposed range while simultaneously selecting human-induced risk reduction factors at the lower end of their proposed range would result in a highly precautionary outcome that is not supported by any underlying scientific evidence. Additionally, continuous use of only the conservative approach would result in lower accuracy due to only utilizing one tail of a statistical approach rather than both tails.

Where policy judgments are required in the face of uncertainty, the Supervisory Body should also consider the relative consequences of overestimating versus underestimating human-induced reversal risk. Excessively conservative assumptions could result in significantly higher buffer contributions, reduced issuance of Article 6.4 emission reductions, and diminished participation in the mechanism. This could undermine the ability of the mechanism to mobilize finance for mitigation activities and generate climate benefits at scale. By contrast, the MEP notes that a smaller buffer contribution does not have implications for the solvency of the Reversal Risk Buffer Pool Account because activity participants are not required to remediate reversals and buffer credits are cancelled upon contribution. In light of these considerations, there is a strong rationale for ensuring that assumptions and policy judgments do not unnecessarily constrain participation in the mechanism.

If the Supervisory Body is required to make normative policy judgments within the ranges proposed by the MEP, we encourage it to select values that appropriately recognize the substantial mitigation actions undertaken by host countries and the important role of carbon finance in supporting climate action. In particular, we encourage the Supervisory Body to consider a human-induced reversal risk factor at the lower end of the proposed range and human-induced risk reduction factors at the upper end of the

proposed range. This would avoid disproportionate impacts on activities in developing countries, including clean cooking programmes and nature-based mitigation activities that deliver significant climate, development, health, biodiversity, and resilience benefits.

Comments on the Concept Note: Reversal Risk Buffer Pool Account contributions of authorized Article 6.4 emission reductions, including potential implications for accounting of nationally determined contributions

1. Clarify why authorization status should be treated as a fungibility criterion for reversal remediation

We appreciate the Supervisory Body's efforts to identify and address the accounting complexities associated with the operation of the Reversal Risk Buffer Pool Account for authorized Article 6.4 emission reductions. The concept note highlights a number of challenges arising from the interaction between buffer pool mechanics and Article 6 accounting rules, including issues related to first transfer, corresponding adjustments, authorization changes, and the transition of authorized units to MCUs over time.

In considering the options presented, we encourage the Supervisory Body to more clearly articulate why authorization status should be treated as a key fungibility criterion for reversal remediation. While the concept note identifies several accounting differences between AERs and MCUs, it does not clearly explain why compensating the reversal of an authorized credit with a non-authorized credit would result in a lower level of environmental integrity. The atmosphere is affected by whether an equivalent quantity of mitigation is cancelled or replaced, rather than by the authorization status of the replacement unit. In short, a tonne is a tonne. As a result, the distinction between concerns related to accounting consistency and concerns related to environmental integrity would benefit from further clarification. In particular, Option 2.1 appears to resolve many of the accounting inconsistencies identified throughout the concept note by treating buffer pool holdings consistently as MCUs.