

## Open letter on Article 6.4

Nature provides one third of the solution to climate change, yet it receives only 3% of climate finance.<sup>1</sup> In the face of escalating climate and biodiversity crises, it is more critical than ever to ensure that **all sources of finance, including carbon markets, remain accessible to support nature**. Public and philanthropic funding has proven to be insufficient; carbon pricing mechanisms are key not only to **bridge the finance gap** and enhance ambition, but also to ensure a **just and equitable transition** by investing revenues in the most vulnerable populations<sup>2</sup>.

Recognizing this, countries agreed that carbon credits from all sectors, including nature, would be eligible under the international carbon market under the Paris Agreement.<sup>3</sup> However, decisions currently being made under the Article 6.4 Paris Agreement Crediting Mechanism (PACM) will exclude all land-based activities (forests, blue carbon, soil carbon, etc.) from this and other markets. These decisions carry significant consequences, as many will look to the PACM as a reference and may decide to set similar rules for other carbon markets. **The timeline is short as key standards and rules are expected to be approved at the next Supervisory Body meeting on 6-10 October. This could negatively affect the availability of financing for high-carbon ecosystems such as tropical forests and mangroves through both global and national carbon markets, and the ability of developing countries to meet their NDC targets without this critical source of funding.**

### What can the Supervisory Body for Article 6.4 (SBM) do to prevent this negative outcome from happening ahead of COP30?

As the SBM considers the latest iteration of the draft standard for addressing non-permanence/reversals, we recommend that it considers the serious implications it could have for credits from nature. Consequently, **we recommend that the current version of the standard gets rejected and that the SBM mandates the Methodological Expert Panel (MEP) to work on a new version that is feasible and provides an equal level field for carbon credits from all sectors, with proposals for adjustments to the removals standard as appropriate. This should be presented as a comprehensive package, along with the risk assessment tool and the concept note on remedial actions to manage reversals.**

### What could be decided at COP30?

At COP29, countries took note of a new approach for adopting standards proposed by the Supervisory Body. This included approving the adoption of the methodologies and removals standards, while also establishing a process whereby the Supervisory Body for Article 6.4 will directly adopt a range of standards and tools needed to operationalize the PACM<sup>4</sup>. The Supervisory Body provides a report of the work carried out throughout the year at the meeting of the Conference of the Parties (“COP”) annually. Countries at COP30

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<sup>1</sup> B.W. Griscom, J. Adams, P.W. Ellis, R.A. Houghton, G. Lomax, D.A. Miteva, W.H. Schlesinger, D. Shoch, J.V. Siikamäki, P. Smith, P. Woodbury, C. Zganjar, A. Blackman, J. Campari, R.T. Conant, C. Delgado, P. Elias, T. Gopalakrishna, M.R. Hamsik, [...] & J. Fargione, *Natural climate solutions*, Proc. Natl. Acad. Sci. U.S.A. 114 (44) 11645-11650, <https://doi.org/10.1073/pnas.1710465114> (2017).

<sup>2</sup> OECD/UNDP (2025), *Investing in Climate for Growth and Development: The Case for Enhanced NDCs*, OECD Publishing, Paris, <https://doi.org/10.1787/16b7cbc7-en>.

<sup>3</sup> [Decision 3/CMA.3](#) “Rules, modalities and procedures for the mechanism established by Article 6, paragraph 4, of the Paris Agreement”.

<sup>4</sup> [Decision 5/CMA.6](#) “Guidance on the mechanism established by Article 6, paragraph 4, of the Paris Agreement”.

can, in turn, provide general guidance to the work of the SBM, including instructing it to review past decisions, or even adjust the mandate it has given to the SBM if appropriate.

At COP30, we **recommend that Parties provide further guidance to the SBM**, especially on the following:

## A. Standard: Addressing non-permanence/reversals

### Proposed guidance:

- If the “Standard: Addressing non-permanence/reversals” is APPROVED by the Supervisory Body in its eighteenth meeting (SBM018) or nineteenth meeting (SBM019) in October, despite the feedback received in the public consultation process:
  - We recommend that the **CMA requests the SBM to revise the standard to ensure that it is aligned with previous CMA decisions which allow for all eligible reductions and removals activities to be credited under 6.4; reflective of current science available, as well as best practices**, and requests that there is **at least one additional round of public consultation** for the revision of the standard and that **concerns are being duly considered**.
- If the “Standard: Addressing non-permanence/reversals” is NOT APPROVED by the Supervisory Body:
  - We recommend that the **CMA requests SBM to ensure that any standard approved undertakes an additional consultation process to ensure that it is aligned with previous CMA decisions which allow for all eligible reductions and removals activities to be credited under 6.4; reflective of current science available as well as best practices**, and it adequately **incorporates stakeholders’ input**.

**Why does this matter?** When the draft standard was shared for public input, a significant majority of submissions expressed concern over the main option supported by most MEP members. If this continues to be used as a basis for the standard, it will create requirements that are impossible to meet, as it proposes an indefinite post-crediting monitoring requirement, which is not reflective of near-term mitigation. This standard has important implications for the eligibility of carbon credits from the mechanism. In practical terms, these conditions would put at risk and ultimately exclude high-integrity nature-based solutions that are indispensable for meeting the Paris Agreement climate goals.

Post-crediting monitoring is important, but imposing a perpetual obligation is completely unfeasible and would deter interested project developers from carrying out activities to reduce or remove greenhouse gas emissions during the critical decades to come. Likewise, the requirement to compensate for all reversals renders nature unable to participate in 6.4 as no one can agree to take on the risk to compensate for reversals for 100+ years in the future. Moreover, imposing obligations beyond legal authority<sup>5</sup> undermines feasibility and deters investment. Current carbon standard best practices are designed to account for and manage this residual risk, rather than eliminate it. This is exemplified by options to remediate avoidable and unavoidable reversals, already approved for the PACM, such as: **buffer pools**, where the reserve of credits is placed to remediate for reversals in full through cancellation of an equivalent amount of A6.4ERs; **insurance policies or comparable guarantee products; third-party guarantees, or a monetary permanence reserve enabling remediation**.

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<sup>5</sup> Lengthy monitoring periods (e.g. 100 years) have little practical applicability in the context of land management. This type of lengthy monitoring period spans multiple generations and exceeds the legal or practical tenure frameworks in many jurisdictions.

According to the Removals Standard, the determination that there is a "negligible risk of reversal" would allow for monitoring and reporting to stop. Therefore, **further research should be conducted to provide a definition of negligible risk of reversals**, as to understand the impact of different time horizons and confidence intervals in the negligible risk of reversals test. This assessment must be carried out with wide public stakeholder input and relying on external scientific and technical expertise.

## B. Reversal Risk Assessment Tool and Concept Note on the Remediation of Reversals

### Proposed guidance:

- We recommend that the **CMA requests the SBM to ensure that there is a thorough consultation process to ensure that the “Tool: Reversal Risk Assessment” and the concept note on options for remedial actions to manage reversals, are reflective of current science available** and not used to exclude specific sectors or activities that are already eligible under the CMA decisions. We also recommend that it requests the SBM to **adequately incorporate stakeholders' input in the design of this tool and concept note.**

**Why does this matter?** The Reversal Risk Assessment Tool and the concept note on options for remedial actions to manage reversals (buffer, insurance policies or comparable guarantee products; third-party guarantees, or a monetary permanence reserve enabling remediation) are at the core of the formulation of the current draft standard; without having access to that tool and concept note, it's difficult to understand the possible implications of the current draft standard. **Depending on how it is designed, the tool could be used to exclude certain sectors or activities from being eligible from the mechanism**, which would go against the CMA's existing decisions that enable emission reductions and removals from all sectors to be eligible under the PACM.

## C. Standard: Setting the baseline in mechanism methodologies

### Proposed guidance:

- We recommend that the **CMA requests the SBM to revise the “Standard: Setting the baseline in mechanism methodologies”, and the “Standard: Application of the requirements of Chapter V.B (Methodologies) for the development and assessment of Article 6.4 mechanism methodologies”** to adjust requirements for downward adjustment of baselines to be consistent with Decision 3/CMA.3

**Why does this matter?** The new requirements for adjustment to baselines are not provided on any scientific basis nor were they clearly justified in any publicly available decision process. They are likely to provide ongoing perverse incentives to Parties to decrease their ambition if the availability of carbon finance would be made contingent on the presumed NDC emission level. Furthermore, the baseline standard includes some concerning decisions for nature, as it notes that when setting a baseline, an increase in a downward adjustment of a minimum of 1% per year needs to be applied. This requirement might make nature projects non-additional after a few years and undermine their financial viability. Further, many nature project methodologies include assessment of common practice that may already address concerns for downward adjustments. REDD+ methodologies that received the ICVCM CCP label include provisions that ensure no upward adjustment can be made to baselines, for example.

Although the methodologies' standard adopted in 2024 requires adjusting the baseline emissions downwards, it does not specify the percentage and conditions. Instead, it states that mechanism methodologies shall contain provisions to apply the downward adjustment, which should be operationalized through the development of factors or quantitative methods by the SBM and the host Party, or by the host Party and approved by the SBM, via procedures for the standardized baselines. This specific standard therefore needs to set the adjustments based on available science and best practices, ensuring that the mechanism doesn't de facto exclude certain sectors, while preserving environmental integrity.

## D. Standard: Addressing leakage in mechanism methodologies

### Proposed guidance:

- We recommend that the **CMA requests the SBM to revise the “Standard: Addressing leakage in mechanism methodologies”, to ensure that it is feasible and realistic**, it includes clear procedures around how leakage should be assessed within methodologies and **allow for new science to inform leakage approaches as it becomes available**.

**Why does this matter?** The standard includes an obligation to include international leakage (i.e., leakage beyond national boundaries) without further specification on how this should be assessed. We are concerned about how this requirement would work in practice as currently there are no nature-related methodologies where global leakage is included, available data to account for it, and any calculations could come with significant delays and uncertainties. In any case the standard should include clearer procedures around how leakage should be assessed within methodologies and **allow for new science to inform leakage approaches as it becomes available**.

## E. Stakeholder engagement

### Proposed guidance:

- We recommend that the CMA requests the SBM to **revise its stakeholder engagement processes and those of the MEP, to ensure that enough time is provided for public consultation** to allow all stakeholders including experts and Indigenous Peoples and Local Communities to provide input. We further recommend that **MEP meetings be made fully transparent and broadcast in their entirety**. Key decisions are still being taken behind closed doors, making it difficult for stakeholders to have visibility not only of the outcomes but also of the decision-making process itself.

**Why does this matter?** In COP29, Parties requested the Supervisory Body to “*engage, in consultation with interested stakeholders, further independent scientific and technical expertise and local communities, include the knowledge, sciences and practices of Indigenous Peoples, as relevant, to support its work, including through its expert panels, to review proposals as necessary and receive independent scientific and technical advice*”.<sup>6</sup> Nevertheless, the SBM shares the documents for public input only two (and in many times even one) weeks before its meeting. This does not provide enough time for proper engagement from stakeholders as there are many items under discussion and most of the documents being discussed are highly technical and require time to review and provide feedback. Furthermore, the meetings of the MEP are practically closed, as only the opening and the closing sessions are broadcasted to the public, this raises

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<sup>6</sup> Decision 6/CMA.6. Further guidance on the mechanism established by Article 6, paragraph 4, of the Paris Agreement. <https://unfccc.int/documents/644937>.

transparency concerns and does not allow stakeholders to adequately follow the discussions. The MEP and the SBM also often fail to provide explanation as to what input from stakeholders is taken into account, and the justification for it.

## Summary of Proposed Guidance at COP30

### 1. Standard: Addressing non-permanence/reversals

- 1.1. We recommend that the **CMA requests the SBM to ensure that the standard is aligned with previous CMA decisions which allow for all eligible reductions and removals activities to be credited under 6.4; reflective of current science available as well as best practices**, and request that there is **at least one additional round of public consultation** for the revision of the standard.
- 1.2. We recommend that the **CMA requests the SBM to ensure that any standard approved undertakes an additional consultation process to ensure that it is aligned with previous CMA decisions which allow for all eligible reductions and removals activities to be credited under 6.4; reflective of current science available and best practices**, and it adequately **incorporates input provided by stakeholders**.

### 2. Tool: Reversal Risk Assessment Tool Concept Note on the Remediation of Reversals

- 2.1. We recommend that the **CMA requests the SBM to ensure that there is a thorough consultation process to ensure the “Tool: Reversal Risk Assessment” and the concept note on options for remedial actions to manage reversals, are reflective of current science available and it is not used to exclude specific sectors or activities that are already eligible under the CMA decisions**. We also recommend that it requests the SBM to **adequately incorporate stakeholders’ input in the design of this tool and concept note**.

### 3. Standard: Setting the baseline in mechanism methodologies

- 3.1. We recommend that the **CMA requests the SBM to revise the “Standard: Setting the baseline in mechanism methodologies”, and the “Standard: Application of the requirements of Chapter V.B (Methodologies) for the development and assessment of Article 6.4 mechanism methodologies”** to adjust requirements for downward adjustment of baselines to be consistent with Decision 3/CMA.3.

### 4. Standard: Addressing leakage in mechanism methodologies

- 4.1. We recommend that the **CMA requests the SBM to revise the “Standard: Addressing leakage in mechanism methodologies”, to ensure that it is feasible, realistic**, it includes clear procedures around how leakage should be assessed within methodologies and **allows for new science to inform international leakage approaches as it becomes available**.

### 5. Stakeholder Consultation and transparency

- 5.1. We recommend that the CMA requests the SBM to **revise its stakeholder engagement processes to ensure that enough time is provided for public consultation** to allow all stakeholders including experts and Indigenous Peoples and Local Communities to provide input. We further recommend that **MEP meetings are made** fully transparent and broadcast in their entirety. Stakeholders need visibility not only of outcomes but also of the decision-making process itself, including how stakeholder comments are considered.

September 30, 2025



October 02, 2025



October 09, 2025

