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<i>Date of submission</i>	23/07/2026

Document reference number and title: (Recommendation from the MEP to SBM020)

Draft Methodological tool: Reversal risk assessment

Item	Section no. (as indicated in the document)	Paragraph/Table/Figure no. (as indicated in the document)	Comment (including justification for change)	Proposed change (including proposed text)
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1	-	10	Context: The draft tool applies a 100-year reversal-risk assessment and an associated buffer-pool contribution to clean cooking (cookstove) activities. Clean cooking credits have to date been issued under the CDM, Verra/VCS, and Gold Standard methodologies as flow-based emission reductions, without a buffer pool, reversal-risk rating, or permanence liability. Comment: It is noted that the introduction of a 100-year reversal-risk assessment and a buffer-pool contribution for this category represents a departure from the treatment applied under the CDM, VCS, and Gold Standard to date, under which cookstove credits have been treated as flow-based reductions not subject to permanence provisions. The buffer-pool contribution under the draft tool is cancelled at the point of issuance rather than held in escrow against a future reversal event, which raises a question as to whether the mechanism functions as a permanence instrument in the conventional sense or as a fixed discount applied to credited volumes. Clarification would be useful on the conceptual basis for applying a stock-based logic, and subsequent permanence-type requirements, to an activity category whose crediting rationale rest on emissions performance during the crediting period rather than on the persistence of a carbon stock. We note that emission reductions in renewable energy, fuel switching, and industrial efficiency projects, for example, rest on the same type of claim. We are aware that in a situation where a cookstove project claims credit for preserving forest stocks through lower use of non-renewable biomass, the project would face permanence risks if those forests were later lost to logging or fire. However, it is our understanding that these methodologies are structured purely as energy-efficiency/fuel-switching frameworks with emission reductions based on efficiency and fuel savings, not carbon stock permanence. Finally, we note that footnote 4 to paragraph 6(a) of the Reversals Standard lists "activities reducing the consumption of non-renewable biomass" as an illustrative example. Consistent with established practice under the CDM and now the Paris Agreement crediting mechanism, footnoted examples of this kind	Avoid application of permanence requirements to clean cooking projects.
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			do not constitute a binding determination that any given activity falls within scope. Rather, they illustrate possible activity types without pre-empting the substantive analysis. We would respectfully note that the text of paragraph 6(a) ("reducing the loss of carbon stocks... in the biosphere") is itself a stock-based formulation. The key issue is therefore whether the credited claim under the specific referring methodology is, in substance, stock-based or flow-based. As demonstrated above, existing clean cooking methodologies credit avoided fuel consumption against baseline, which is a flow-based claim, and do not claim or monitor the preservation of any specific carbon stock. We request that the MEP provide a conceptual justification as to why paragraph 6(a) in isolation makes a cookstove credit a stock-based claim.	

2	3. Normative and informative references	Several in the section	Context: Equation 1 (Question 1 of the tool) combines the natural-risk rating and the human-induced risk rating additively, with no stated upper bound on the combined result (cover note, paragraph 18). Natural and human-induced risks are considered to be independent. Appendix 1 sets out default natural-risk values (wildfire and other natural hazards) by country. Under paragraph 27(b), buffer contributions corresponding to these ratings are cancelled rather than held against future reversals. The human-induced risk factor is not yet defined in the current draft. Comment: Under the current default values in Appendix 1, natural-risk ratings alone exceed 30 percent of credited carbon in a number of jurisdictions with high biomass content. As these contributions are cancelled rather than reserved, the natural-risk component alone functions as a fixed reduction in credited volume rather than as an actuarial reserve tied to observed reversals. Because the combined rating is not subject to an upper bound, and because the human-induced risk factor has not yet been defined, it is not currently possible to assess the total buffer contribution that would apply once both components are combined. Depending on the values ultimately assigned to the human-induced factor, combined ratings could approach or reach the maximum in a number of jurisdictions where natural-risk ratings alone already approach or exceed 30 percent (e.g., Guyana, DRC), and in others where the combined rating could still reach materially high levels once the human-induced factor is added (e.g., Papua New Guinea, parts of the Amazon and Central America). These would have the effect of substantially reducing or eliminating net credited volumes in those jurisdictions. It would be useful for the MEP to clarify whether a cap on the combined rating is intended, and the reasons for treating natural and human-induced risks as independent in view that in many settings these risks are correlated.	Provide conceptual justification for the points raised above.
3	3. Normative and informative references	Several in the section	Context: The draft tool adopts disturbance and climate scenarios from Wu et al. (2026b), which is still under peer-review process, to define default values for natural risk factors. The underlying study reports a range of 31-42 percent globally across nine	Include other sources for the estimation of natural risk instead of relying on a single study.

			severity scenarios and two climate pathways, and presents ecoregion-level results in which reversal risk for tropical forest varies across America, Africa and Asia. Comment: The range reported in Wu et al. (2026b) reflects scenario and structural uncertainty arising from a set of discrete, literature-based severity assumptions, rather than a statistical confidence interval. The study does not provide a standard error for this range. While this research is a valuable contribution to the discussion on natural risk, relying on a single model to set globally applicable default values for carbon market regulation is not appropriate. There is a real risk that the model's deliberately conservative scientific estimates could be transformed into regulatory defaults that convey a false sense of precision, and at the same time, disqualify entire credit categories. On this same front, it would be useful to clarify whether risk assessments by insurance companies have been (or not) taken into account, as preliminary findings appear to show materially lower levels of risk. The rationale in paragraph 36 of A6.4-MEP014-A07 for the choice of scenarios will benefit from further conceptual clarification. The MEP justifies the scenario selection on the grounds that clean cooking activities will not be required to monitor, report, or remediate reversals, and that credits contributed to the buffer pool account are immediately cancelled. From that, it argues that scenario uncertainty has no bearing on the solvency of the buffer pool account. However, this reasoning does not address a separate effect: the volume of credits deducted upfront is itself entirely determined by the scenario choice whose uncertainty is being set aside. Immediate cancellation does not neutralize the practical consequence of scenario selection. It simply converts scenario uncertainty into a non-refundable, upfront credit deduction rather than a solvency risk. With respect to the regional variation in ecoregion-level results, it is not clear from the available material to what extent the observed differences reflect underlying biophysical variation as opposed to differences in the quality or coverage of disturbance-detection data across regions. Given that the tool translates these estimates directly into binding, country-level	
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			percentages, it would be useful for the MEP to indicate what consideration has been given to the level of precision implied by this translation, relative to the level of precision the underlying estimates are intended to support.	
4	5. Reversal risk assessment	Several across the section and document	Context: The following points relate to specific provisions of the draft tool that do not fall under Comments 1-3 above. Comments • Evidentiary basis for the human-induced risk factor: paragraph 39 indicates that the MEP was unable to identify peer-reviewed literature to support default values or mitigation reduction factors for the human-induced risk component. As this component forms part of the overall buffer calculation, it would be useful for the MEP to clarify the process and timeline for establishing an evidentiary basis for these values. • Recalculation at each crediting-period renewal: because the 100-year reversal-risk window resets at each crediting-period renewal, the default tables underlying the tool would need to be recalculated at each five-year revision cycle. Reversal risk science is evolving rapidly, and it should be assumed that both data and methods will likely require reassessment before risk tables can be updated. Clarification of the process envisaged for these recalculations would be useful. • Treatment of mitigating factors: the current draft does not appear to include provision for factors that may reduce natural risk over time or with area, such as risk-scaling effects associated with larger project areas. Clarification as to whether such factors were considered, and if not, whether their inclusion is planned for a future revision, is missing.	Clarify/resolve the issues listed above