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Concept note: Options for implementing the provisions in paragraph 62 of the "Standard: Requirements for activities involving removals under the Article 6.4 mechanism (version 01.0)

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	-	Paragraph 54, Question 2	The Architecture for REDD+ Transactions (ART) does not currently accept insurance products or other emerging instruments as part of our carbon crediting program. At present, we remain firmly of the view that a robust shared buffer pool is the most effective and reliable option available for addressing reversal risk. A key strength of a shared buffer pool is that the obligation is satisfied before credits are issued, ensuring that the atmosphere is made whole at all times. We have not yet encountered insurance products that are mature enough to allow their use as an alternative to contributions to the buffer pool. ART's Participants are all sovereign governments, and in our experience, even institutions such as MIGA will not provide insurance solutions directly to governments. We also agree with the MEP's assessment that combining partial insurance with partial buffer pool contributions weakens both approaches. We continue to monitor research and development of alternative risk-management mechanisms and will explore incorporating them into our program if and when they become fit for purpose. In the meantime, ART is confident that the permanence provisions under our standard, The REDD+ Environmental Excellence Standard (TREES), can fully compensate for reversals that may occur. Reversal risk arising from natural and human-induced disturbances is significantly reduced at the jurisdictional scale. In addition, credits contributed to the buffer pool under TREES are never returned to Participants. TREES Section 7.1.3 requires that where the credits retired for a reversal exceed a Participant's cumulative buffer contributions, the deficit must be replenished by the Participant. If the Participant does not hold sufficient issued credits, future issued credits are directed to the buffer pool until the deficit is repaid, or the Participant must obtain and contribute alternative eligible credits. These provisions provide a robust framework for ensuring environmental integrity.	-
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