



5 May 2025

Submission to the Supervisory Body Draft Standard – Activity Standard for Projects (A6.4-SBM016-AA-A12)

Via email: A6.4mechanism-info@unfccc.int

Dear Supervisory Body

Draft Standard – Activity Standard for Projects (A6.4-SBM016-AA-A12)

The New Zealand Forest Owners Association (FOA) welcomes the opportunity to provide input to the Supervisory Body on the Draft Article 6.4 Activity Standard for Projects (Draft Standard) under Article 6.4 of the Paris Agreement. FOA supports the development of a high-integrity international carbon market. However, we are concerned that several provisions in the draft standard—particularly relating to non-permanence, monitoring, and reversal obligations—are likely to create barriers to participation for the forest and broader land sectors. This submission outlines key areas where refinement is needed to ensure that the mechanism remains both environmentally credible and inclusive of all sectors.

The proposed settings will undermine achieving the necessary sequestration set out by the Intergovernmental Panel on Climate Change and agreed by the United Nations Framework Convention on Climate Change. Barriers to participation of the land sectors will also undermine our ability to address the dual biodiversity and climate crises, since many land sector projects will have biodiversity co-benefits that support the Kunming-Montreal Global Biodiversity Framework targets.

1. Inclusion of land-based projects under Article 6.4

FOA has previously raised concerns regarding the effective exclusion of nature-based solutions from the Article 6.4 mechanism. FOA wrote to the supervisory body in February 2025 about these matters. That letter highlighted the disproportionately high verification and post-crediting monitoring costs imposed on land-based projects under the Removals Standard (A6.4-SBM014-A06), and the potential for these requirements to discourage/exclude participation of the forest and land sectors from the Article 6.4 international carbon crediting mechanism. We note that no formal response to that letter has been received to date, and that many of the concerns raised remain unresolved—particularly as elements of the Removals Standard now proposed to be embedded within the Activity Standard.

2. Reversal monitoring and reporting

The Draft Standard proposes that reversals be reported through the submission of monitoring reports. This approach is not fit-for-purpose for the forest and land sectors, where carbon

stocks may fluctuate due to natural variability and where the cost of frequent, field-based monitoring would be prohibitive. We recommend that reversal monitoring be decoupled from formal crediting reports and instead allow for alternative methods—such as remote sensing, stratified sampling, or modelling—tailored to risk profile and project scale. This will reduce investment risk and improve participation without compromising environmental integrity.

Natural processes mean there are fluctuations in carbon stocks but if there is a net gain of carbon in forest and land sector projects, the mitigation achieved can have important co-benefits including biodiversity preservation, water and air quality improvement.

3. Risk assessments and buffer contributions

Clause 43(f) requires that reversal risk ratings incorporate both avoidable and unavoidable reversals. We consider this approach unworkable in practice. Avoidable risks are highly variable and better addressed through project design and other requirements rather than risk buffer ratings and deductions. Buffer contributions should reflect unavoidable risks only, supported by clear guidance to ensure consistency and fairness across methodologies.

4. Structural concerns and post-crediting obligations

Many of the provisions relating to reversals and risk management—particularly post-crediting obligations—are more appropriately placed in a dedicated standard for addressing non-permanence. Embedding these requirements into the general Activity Standard introduces confusion, especially for projects that involve GHG reservoirs but do not involve removals. Separating these obligations into a standalone framework would improve clarity, ensure proportionality, and allow for differentiated approaches by project type.

5. Consistency in terminology and application

Throughout the draft, terms such as “projects involving removals,” “GHG emission reductions,” and “net removals” are used interchangeably, often without clear definitions. This creates ambiguity regarding which provisions apply to which types of projects. We recommend the use of consistent and precisely defined terminology across all sections of the standard.

Conclusion

FOA urges the Supervisory Body to ensure that Article 6.4 implementation:

- Enables broad participation from the forest and land sectors
- Applies proportionate, risk-based approaches to addressing non-permanence
- Allows cost-effective and scalable monitoring and reporting



As noted in our earlier correspondence, excluding nature-based solutions—particularly those grounded in sustainable forestry—would undermine the capacity of Article 6.4 to deliver on the goals of the Paris Agreement and the Global Stocktake. We respectfully request a formal response to our February 2025 letter as well and remain available for further engagement on this matter.

Kind regards,

A handwritten signature in grey ink, appearing to read "Elizabeth Heeg".

Dr. Elizabeth Heeg

CEO

New Zealand Forest Owners Association

About NZ Forest Owners Association

The New Zealand Forest Owners Association Incorporated (FOA) is the representative membership body for the commercial plantation forest growing industry. FOA members are responsible for the management of approximately 1.2 million hectares of New Zealand's production forests and over 70% of the annual harvest.

In 2023, the forest growing sector was worth \$6.6 billion in export value and has a 12% share of rural land use. It contributes 1.6% of New Zealand's GDP and employs between 35,000 and 40,000 people in wood production, processing, and the commercial sector.

New Zealand Forest Owners Association Inc

Level 9, 93 The Terrace, PO Box 10986
Wellington 6140, New Zealand

Tel: + 64 4 473 4769 | Email: nzfoa@nzfoa.org.nz
www.nzfoa.org.nz

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