

PERMANENCE AND RISK MANAGEMENT

BCR TOOL

BCR project holder take actions to ensure the project benefits are maintained over time

BIOCARBON CERT[®]

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1 Introduction

The BCR STANDARD sets out the rules and requirements for project holders to take measures—in addition to reducing or removing GHG emissions—to ensure that the climate benefits of the project are maintained over time. Given the inherent risk of reversal, project holders shall take appropriate steps to assess and mitigate the occurrence of significant leakage, and project planning shall include mechanisms to monitor and compensate for any material incidence of non-permanence.

As part of project certification and registration in the GHG Crediting Program, project holders shall: identify potential reversal risks based on the nature of the project; propose and implement mitigation measures to avoid unintentional carbon releases; and follow the rules and procedures established by BCR to compensate for any reversal that occurs during the project quantification period.

In the case of AFOLU projects, project holders shall apply the Quantitative Methodology for Reversal Risk Rating detailed in Annex 1. This methodology provides a standardized framework to assess project-specific reversal risk and determine the proportion of credits that shall be allocated to a buffer reserve in accordance with the project's risk profile. This ensures a consistent, transparent, and risk-based approach to safeguarding permanence.

2 Ensuring permanence of mitigation results

The GHG project holder shall ensure the permanence of GHG emission reductions or removals achieved through project activities. Project design and implementation shall include appropriate measures to prevent or minimize the risk of reversal, and to sustain the climate benefits over time.

Permanence is addressed through the following elements:

(a) Long-term maintenance of GHG mitigation results

Project activities shall be designed and managed to maintain the carbon benefits beyond the end of the crediting period, in accordance with the requirements of the BCR STANDARD. This includes implementing sustainable land-use or infrastructure practices, long-term institutional arrangements, and continued community engagement or legal protections where applicable.

(b) Management of reversals (avoidable or unavoidable)



The project holder shall identify and assess the risk of both avoidable (e.g. due to inadequate management) and unavoidable (e.g. natural disasters) reversals. If a reversal occurs, it shall be transparently reported, quantified using conservative approaches, and addressed through compensation or credit cancellation, following applicable procedures.

(c) Application of risk assessment and reserve mechanisms

Where required, this Tool shall be used to estimate the level of non-permanence risk. Based on this assessment, a portion of credits may be withheld in a pooled reserve account to provide environmental insurance in the event of a reversal. Additional safeguards may apply as defined in the methodological documents.

(d) Validity period of issued Verified Carbon Credits (VCCs)

To enhance environmental integrity and reduce exposure to permanence risks over time, the BCR STANDARD establishes that:

- i. VCCs issued for projects in the energy, transport, and waste sectors shall expire three (3) years after the end of the quantification period of the GHG Project.
- ii. VCCs issued for projects in the AFOLU sector shall expire five (5) years after the end of the quantification period of the GHG Project.

After expiration, such VCCs may no longer be used to offset emissions or claimed toward mitigation outcomes under any reporting or compliance framework.

(e) Monitoring and verification of permanence conditions

All projects shall include monitoring provisions capable of detecting any losses in GHG mitigation due to reversals. Third-party verifications shall assess the implementation of permanence measures and determine whether any reversals have occurred. If so, the project shall apply appropriate remedial actions and transparently disclose the outcomes.

These measures collectively ensure that GHG mitigation outcomes certified under the BCR STANDARD are real, durable, and protected from material risks of reversal, in line with recognized best practices.

3 Risk assessment and management

The GHG project holder shall assess the risks related to the implementation of the project activities in terms of environmental, financial, and social dimensions.



Based on the identification of risks in these three dimensions, the project holder shall design measures to address the risks, so that the reduction or removal of GHG emissions is maintained during the project's quantification period.

In this regard, the project holder shall:

- (a) demonstrate clear and secure land tenure and carbon rights, with no unresolved claims, legal disputes, or ambiguity that could compromise long-term control of the project area and the permanence of GHG mitigation outcomes;
- (b) assess the vulnerability of the project area to natural disturbances (e.g., wildfires, storms, floods, drought, pest outbreaks) and shall demonstrate the implementation of appropriate risk mitigation and monitoring measures—such as fire management plans, ecological buffers, or early warning systems—especially in high-risk biomes, to support a low-risk rating;
- (c) demonstrate the availability of adequate financial resources, technical personnel, and institutional capacity to ensure long-term implementation of project activities, including evidence of secured multi-year funding, a qualified implementation team, and a contingency plan to address potential operational disruptions;
- (d) evaluate the risk of political or institutional instability and shall provide evidence of a stable regulatory environment, enforceable environmental laws, and consistent government support or recognition of the project to demonstrate low governance-related reversal risk;
- (e) demonstrate inclusive and sustained engagement with local communities, Indigenous Peoples, and other relevant stakeholders, including evidence of stakeholder participation in project design, fair and transparent benefit-sharing arrangements, and the existence of a functioning grievance redress mechanism to reduce the risk of social conflict and support long-term permanence.

The GHG project holder shall use appropriate methodologies to carry out the assessment of the expected risks (direct and indirect) and consider mitigation measures, within the framework of adaptive management.

Adaptive management is a process by which project actions can be adapted to future conditions to ensure the achievement of the proposed objectives. It is a structured decision-making process that considers the impact variables in order to reduce uncertainty about the results.



Finally, and taking into consideration the above, risk assessment and management shall be adequate, accurate and objective.

During each verification, the project holder should update the risk assessment and score the potential reversal risk of each variable evaluated.

4 Reversal risk management

The GHG project holder shall demonstrate the actions taken to ensure that the project is maintained over time, by including clauses or provisions focused on this objective in the agreements or contracts, or by implementing a management plan associated with the risk of reversal.

In consequence, by following these requirements, projects holders can maintain transparency, accountability, and environmental integrity in managing and addressing any adverse events that may impact their mitigation results.

For AFOLU projects, a full risk quantification must be performed using the standardized approach as specified in Annex 1. The resulting score determines the applicable buffer reserve contribution in a consistent and transparent manner.

4.1 Definition and classification of Avoidable vs. Unavoidable reversals

The GHG project holder shall classify the carbon stock reversals as either avoidable or unavoidable and shall use in all applicable mitigation activities. This classification informs the application of compensation mechanisms, including the use of pooled reserves or equivalent safeguards.

In cases where reversals can be avoided, proactive measures are required to be implemented to prevent them. However, if reversals are unavoidable, such as those caused by natural disasters, appropriate compensation mechanisms shall be applied to ensure the environmental integrity and credibility of the project are maintained.

4.1.1 Avoidable reversals

A reversal is classified as avoidable when it results from the project holder's failure to implement adequate, feasible, and context-appropriate risk mitigation, management, or response actions.

Examples of avoidable reversals include, but are not limited to:

(a) Inadequate or missing fire management measures (e.g., lack of firebreaks, absence of community preparedness);



- (b) Failure to monitor and control known pests or diseases;
- (c) Land-use change due to lack of surveillance, enforcement, or stakeholder engagement;
- (d) Violations of land tenure or environmental regulations;
- (e) Poor governance, negligence, or mismanagement;
- (f) Ignoring early warning signs or forecasts related to foreseeable threats.

Avoidable reversals are subject to full compensation and may lead to additional consequences under this tool, including increased buffer contributions and temporary ineligibility for credit issuance.

4.1.2 Unavoidable reversals

A reversal is classified as unavoidable when it occurs despite the implementation of reasonable and feasible mitigation and response measures, considering the ecological, social, and institutional context of the project.

Examples of unavoidable reversals include:

- (a) Fires caused by extreme natural events (e.g., lightning, exceptional drought), when appropriate fire prevention systems were in place;
- (b) Major natural disasters such as earthquakes, floods, or hurricanes;
- (c) Pest outbreaks for which no effective control existed at the time, or that exceeded containment capacity despite early action;
- (d) Armed conflict, legal expropriation, or force majeure events.

Unavoidable reversals may be compensated through the Project Reserve without penalty, provided that the proponent followed all applicable monitoring, response, and reporting procedures.

4.1.3 Verification and reporting requirements

All reversals, whether partial or total, shall be classified by the project holder as avoidable or unavoidable, and documented in the monitoring report submitted for verification. The CAB shall review the classification and assess its consistency with the evidence provided, including field observations, remote sensing data, and contextual factors.



The classification and its justification shall be included in the Verification Report. In cases of disagreement between the VVB and the project proponent, the classification shall be resolved through the BioCarbon Dispute Resolution Mechanism.

Where evidence is inconclusive or insufficient, the reversal is conservatively treated as avoidable for the purposes of compensation.

4.2 Reserve accounts and reserve percentage

4.2.1 AFOLU projects

AFOLU project holders shall determine their buffer contribution based on the Quantitative Methodology for Reversal Risk Rating outlined in Annex 1. This methodology assigns a risk score based on five weighted categories and results in a buffer contribution of 10%, 20%, or 30%, depending on the project's specific risk profile. This replaces any fixed deduction and ensures a proportional approach to permanence risk management. This discount is placed in a reserve account specifically designated for that project (Project Reserve).

In any case, for the AFOLU projects, during each verification registration, the system automatically discounts a reserve of 10% of the total quantified GHG emission reductions or removals for each verified period. This reserve of credits is calculated and deducted from the issuance total, ensuring a permanent reserve of credits generated during the verification process, and will be placed in a General Reserve Account (BCR Reserve) in the BIOCARBON registry.

At the end of the quantification period, when the last verification process is complete, any remaining reserve funds in the project's reserve will be transferred to a general reserve account called the BCR Reserve. In this account, the VCCs are kept to account for any potential reversals in the future.

Verified Carbon Credits placed in the project reserve account may be released and placed on the market at a later verification, if and only if the GHG Project remains under the BCR Standard and active in the BioCarbon registry. Provided that there has been no cancellation of such credits, as described below. Project holders may request the partial release of their project-specific buffer reserve if the risk profile demonstrably improves over time. This must be justified through updated risk scoring and validated during a verification event, following the procedures established in Annex 1.

This approach aims to maintain a balance between the reserve in the general reserve account and the credits deducted from all AFOLU projects, ensuring environmental integrity.



This balance assures that the total number of Verified Carbon Credits (VCCs) issued by projects experiencing reversals does not exceed the cumulative sum of reserves and credits deducted. This approach reduces the risk of reversals and supports the credibility of GHG projects within the AFOLU sector.

Moreover, in order to assure that all necessary previsions have been taken for reversal risk management, the CAB shall demonstrate that it has assessed the risks derived from its validation or verification activities. Also, adequate arrangements to cover the responsibilities derived from its activities of validation or verification in the geographic areas it operates.

In this sense, the CAB shall submit proof of having civil liability insurance. Hence, the CAB shall have civil liability insurance covering responsibility for validation and verification processes.

4.2.2 Other projects than AFOLU sector

In any case, for the projects in sectors energy, waste and transportation, during each verification registration, the system automatically discounts a reserve of 10% of the total quantified GHG emission reductions for each verified period. This percentage of the VCC generated during the verification process will be placed in the General Reserve Account in the BIOCARBON.

4.3 Lost Event Report

In all cases, if an event occurs that means loss or decrease of the VCCs issued and registered in the registry platform, the project holder shall inform and provide a report to BIOCARBON within a period of no more than one year after the event occurred. Once BIOCARBON receives such report and examines the veracity and timeliness of the information, if applicable, it will retire the related amount from the Reserve Account in the registration system and issue a retirement statement, which will be sent to the project holder.

The lost event report shall include a conservative estimate of the loss of previously verified emission reductions/removals due to losses in carbon stocks from the project, based on monitoring report. The project holder shall demonstrate that the loss estimate is true and accurate in all material aspects.

Where a loss event report is not submitted within one year of the date the loss event occurred, the project shall no longer be eligible to issue VCCs.



4.4 **Procedures for holding and reserving credits**

The reserve accounts serve as a guarantee to replace any lost VCC due to unforeseen events that may require the replacement of credits already sold in the market. BIOCARBON will periodically review and adjust this percentage as necessary.

Where a loss event or a reversal occurs, the project holder shall comply with the following for reporting a loss event:

- (a) in all cases where an event occurs that results in the loss or decrease of the VCCs issued and registered in the registry platform, the project holder shall inform and submit a report to BIOCARBON using the Loss Event Report Template, including an estimate of the loss in carbon stocks;
- (b) the loss event report shall be submitted within one year of the loss event. If a loss event report is not submitted within one years of the loss event, the project will no longer be eligible to issue VCCs;
- (c) reserve credits are permanently deducted from the total eligible units to be issued for the verification period;
- (d) reserve credits are retired to cover known or presumed lost carbon, VCCs already issued to registered projects that subsequently experience a reversal are not retired and do not need to be retired.

During the monitoring and verification period, subsequent to the loss event, the monitoring report shall reflect the loss from the loss event and calculate the net GHG benefit for the monitoring period in accordance with the methodology applied.

Finally, BioCarbon has the responsibility to ensure and confirm that such reversals are fully compensated upon notification in a manner prescribed by the above-described procedures.

4.5 Reversal event management

All project holders shall maintain robust monitoring systems to detect and report any event that may lead to a non-permanent loss of credited emission reductions or removals (reversals). In the event of a verified reversal, BioCarbon requires immediate and proportional compensation to ensure the environmental integrity of the program.

For every tonne of CO_2 equivalent that is reversed, one verified unit shall be cancelled from the project's buffer reserve account or, if insufficient, from the general reserve. This compensation shall occur at a 1:1 ratio and be executed without delay following verification by a Conformity Assessment Body (CAB). The cancellation will be



documented in the public registry, including the amount, date, project reference, and justification, ensuring full traceability and transparency.

This mechanism is designed to uphold the principle of permanence and maintain the one-tonne-for-one-tonne environmental equivalence of issued credits. It prevents any credited unit from remaining in circulation if the underlying climate benefit is lost. In cases where the project-specific reserve is exhausted, the BioCarbon Program shall draw from the general reserve and may require the project holder to replenish the account in future verification cycles.

These rules apply uniformly to all projects and represent a core component of BioCarbon's integrity framework for ensuring long-term climate impact.

4.6 Reversal compensation and classification

The Project Reserve compensates for verified carbon stock reversals in accordance with the classification determined under Section 4.1. Compensation is executed under the following principles:

- (a) Avoidable reversals, as defined and classified in the monitoring and verification process, shall be subject to full compensation through cancellation of Verified Carbon Credits (VCCs) from the Project Reserve. In addition, BIOCARBON may impose supplementary consequences, including increased future contributions and temporary ineligibility for issuance;
- (b) Unavoidable reversals may be compensated from the Project Reserve without penalty to the project holder, provided that all applicable monitoring, reporting, and response procedures were followed in accordance with the BIOCARBON rules;
- (c) In cases where the CAB determines that the evidence provided by the project holder is insufficient to confirm the classification, the reversal shall be conservatively treated as avoidable and fully compensated from the Project Reserve;
- (d) Only BioCarbon, or its designated registry administrator, is authorized to cancel credits from the Project Reserve for the purpose of reversal compensation, based on the outcome of the verification process;
- (e) All compensations are publicly recorded in the registry platform of BIOCARBON, including the justification and classification of the reversal.



4.6.1 Compensation for avoidable reversals

In addition to the BioCarbon procedures for avoidable reversals, BIOCARBON applies enhanced accountability measures in cases where a reversal is deemed avoidable, negligent, or deliberate.

A reversal may be classified as avoidable or deliberate (See Section 4.1 for definitions and classification procedures of avoidable and unavoidable reversals) if it results from actions or omissions by the project holder or affiliated entities that could reasonably have been prevented through due diligence, proper maintenance, or compliance with the terms of the project. Examples include voluntary land-use change incompatible with the project activity, failure to maintain agreed conservation practices, or abandonment of project monitoring obligations.

In such cases, the project holder shall:

- (a) Fully compensate the reversal at a 1:1 ratio by retiring verified units from their own holdings or acquiring equivalent credits from the market, in addition to any deductions from the buffer reserve;
- (b) Be subject to suspension from credit issuance or project registration if timely compensation is not completed;
- (c) Be required to submit a Corrective Action Plan (CAP) outlining remediation measures and prevention of recurrence, subject to review by the BioCarbon Program.

These provisions ensure that deliberate or negligent loss of credited climate benefits is addressed with full environmental accountability, upholding the program's integrity and alignment with best practice.



Annex 1. Quantitative Methodology for Reversal Risk Rating for AFOLU projects

To ensure consistency, transparency, and proportional buffer contributions, the BioCarbon Standard applies a standardized methodology for the quantification of reversal risk in AFOLU projects. This methodology is aligned with the permanence criteria, and the integrity safeguards.

Reversals may occur due to natural disturbances (e.g. fire, drought, disease), sociopolitical instability, land tenure disputes, or financial and operational failures. Without proper safeguards, these events can lead to the re-emission of previously credited greenhouse gas (GHG) removals, undermining the environmental integrity of the mitigation effort.

To address this, the BioCarbon Standard applies a buffer-based risk management system complemented by a standardized, project-specific assessment of reversal risk. This annex presents the Quantitative Methodology for Reversal Risk Rating, which must be applied to all projects in the AFOLU sector (Agriculture, Forestry and Other Land Use) seeking registration under the Standard.

The methodology assigns a reversal risk rating based on five risk categories, each weighted and scored using objective criteria. The final risk score determines the percentage of credits that must be deposited into a buffer reserve, helping to insure against non-deliberate reversals over the crediting period. This structured approach enables consistency, transparency, and proportionality in how reversal risk is estimated and managed across projects.

1. Risk Categories and Weights

Risk Category	Weight
Legal/Tenure Risk	35%
Natural/Environmental Risk	15%
Financial/Operational Risk	15%
Governance/Political Risk	10%
Community/Stakeholder Risk	25%

The overall reversal risk score is calculated using the following five risk categories:

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2. Scoring System and Evaluation Grids

Each category is scored from 1 (low risk) to 5 (very high risk) using guiding questions. Project proponents must complete evaluation grids and justify their answers with documented evidence.

2.1 Legal/Tenure Risk Evaluation

This category assesses the security and clarity of land tenure and carbon rights associated with the project area. Unresolved or ambiguous land claims, lack of formal titles, or legal disputes can jeopardize the long-term control of project lands and the permanence of GHG mitigation outcomes. Clear documentation of ownership, legal recognition of carbon rights, and demonstrated consent from all relevant landholders reduce this risk. Conformity Assessment Bodies shall confirm the legal basis on which project holders claim the right to generate and manage carbon credits.

Guiding Question	Response (Yes/No/Partial/NA)	Risk Score (1–5)	Mitigation/Notes
Is land ownership clearly documented and uncontested?			
Are carbon rights explicitly recognized under national or subnational law?			
Have all landholders provided documented consent to the project?			

Answer the following questions to determine legal and tenure-related risk:



2.2 Natural/Environmental Risk Evaluation

This category evaluates the vulnerability of the project area to natural disturbances that may cause unintentional emissions or reversals, such as wildfires, storms, floods, drought, or pest outbreaks. The assessment considers both the exposure of the ecosystem and the presence of proactive mitigation strategies (e.g. fire management plans, ecological buffers, early warning systems). In the projects in high-risk biomes, the project holder shall demonstrate robust risk reduction and monitoring systems to maintain a low-risk rating.

Guiding Question	Response (Yes/No/Partial/NA)	Risk Score (1–5)	Mitigation/Notes
Is the project area exposed to recurring natural disturbances (e.g., fires, storms, pests)?			
Has the project conducted a baseline assessment of environmental vulnerability?			
Are natural risk mitigation strategies (e.g., firebreaks, biodiversity buffers) in place and maintained?			

Answer the following questions to assess risk in this category:



2.3 Financial/Operational Risk Evaluation

This category assesses whether the project has the financial resources, human capacity, and institutional structure to implement activities over the long term. Projects with short-term or uncertain funding, weak operational governance, or lack of technical personnel are more vulnerable to failure or abandonment. The existence of committed long-term financing, a qualified implementation team, and a contingency plan for operational continuity reduces this risk.

Guiding Question	Response (Yes/No/Partial/NA)	Risk Score (1–5)	Mitigation/Notes
Is long-term project financing secured beyond the first verification period?			
Does the project have a clear financial management and contingency plan?			
Are there qualified staff and operational infrastructure to implement key activities?			

Answer the following questions to assess risk in this category:

2.4 Governance/Political Risk Evaluation

This category considers the risk that political instability, weak institutions, or sudden regulatory changes may negatively affect the implementation or continuation of the project. It includes the presence or absence of consistent land-use policies, the enforceability of environmental laws, and the level of government support or recognition



of the project. Political interference or legal uncertainty can significantly increase reversal risk, particularly in jurisdictions with low environmental governance.

Guiding Question	Response (Yes/No/Partial/NA)	Risk Score (1–5)	Mitigation/Notes
Is the project located in a jurisdiction with stable policy support for carbon projects?			
¿Are there clear enforcement mechanisms for environmental and land-use regulations?			
¿Has the project been endorsed by relevant government authorities?			

Answer the following questions to assess risk in this category:

2.5 Community/Stakeholder Engagement Risk Evaluation

This category evaluates the project's relationship with local communities and stakeholders, including Indigenous Peoples, local communities, and other land users. A lack of stakeholder engagement, opposition from affected groups, or unresolved grievances can lead to project disruption or carbon stock loss. Conversely, inclusive design, benefit-sharing mechanisms, and functioning grievance redress systems significantly reduce this type of risk and support long-term permanence.

Answer the following questions to assess risk in this category:



Guiding Question	Response (Yes/No/Partial/NA)	Risk Score (1–5)	Mitigation/Notes
Were local communities consulted in the design of the project?			
¿Are there ongoing mechanisms for stakeholder participation and grievance redress?			
Does the project have documented support from key local actors or organizations?			

3. Final Risk Score and buffer allocation

The weighted average score across the five categories determines the buffer contribution as follows:

Average Risk Score	Buffer Contribution
≤ 2.5	10%
2.6 to 3.5	20%
> 3.5	30%

3.1 Risk Score calculation formula

The final reversal risk score is calculated as the weighted average of the individual risk category scores:

$$Risk \ Score \ = \sum Score_i \ \times \ Weight_i$$

Where:

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i = each of the 5 risk categories
Weight = category percentage in decimal
Score = 1 to 5

This score shall be calculated with two decimal precision and used to determine the applicable buffer contribution as per Section 3.

Risk Category	Score (1–5)	Weight (%)	Weighted Score
Legal/Tenure Risk	2	35	0.70
Natural/Environmental	3	15	0.45
Risk			
Financial/Operational	2	15	0.30
Risk			
Governance/Political	1	10	0.10
Risk			
Community/Stakeholder	2	25	0.50
Risk			
Total		100	2.05

4. Summary Risk Score (calculation example)

4.1 Examples of acceptable mitigation measures

Below are illustrative examples of mitigation measures that can support a lower risk score within each category:

- (a) Legal/Tenure Risk: Registered land titles, legal carbon rights, notarized consent agreements, Indigenous land use pacts.
- (b) Natural/Environmental Risk: Fire management brigades, buffer zones, real-time weather monitoring, pest control programs.
- (c) Financial/Operational Risk: Multi-year financial commitments, operational contingency plans, secured staff and infrastructure.
- (d) Governance/Political Risk: Government endorsements, land-use policy stability, enforcement track records.



(e) Community/Stakeholder Risk: FPIC documentation, benefit-sharing plans, grievance redress systems, stakeholder support letters.

5. Reassessment and Reporting

Risk scores must be re-evaluated at each verification period. Projects that reduce their risk through effective mitigation measures may request a proportional adjustment to their buffer contribution or release from their project-specific reserve. All risk assessments and changes shall be documented and made available for third-party verification.

6. Integration of reversal classification and quantitative risk rating

In accordance with Section 4.1 of this Tool, all carbon stock reversals shall be classified as avoidable or unavoidable, based on the project holder's analysis and supported during third-party verification.

The classification of reversals has the following relationship with the quantitative risk assessment:

Projects with an "avoidable" reversal during the previous verification period shall be automatically assigned a risk score of 5 (very high risk) in the relevant risk categories for the next risk reassessment cycle (e.g., Legal/Tenure Risk, Financial/Operational Risk, or Natural Risk, as applicable).

Projects with an "unavoidable" reversal may retain their existing risk score, provided that evidence demonstrates proper implementation of all risk mitigation and monitoring measures.

In all cases, the CAB shall assess whether the occurrence and management of any reversal justifies:

- (a) Adjustment of the individual risk scores,
- (b) Increase or decrease of the reserve percentage,
- (c) Revision of the Corrective Action Plan (CAP), if one exists.

Project holders may submit evidence of improved risk conditions following a reversal to request a reduction in the assigned reserve contribution, which shall be validated by the CAB and approved by the Technical Committee of BIOCARBON.



Multiple avoidable reversals or a pattern of repeated negligence shall trigger automatic reassignment to the highest risk level (average score > 3.5), resulting in a 30% buffer contribution, unless explicitly justified otherwise.

This linkage ensures that the classification of reversals is not treated as an isolated event but instead informs future risk ratings and reinforces environmental accountability.

7. Instructions for Conformity Assessment Bodies (CABs)

CABs are responsible for independently verifying the accuracy and justification of each risk category score provided by the project holder. This includes reviewing supporting documentation, requesting clarification where inconsistencies are found, and confirming consistency with field data. A summary of the CAB's review and any modifications must be included in the project's Validation or Verification Report.



History of document

Type of document

BCR Tool Permanence and risk management

Version	Date	Nature of the document
Version 1.0	March 7, 2023	First version of the Tool
Version 1.1	March 19, 2024	Reserve accounts and reserve percentage Classifications or reversals in avoidable or unavoidable Lost Event Report Procedures for holding and reserving credits
Version 2.0	June 3, 2025	Quantitative Methodology for Reversal Risk Rating for AFOLU projects