RINGO is very concerned by some of the statements heard in the room on Saturday. We recognize that project developers have a legitimate interest in developing profitable projects. But profitable outcomes are best achieved by ensuring confidence in the framework set by the PACM. Such confidence ensures a higher willingness to pay from the ITMO buyers for credible mitigation outcomes.

Significant research outputs from the last two years show that the work the PACM has achieved to date is critical for the credibility of the carbon markets, especially in the long term. This research stresses three key points:

First, the volume of credits traded is not an indication of the success of PACM. The relevance is whether the credits reflect real and additional mitigation. RINGO recognises the importance of mobilising investment and enabling broad participation, particularly in developing countries. But where methodological requirements create unnecessary administrative burdens, these should be addressed through conservative default parameters, technical assistance and capacity building, *rather than by weakening methodological conservativeness.*

Second, calls to revise methodological requirements must be supported by scientific evidence, not unsupported claims of under-crediting. Especially when these assumptions come from private actors whose revenues depend on the volume of transacted credits *rather than real mitigation outcomes*. There is currently no demonstrated evidence of systematic under-crediting under the PACM, while substantial scientific evidence from previous mechanisms highlights the risks of over-crediting. Historical CDM crediting volumes are not an appropriate benchmark: high crediting rates for cookstoves, for instance, reflected methodological weaknesses, including overestimated baselines and insufficient consideration of non-permanence. *Particularly, the level of the key parameter fraction of non-renewable biomass was not corroborated by scientific evidence.* RINGO welcomes new evidence and methodological improvements from all stakeholders, but any revision must be grounded in transparent, independent and peer-reviewed scientific assessment.

Third, conservativeness is a minimum safeguard, not excessive ambition: weakening it risks undermining the environmental integrity of the PACM. Even assuming otherwise perfect methodologies and third-party validation, the current threshold tolerates a significant degree of over-crediting across projects *(up to 10%)*. Further relaxing the RMP would increase the risk of systematically over-credited projects

offering cheaper credits and potentially crowding out projects that deliver genuine mitigation. The methodological requirements agreed in Glasgow, including baselines below business-as-usual levels, downward adjustments and increasing ambition over time, are absolutely essential to the integrity of the PACM.