

Call for public input	A6.4-MEP004-A03: Draft Standard: Addressing leakage in mechanism methodologies (v. 01.0)
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Legend for Columns

- 1 = Section Number in the document
- 2= Paragraph number
- 3 = Comment – the actual feedback or observation, including justification for what needs changing
- 4 = Proposed change – suggest the text if possible

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Section no.	Para. no.	Comment	Proposed change in blue (Include proposed text)
2. Definitions	3(c)	The definition of leakage seems to allow for positive leakage, with the inclusion of “removals” in the definition (where activities within a carbon offset project lead to unintended additional emissions reductions or carbon sequestration outside the project boundary). Suggest deleting the term removals, as accurately accounting for positive leakage would likely not be possible and would violate the principle of “conservativeness”.	3. The following definitions shall apply: (c) Leakage: anthropogenic emissions and removals of greenhouse gases that occur outside the Article 6.4 activity’s boundary and that are attributable to the activity. The leakage refers to emissions and removals that are influenced by the activity frequently through changes in market demand or supply for associated products or services;
2. Definitions	3(d)	Suggest including a definition of “quality”. Suggest explicitly including biodiversity and community benefits in the definition of “quality” within the Level of Service.	No specific text is proposed.
4. General requirements	7	The phrase “may also include decreases in emissions and increases in removals” should be stricken. This is positive leakage, and its inclusion does not follow the principle of conservativeness. Further suggest that requiring the inclusion of “all sources of leakage” may be extreme since all sources may not be able to be included for lack of data (e.g. global leakage is not included in any NCS methodologies as it is currently impossible to track or mitigate cross jurisdictionally).	7. Mechanism methodologies shall include main all leakage sources in the calculation of emission reductions or net removals, unless their exclusion is conservative. This shall include increases in emissions and decreases in removals and may also include decreases in emissions and increases in removals
4. General requirements	8	International leakage is currently difficult/not possible to quantify (e.g. many countries do not have detailed or reliable data on land-use changes, emissions, or economic activities). Since its inclusion now might be premature, the phrase “and shall include international leakage” should be deleted.	8. The relevant geographical area for consideration of leakage shall not be limited to national boundaries and shall include international leakage where this can occur.
4. General requirements	10	This wording is confusing and should be revised or accompanied by an equation to be more explicit.	No specific text is proposed.

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5.1 Procedures to address leakage	13	Please provide a justification for why paragraph 12(b) may not apply to fossil fuels.	12. The proponent of a mechanism methodology shall identify all potential sources of leakage for the type of mitigation activities covered by the methodology. This shall include, but not be limited to, the following sources of leakage: (b) Use of competing resources: This issue is relevant where: (i) The Article 6.4 activity increases, relative to the baseline scenario, the use of resources that have competing uses; (ii) The availability of the resources is limited within the relevant geographical area; (iii) The potential diversion of the resource from other uses to the Article 6.4 activity could lead to an increase in greenhouse gas emissions or decrease of removals outside the Article 6.4 activity boundary. 13. Paragraph 12(b) above may not apply to fossil fuels or mineral products.