THE INTEGRITY COUNCIL
FOR THE VOLUNTARY CARBON MARKET

Methodological Expert Panel
Article 6.4 Supervisory Body

February 24th, 2025

Dear Members,

I am writing to you on behalf of the Integrity Council for the Voluntary Carbon Market (ICVCM) to provide inputs in response to the call for public input on document A6.4-MEP004-A03: Draft Standard: Addressing leakage in mechanism methodologies (v.01.0).

The ICVCM is an independent governance body for the voluntary carbon market, setting and enforcing a definitive global threshold for carbon credit integrity. Through the Core Carbon Principles (CCP) and the Assessment Framework, developed in close consultation with stakeholders, we seek to build trust in high-quality carbon markets so that they channel finance towards genuine and additional greenhouse gas reductions and removals and contribute to climate resilient development across the globe.

The Assessment Framework is currently being employed to assess carbon-crediting programs and categories of credits at methodology level to identify eligibility for the CCP label. The framework can thus serve as a reference point for any rulebook at the core of a high-integrity carbon crediting mechanism.

Following the call for inputs, we would like to provide references to several specific requirements of the Assessment Framework as they relate to the requirements presented in the draft standard for leakage. The two documents operate on a similar level as both present requirements to methodologies regarding leakage.

We remain open to cooperation with the MEP and the Supervisory Body to discuss specific ways to operationalize requirements for a robust and high-integrity carbon-crediting mechanism, share best practices and lessons learnt.

Yours sincerely,

Amy Merrill
CEO
ICVCM

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

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Date: February 21st, 2025

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

A6.4-MEP004-A03 (v.01.0)			
1	**2**	**3**	**4**
Section no.	**Para. no.**	**Comment**	**Proposed change** (Include proposed text)
5.1	**12**	The ICVCM Assessment Framework, in requirement 10.5 a) 2) uses the following approach to categorizing potential sources of leakage, where material. The potential sources include: i. Upstream/downstream emissions, defined as: a type of leakage where emissions occur upstream or downstream of a mitigation activity and are impacted by the mitigation activity. An example is the emissions associated with the production of a fuel or feedstock used under the mitigation activity (e.g., methane emissions from natural gas production). ii. Activity-shifting, defined as: a type of leakage where the mitigation activity causes emissions to shift location. Mitigation activities can shift emissions to locations not targeted, or emissions not monitored, by the activity. An example is the displacement of agricultural activities from land that is afforested. iii. Market leakage: a type of leakage where mitigation activities have an impact on the supply or demand of an emissions-intensive product or service, thereby increasing or decreasing emissions elsewhere. For example, forest management or conservation activities may reduce timber harvests within an intervention area, leading to increased harvesting in other areas to meet demand for wood products. iv. Ecological leakage, defined as: a type of leakage where a mitigation activity affects emissions indirectly in areas that are hydrologically connected. An example is carbon dioxide emissions from soils in a wetland if the water level is lowered due to the implementation of the mitigation activity.	Illustrative language from the ICVCM Assessment Framework: CRITERION 10.5 QUANTIFICATION OF LEAKAGE EMISSIONS a) The following approaches are considered to enable conservativeness and robust quantification: 1) the quantification methodology or related program documents ensure that all relevant potential sources of leakage associated with the type of mitigation activity are considered; 2) the quantification methodology or related program documents includes all material sources of leakage in the quantification of emission reductions or removals, except where the omission of leakage sources is conservative, and consider the following potential sources of leakage, where material: i. Upstream/downstream emissions; ii. Activity-shifting; iii. Market leakage; iv. Ecological leakage; 3) the quantification methodology or related program documents ensure minimization of any material sources of leakage emissions through requirements in the respective quantification methodologies (e.g., through requirements that avoid leakage); 4) the quantification methodology or related program documents ensure estimation and deduction of any residual leakage emissions in the quantification of emission reductions or removals including through specific tools or standardized approaches; and 5) the quantification methodology or related program documents ensure that the estimation of leakage emissions is robust and conservative in the light of the

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1	2	3	4
Section no.	**Para. no.**	**Comment**	**Proposed change** (Include proposed text)
		The assessment framework also notes that some methodologies may include leakage emissions directly in the calculation of (net) emission reductions, while others may account for leakage emissions separately. Whether an increase in emissions caused by a mitigation activity is formally designated as "leakage" is not important, as long as all material effects of an activity on emissions are accounted for.	uncertainties, taking into account the choice of assumptions, models, parameters, data sources, measurements methods and other factors.
5.3	**15**	Requirement 10.5 a) 4) considers as an approach enabling conservativeness and robust quantification that the quantification methodology or related program documents ensuring estimation and **deduction of any residual leakage emissions** in the quantification of emission reductions or removals including through specific tools or standardized approaches.	Ibid.
Appendix 1. Definition of the project boundary	**6**	Requirement 10.2 a) 2) considers as an approach enabling conservativeness and robust quantification that methodologies or applicable program documents **delineate, where practicable,** the location of the emission sources and sinks.	CRITERION 10.2 BOUNDARY FOR THE MITIGATION ACTIVITY a) The following approaches are considered to enable conservativeness and robust quantification: 1) the quantification methodology or applicable program documents require mitigation activity proponents to account for all significant emission sources or sinks altered by the mitigation activity, unless the omission leads to a more conservative quantification of emission reductions or removals and the omission is duly justified in the quantification methodology; 2) the quantification methodology or applicable program documents require mitigation activity proponents to delineate the boundary of the mitigation activity (e.g. physical, administrative, geographic, jurisdictional, as appropriate) including the altered emission sources and sinks and, where practicable, the location of the emission sources and sinks unless the omission leads to a more conservative quantification of emission reductions or removals and the omission is duly justified in the quantification methodology.