



**PERMIAN
GLOBAL**

Subject Comments on AFOLU PROJECT MARKET LEAKAGE: PRODUCTION APPROACH
Public Consultation Document
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On behalf of Silvestrum and Permian Global we have the following comments on the new module for market leakage.

1. Why was the Module VMD0011 REDD Methodological Module: Estimation of emissions from market effects (LK-ME) not considered when preparing the new module? Chapter 1 Sources does not make reference to this module. Ideally the new module should replace VMD0011 and existing functionality in this module should remain or be improved for the sake of harmonisation. Was there a gap analysis (e.g. considering the scope and applicability conditions, the range of involved commodities, the use of default factors) the result of which would inform PPs about whether or not to choose either module? Is this or will the new module be mandatory?
2. The applicability conditions state that the module can be used in WRC projects. However, WRC procedures involving production displacement to undrained peatland and consideration of peat oxidation of a 100-year time period (AFOLU requirement 4.5.29) are not included. We have prepared these procedure for VMD0009, 10 and 11 which are now under 2nd validation. Is the intention to include these or similar procedures to avoid approving a non-compliant module?
3. Parameter *IS* is now fixed at a default factor of 75% (p15). We suggest there be an option to deviate from this value based on a same or similar assessment as in the underlying scientific literature using more representative data for commodities.

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