Head and Members of the CDM Executive Board
Mr. Martin Hession
Chairman
UNFCCC Secretariat
Martin-Luther-King-Strasse 8
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Date	28 October 2011
Subject	Call for public inputs in relation to standardized approaches for facilitating the baseline emission calculations under AMS-I.E and AMS- II.G for displacement of non-renewable biomass

Honourable Members of the CDM Executive Board,
Dear Mr. Hession,

atmosfair welcomes the opportunity to provide input into the work on (1) standardising the approaches for displacing non-renewable biomass in small scale CDM projects and (2) to provide default parameters for baseline fuelwood consumption per capita or per household.

> *(1) Proposed approaches for quantifying the fraction of non-renewable biomass in order to select the most appropriate approach for deriving reliable and conservative estimates for the fraction of non-renewable biomass*

First of all atmosfair would like to point out that it is not clear to us from the call for input if it is the aim of the EB to provide default values for the fraction of non-renewable biomass (fNRB) for projects (which would be in line with the approach chosen for the default values for fuel wood consumption) or if the method to determine fNRB shall be revised (which could result in a tool to determine fNRB, based either on the WISDOM or the MAI approach).

Our input is based on the assumption that only the approach for determining fNRB shall be revised. Therefore we consider the practicality to apply the concepts by project participants, who, in most instances, are no experts in the field of biomass supply and demand quantification.
If default fNRB factors would be determined by the EB, a higher level of sophistication and complexity could be acceptable as experts could be employed.

• *Practicality and appropriateness of the defined approaches for estimating the fraction of nonrenewable biomass;*

Comments on WISDOM model:

After studying Attachment A (Approach based on WISDOM) (of SSC WG 33 Annex 8) it is not clear to us how the approach could be applied by project participants who are no experts in the field. Especially the interpretation of geo-reference data seems to be too complicated for project participants. The model would therefore need to be standardised in a way that only primary country data would need to be filled in a predefined tool by PPs.

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According to our experience which is limited to certain country examples, WISDOM is using primary data to determine the wood supply using geo-data. The demand model however may depend on secondary sources to determine the wood consumption per person or household.

Our concern is hence that the WISDOM approach may in some cases be misleading as

- two different levels of data quality and accuracy (primary data for wood supply vs. secondary data for wood demand) are combined; and
- data obtained from two different spatial units are combined (geo-data for the sub-national wood supply vs. wood demand data only available as country average)

Comments on Mean Annual Increment:

Calculating the fraction of non-renewable biomass based on the Mean Annual Increment (MAI) represents in principle a valuable approach. The use of FAO Forest Resource Assessment (FRA) country reports provides a data source which is widely available and clearly structured. However, in our experience the given data quality is differing considerably due to availability of primary data. This applies especially for LDCs, where data quality is particularly poor. This may lead to situations where projects in countries with a high CO2-reduction potential are not implemented due to non-availability of adequate data. As a result, in our opinion the degree of accuracy of the data provided in FRA country reports would need to be assessed case by case prior to adopting the MAI approach in order to determine realistic and credible results for the fNRB for a broad range of countries.

• *The frequency with which the values for fraction of non-renewable biomass should be updated;*

fNRB should be a parameter which is determined ex-ante. Updates of the default value are therefore only deemed necessary at renewal of the crediting period per project or programme.

• *The level of aggregation that can reliably represent the non-renewability of displaced biomass;*

When applying the MAI approach to calculate the fNRB, standardisation can only be achieved if the same data sources (e.g. FRA country reports) for all project activities will be used. The FRA country reports are only available on a national level. Thus, if the MAI approach will be applied, fNRB can only be calculated on a national level in order to ensure a high level of comparability. However, in countries with heterogenic climatic and geographical conditions, a national default fNRB can only represent an average value and not the actual fNRB within the different climatic zones. This would lead to an over- or underestimation of fNRB in a project activity depending on the actual project area.
To ensure comparability, we recommend to apply the same level of aggregation for both parameters, fNRB and woodfuel consumption. Thus if fNRB is determined on a national level, the woodfuel consumption default values shall also be given on a national level, and vice versa.

We recommend to apply vegetation zones to determine the appropriate level of aggregation similar to the approach suggested by the EB for default woodfuel consumption levels in Africa.

- *Other approaches for determining fNRB that should be assessed (e.g. net-to-gross adjustment with simple discount for baseline emission). If any, please provide further justification on the proposed approach(es).*

Thinking completely out of the box and ignoring some core principals of the CDM we would like to bring forward an idea which emphasises the sustainable development aspect of cook stove CDM projects.

The use of inefficient cook stoves is one of the biggest environmental challenges for many developing countries especially in Africa. The World Health Organization (WHO) lists indoor air pollution from primitive household cooking fires as the leading environmental cause of death in the world, as it contributes to nearly 2.0 million deaths annually - more deaths than are caused each year by malaria.[1]

Therefore there is an urgency to provide solutions for the problem and as the CDM is seen by many as a suitable mechanism to support the widespread dissemination of improved cook stoves (ICS) a concept should be developed which creates incentives for project developers to disseminate ICS as quickly as possible.

A possible concept to achieve this target can be adopted from the scheme for feed in tariffs as applied for renewable energies in many countries.

Renewable energy projects of a certain technology (let's use PV projects for an example) get a fixed tariff for every kWh which is fed into the grid. The tariff is fixed at time of commissioning and applies for the full lifetime of the project.

At the same time installation targets are defined on national level and as soon as the target is achieved the tariff is reduced automatically for all new installations (e.g. all PV installations receive a tariff of 0,2€/kWh until a total of let's say 100 MW is installed in the country. All PV projects installed afterwards receive a tariff of 0,18€/kWh until 200MW PV capacity is installed. The next batch receives 0,16€/kWh until 300 MW are installed and so on). At some point when the technology has become competitive the feed in tariff for PV should be the market level price.

A similar concept could be adapted for the fNRB factor of ICS projects under the CDM.

The sustainable development impact of ICS is non-ambiguous independent of the specific fNRB factor in a country.

Therefore in order to incentivize ICS projects a global fNRB of let's say 98% could be applied. As soon as e.g. 100,000 CERs have been issued the fNRB is reduced to 92% and so on. A minimum level for fNRB would need to be defined in order to allow projects to be still economically feasible (similar to the market price for electricity).

A similar concept could be applied on regional level or for vegetation zones to take into account substantial variations of the fNRB.

    (2) default values for fuel wood consumption per capita and per household

- *Whether providing default woodfuel consumption aggregated at a regional level is considered practical from the project implementation point of view or if another level of aggregation would be more appropriate?*

Providing default woodfuel consumption values aggregated at regional level which are determined by applying vegetation zones is practical.

However PPs need to demonstrate which country or province belongs to which region. There is a high likelihood that PPs and DOEs would not agree on this definition which would result in further delays and costs which is taking away

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[1] http://www.sciencemag.org/content/334/6053/180.summary

some of the advantages of a default baseline parameter. We therefore suggest that an expert panel is commissioned by the EB to determine which country/province/region belongs to which region.

It is also not clear from the values provided if the woodfuel consumption is determined by only considering woodfuel users in the region or if the woodfuel consumption is an average including all people and households in the region. If none woodfuel users are included it results in unrealistic figures especially for regions where a considerable number of households are not using woodfuel for cooking purposes.

Furthermore it's not clear if charcoal consumption is also considered which would be accurate.

It was also noted that a large number of regions are defined for Africa whereas Asia and Latin America only have little defined regions.

• *With what a frequency should these default values be updated?*

Woodfuel consumption is a parameter which should be determined ex-ante for each project or programme. Updates of the default value are therefore only deemed necessary at renewal of the crediting period.

However, the default woodfuel consumption values provided in the methodology should be updated regularly by the EB and there should be a procedure to allow PPs to trigger an update or at least to alert the EB that new data is available which would justify an update of the default values.

Kind regards,

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