TABLE FOR COMMENTS

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| **#** | **Para No./ Annex / Figure / Table** | **Line number** | **Type of comment**  **ge** = general  **te** = technical **ed** = editorial | **Comment**  **(including justification for change)** | **Proposed change**  **(including proposed text)** | **Assessment of comment**  **(*to be completed by UNFCCC secretariat*)** |
|  |  |  | **ge** | The foundation myclimate welcomes a timely reformation of the calculation methods of the fNRB that is based on the newest research-based, homogenized inputs. We are happy to adapt our projects to any new values to best reflect a robust and conservative ER calculation.  We welcome fast and clear guidance from the CDM on how the fNRB should be defined and handled in our projects so that current uncertainty in the market decreases and credibility increases.  We welcome the fact that new electronic options are being used to enable scientific, rapid and uniform analysis. The scarce data situation and the lack of qualification of or little focus on fNRB by the project developers and DOEs applying the methodologies and tools in the past led to very inconsistent results in the determination of a realistic fNRB and thus increased the risk for overcrediting.  We welcome the principle of a conservative approach. However, we also see a major conceptual flaw in the interpretation as to how the fNRB is interpreted in emission reduction calculations in the current methodologies.  The current interpretation of the fNRB as it is used in any of the models developed by Bailis et al. does not correctly reflect the influence of a reduction of wood fuel consumption in the project on the reduction of forest overexploitation and therefore on the emission reductions generated by the project. In the systemically correct view, the factor relevant for calculating the emission reductions of a project activity, for a forest with a proven overused, non-renewable wood consumption caused by fuel wood usage, is the fraction of how much of the reduction of wood usage by the project will affect the overexploitation and thus the usage of non-renewable biomass. As this is typically, except regions with demonstrably renewable biomass such as protected forests or plantations, a very high fraction, this factor, that was named fNRB will logically be close to 100%  Instead, the studies by Bailis et al. that created very well-set up models that we generally agree with do not calculate this factor but calculate/model the value of general overexploitation in an area. This is a fundamentally different factor with a different meaning and this approach leads to various consequences:  A reduction in wood consumption from introducing a wood-saving technology then only leads to a proportionate impact, e.g. 30%, although the overexploitation has actually been reduced by 100% (as mentioned above for a forest with a proven overused, non-renewable wood consumption caused by fuel wood usage). We thus would like to question this approach (which is not new and has been used in CDM Tool 30 since 2017).  The in our and our independent forestry consultant’s eyes correct interpretation of the fNRB was the one applied in the older CDM methodologies before 2017 (the older versions of the methodologies had other weaknesses but the fNRB interpretation there was correct in our opinion): There it was required to prove that fire wood consumption in the project region does directly contribute to the overuse of wood resources and if this condition was fulfilled, the reduction in wood fuel consumption by the project activity decreases this overconsumption, thus resulting in relatively high fNRB values close to 100% as only the regions with demonstrably renewable biomass like forest reserves and protected areas are excluded in this calculation. Therefore, those old values were not “drastically overcrediting” as often exclaimed. Only the interpretation of the factor as it was first introduced by Bailis et al. in their well-conducted studies does not look at the direct but only the proportionate impact achieved by a reduction of fire wood consumption and thus is not the correct factor to be looked at when wanting to calculate the emission reductions achieved by a project activity.  However, we see that this systematic error in the application of the factor is not widely recognized at the moment. This, if this new interpretation will continue to be used, it must be emphasized that in most cases of the project regions, the proposed default values are already very conservative due to this fNRB definition alone and, if applied, put many projects (in our opinion unnecessarily at risk). We welcome any kind of adjustment that not only relies on a conservative approach, but also brings us closer to local reality.  We generally wish that the impact on the projects is kept in mind when implementing regularly updated values according to newest scientific, peer-reviewed findings to allow both for high integrity with robust, conservative values but also a necessary level of planning stability for project developers.  For any update of the values, we furthermore see the following points to be of great importance:   * We need a strong guidance and a clear line and communication from CDM and GS (and other certification entities) necessary on how to proceed with existing projects as soon as possible as any project development in the current situation is highly challenging * We request a clear guidance on how any updated values are to be used, i.e. if an immediate or progressive implementation of the new values is foreseen * We request a clearly defined schedule on how the values will be updated in the future to enable more long-term planning stability in our projects * The procedure to apply any new values should be as simple as possible while still being conservative and robust and enable uniform handling among project developers and project implementers. * If the fNRB can be defined or at least adapted on a project-specific basis in a future version of the methodology (as in the current CDM Tool 30), we would welcome clearer and stricter controls in validation and verification by the DOE and by the standard so that this value is also checked uniformly. We do not consider this to have been the case in the past which lead to great inconsistencies. |  |  |