**Default values for fraction of non-renewable biomass (fNRB)"**

**Submission**

The UNFCCC is considering adopting - Updated fNRB Values for Woodfuel Interventions Revised version, June 20, 2024 By Adrian Ghilardi and Rob Bailis (hereinafter Report). As suggested by the title, the report has proposed revised values for fNRB. The revised values are very low when compared with the existing values. For example, Myanmar's fNRB of 61% will be reduced to just 30%. The report, if adopted, will have devastating consequences for the carbon-financed improved cookstove project.

1. It is a well-established fact that fuelwood as a cooking fuel is used by the poorest of the poor communities. Only carbon finance has encouraged and channeled private investment in the improved cookstove (ICS) sector. All large-scale improved cookstove projects around the world are carbon-financed and not government-funded. The revised fNRB values will reduce emissions by up to 80%. For example, if a carbon project is reducing 2 tCO2/yr/ICS, then after using new fNRB values, it can claim only 0.25 tCO2/yr/ICS or even less. This will make it impossible for a carbon investor to fund projects and for projects to survive.

2. The basic concept behind the Clean Development Mechanism (CDM) is a market approach to achieve efficiencies, i.e., private sector investments. The new fNRB values will make ICS carbon projects very unattractive for investment.

3. In a compliance market, there is no premium for carbon credits from a pro-poor project. Therefore, carbon credit from the ICS project would be the same as carbon credit from the wind farm project. The UNFCCC must ensure premiums for cookstove projects to survive. The premium can be provided through climate funds.

4. One way to compensate for the reduction in ERs is by making the actual emission factor (EF) for fuelwood, which is 112, and not the existing 81.6, which is the levelized EF.

5. CDM has been the best example of a "pay for performance" compensation model. CDM has a very robust system of checking and rechecking performance claims. Therefore, climate funds like the Green Climate Fund and other national funds should use the carbon credit as "pay for performance" model to support cookstove projects.