Comments on Default values for fraction of non-renewable biomass (fNRB)

Context:

Unlocking Communities is a non-profit social enterprise focused on creating local market ecosystems. We entered this work not merely as project developers but because communities needed products and support to find creative ways to afford them. There is demand in the areas we work for over 300,000 stoves in the next three years, all that is needed is financing. Over the last three years, Unlocking Communities has refined a model where over 90% of the revenue from carbon credit sales flows directly back to the communities. We delayed registering our project and seeking financing from larger project developers due to their 30-50% revenue cuts, which divert valuable resources away from the communities and undermine their status as primary beneficiaries. However, the time taken to register without a project developer and the grant funding needed to scale the project for viable registration have resulted in delays.

Our original model was based on the fNRB framework (https://cdm.unfccc.int/DNA/fNRB/index.html), which expired at the end of 2020. As a small social enterprise with plans for rapid growth, we have focused on collaborating with multilateral organizations to secure financing for scaling and addressing the geopolitical crisis in Haiti. We recently learned about TOOL30 while filing, but the data required to model TOOL30 is, at best, incomplete, leading to an inaccurate fNRB estimate of around 30-40%, which jeopardizes the viability of our subsidy. However, based on our lived experiences on the ground, we believe the actual figure is closer to 96%. We do not want to claim credits without supporting data, but we also have an obligation to ensure that communities receive maximum value and proper recognition for their efforts in combating climate change. These communities are already feeling the impacts of climate change and need all the resources they can gather to address it.

Recommendations:

1. Provide a Simple Explanation of fNRB Methodology: A clear, layman-friendly explanation of your methodology to develop the fNRB values on your website would specifically help potential debt financing parties understand fluctuations in the market. At present, many of our potential funders (especially those willing to finance our subsidy-based model at 3-5%, which would allow for the majority of carbon credit payments to flow to communities) do not have enough experience dealing with carbon credits to understand why the values have changed or the rationale why these values are the best to date. Without that understanding, these parties find such projects too risky in the U.S., particularly in light of [recent news delegitimizing carbon offsetss](#).

2. Collaborate with Grassroots Organizations for Areas with Insufficient Data: In rural, hard-to-reach areas such as Haiti, large datasets are often incomplete or entirely unavailables. For those cases, grassroots-level organizations like ours can leverage our on-the-ground teams to provide supplemental data and more accurate measurements to establish fair fNRB values.

3. Allow Local Surveys for Temporary fNRB: Allowing small organizations to conduct local surveys to determine a temporary fNRB value for their initial registration can lower the barrier to entry for those working in hard-to-reach areas. As projects grow, require these organizationsto support their findings with additional data, and if over-crediting occurs initially, subtract those credits from later years.

4. Give Fair Consideration to Island Nations: Island nations like Haiti are often excluded from various development initiatives due to their smaller populations, but given the level of need, they deserve the same level of consideration as regions in southern Africa.

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