

Dear Supervisory Body,

Warm greetings.

In response to the “Call for input 2023 - Issues included in the annotated agenda and related annexes of the seventh meeting of the Article 6.4 Supervisory Body,” I am submitting my opinion to “A6.4-SB007- AA-A16 - Concept note: Detailed regulatory elements for transition of CDM activities to the Article 6.4 mechanism.”

Concept note - Detailed regulatory elements for the transition of CDM activities to the Article 6.4 mechanism Version 01.0

16, C - Ensure that the fNRB value applied is reliable and conservative and based on the latest data and information and the project participants shall demonstrate that it is reliable and conservative;

1. Latest Data - By default majority of cookstove projects are in least developed/underdeveloped countries serving the poorest of the poor. The data required for the calculation can only be collected and provided by the government. The institutional set-up in these countries is generally poor or absent. Therefore, it is always a challenge for the project proponent to get data for fNRB calculation. It would be unfair to ask cookstove projects to calculate new fNRB for transition;

2. All Cookstove projects are Additional. In fact, by default they are Additional. At the same time, they are very risky for the investor and vulnerable to market volatility. Cookstove projects have suffered a lot due to ambiguity regarding the post 2020 scenario. Therefore, they should be allowed to get some breathing space by allowing them to transit into the new mechanism without revalidation of parameters. In any case cookstove projects must revalidate after completion of the crediting period;

3. Conservative – CDM Tool30, fNRB calculation method is already very conservative. Therefore, additional conservativeness is undesirable. Upstream approach – Regulators have been using Upstream proach i.e., recommending and specifying very discounted values of the parameters like fNRB, emission factor, baseline stove efficiency, leakage etc to ensure emission reductions are not over claimed. This approach treats the good and bad projects equally. In fact, punishing the good projects. Regulators must think about better ways for monitoring and verification. Reform and reorganization of Validation/Verification Bodies is much required then discounting of parameters;

5. Underestimation - If Overestimation of emission reduction is bad then Underestimation is killing cookstove projects. By imposing unrealistic discounted parameters Regulator is making cookstove projects unattractive for the investors. Discounted factors will have an adverse effect and project developers would be forced to use cheap quality cookstoves.