**Clean Cooking and Climate Consortium (4C)**

**October 23, 2023**

**Article 6.4 Supervisory Body**
United Nations Framework Convention on Climate Change
Bonn, Germany

**RE: Clean Cooking and Climate Consortium (4C) submission in response to the "Call for input 2023 - Issues included in the annotated agenda and related annexes of the eighth meeting of the Article 6.4 Supervisory Body"**

Dear Members of the Supervisory Body:

The Clean Cooking and Climate Consortium (4C), a group of partners [1] led by the Clean Cooking Alliance (CCA), appreciates the opportunity to submit this comment in response to the "Call for input 2023 - Issues included in the annotated agenda and related annexes of the eighth meeting of the Article 6.4 Supervisory Body."

This letter concerns A6.4-SB008-AA-A09: Revision of regulatory documents for the transition of CDM activities to the Article 6.4 mechanism, including Annex 1: Draft standard for transition of CDM activities to the Article 6.4 mechanism (version 02.0).

In particular, we would like to make observations/comments regarding non-permanence, fNRB and co-benefits. Notably, we do not anticipate that the transition to Article 6.4 will have a material impact on non-permanence risk for cookstove activities, and do not recommend that cookstove projects transitioning from CDM to Article 6.4 be required to change fNRB values mid-project or be subjected to other non-permanence requirements. We also make co-benefits recommendations, including the use of ADALYs for health impacts.

Section 3.1 (Non-permanence risk), part 8 states "the Supervisory Body requested the secretariat to provide more information on cookstove CDM activities that are eligible for transition to the Article 6.4 mechanism to gauge the material impact of transitioning cookstove activities, if any, on the atmosphere due to the non-permanence risk" relating to the previous proposal that:

"For the transition of cookstove CDM activities that combust woody biomass (fuelwood or charcoal): (i) Ensure that the fraction of non-renewable biomass (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; and (ii) If the current 5 per cent discount on leakage is deemed not sufficient, choose a more appropriate value [x]."

Sections 14, 15 and 16 state:
"It should be reminded that two stakeholders provided input on this proposal at the seventh meeting of the Supervisory Body, opposing the proposal due to the difficulty in obtaining new data for the re-evaluation of fNRB values (as they can only be collected by the host Party governments, which are mostly in least developed countries with poor or absent institutional setup to do so, and could be time-consuming), and any increase in discount factor would make

cookstove activities unattractive for investors. Based on the information above, it is now proposed not to require re-evaluation of fNRB values and the discount factor for the transitioning cookstove and water purification CDM activities. On the other hand, other proposed measures in the concept note referred to in paragraph 7(a)–(b) above may be required for the applicable transitioning CDM activities."

In addition to reiterating the comments that 4C submitted in August 2023 [2], including that there exists no method to get reliable results for measuring non-permanence risks for cookstove projects, and fNRB remains the best option for addressing non-permanence in this case, 4C would now like to refer the SB to revised fNRB values commissioned by the UNFCCC secretariat following the request from the CDM Executive Board and its Methodologies Panel; now included in the meeting report of the CDM Methodologies Panel in paragraph 34 here, and Annex 7 "Information note on default values for fNRB" here, as the definitive source for fNRB values that are "reliable and conservative and based on the latest data and information" as noted above.

Given the wide variability in estimates that can be generated by TOOL30, and the lack of ability to target areas of high non-renewability when using the current global average of 30% across the board, there has been a need for new data that can create full confidence among carbon offset buyers, while allowing for important geographic contextualization, which is what the revised fNRB values referenced above represent. They were generated using the MoFuSS model, which relies on the same basic concepts used by WISDOM, the methodology used to derive the results on which the current default value of 0.3 is based. However, where WISDOM uses a snapshot in time, MoFuSS runs multi-year simulations, which allow users to compare intervention (i.e., actions to reduce extraction on non-renewable biomass such as through efficient cookstove projects) and non-intervention scenarios that incorporate dynamic variables like population growth, urbanization, and land cover change. In addition, MoFuSS is peer-reviewed and built with freely available software using open-source code, making it transparent and accessible. For these reasons, we hope and expect that the SB will adopt these new values for Article 6.4 projects going forward.

***In response to the SB's request for "more information on cookstove CDM activities that are eligible for transition to the Article 6.4 mechanism to gauge the material impact of transitioning cookstove activities, if any, on the atmosphere due to the non-permanence risk," we note the following points:***

- Our informal survey of cookstove project developers (through multiple methodology development-related consultation sessions) suggests that the strong majority intend to seek a transition to 6.4, even though they may not yet have formally expressed these intentions;
- **We do not anticipate that the transition to 6.4 will have a material impact on the non-permanence risk**, and do not recommend that projects transitioning from CDM to Article 6.4 be required to change fNRB values mid-project or be subjected to other non-permanence requirements; and

- Generally, the cookstove project developer community recognizes that these updated fNRB values are scientifically based and necessary in order to achieve conservativeness, transparency, and credibility, and they are prepared to adopt them for Article 6.4 projects. At the same time, they have expressed concerns that an additional increase in the current 5 per cent discount on leakage would be overly punitive and potentially threatening to the financial viability of their projects.

Section 6.4.3 ("Environmental and social impacts") notes that:
"The project participant of a CDM project activity, or PoA and CPAs therein, that may transition to the Article 6.4 mechanism shall analyse environmental and social impacts and sustainable development benefits of their operation, and provide a summary of the analysis and a monitoring plan of such impacts and planned remedial measures of negative impacts, if any, during the operation of the activity, in accordance with the "Article 6.4 mechanism sustainable development tool"; and:
"If the tool referred to in paragraph 30 above is not available at the time of the submission of additional documentation to the secretariat to initiate its processing of the transition request in accordance with the transition procedure, the project participant shall prepare a "Sustainable development co-benefits description report" in accordance with the "Sustainable development co-benefits tool" developed under the CDM. In this case, the project participant shall additionally develop a document describing how the project participant intends to monitor sustainable development co-benefits of the activity, including the frequency of reporting of monitoring results."

**In this context 4C notes that cookstove projects have unique co-benefits considerations in part related to being a distributed solution, and as such require special attention** in the Article 6.4 mechanism sustainable development tool. In addition to the co-benefits tools referenced above, 4C recommends referencing the World Bank publication *Building Evidence to Unlock Impact Finance : A Field Assessment of Clean Cooking Co-benefits for Climate, Health, and Gender* for cookstove-specific co-benefits measurement.

Further, in the case of health benefits, 4C recommends that the unit of measurement be ADALY's, calculated with the ABODE tool.

4C thanks the Article 6.4 Supervisory Body for its consideration of our views and looks forward to assisting the UNFCCC's work to drive integrity, credibility, and trust in the cooking and carbon markets. Please do not hesitate to reach out if you have any questions.

Sincerely,

On behalf of 4C,

Elisa Derby, Senior Director, Climate Impacts and Standards, Clean Cooking Alliance

**Clean Cooking and Climate Consortium (4C)**

[1] Led by the Clean Cooking Alliance (CCA), 4C is a group of partners supporting countries' efforts in using cooking energy interventions to achieve climate goals as part of their Nationally Determined Contributions (NDC) targets or through the international carbon market. In addition to CCA, 4C members include the United States Environmental Protection Agency (U.S. EPA), the United Nations Framework Convention on Climate Change (UNFCCC) secretariat, the Climate and Clean Air Coalition (CCAC), Berkeley Air Monitoring Group (Berkeley Air), and Stockholm Environmental Institute (SEI).

[2] In August 2023, 4C submitted the following comments:
*"While emission reductions from projects that displace non-renewable biomass consumption are functionally similar to credits derived from carbon removal projects, we believe that introducing a requirement to track the biomass saved by these project activities is impractical for the following reasons:*

- *Activities that displace non-renewable biomass consumption are highly diffuse, and it is very difficult to define the boundaries of areas that are impacted by specific projects. This applies for projects that target displace firewood collected by participating households but is even more relevant for projects that displace charcoal in urban or peri-urban centers, cause the biomass often originates from multiple production areas serving multiple markets.*
- *Even if those areas can be identified and have well-defined boundaries, attributing changes in biomass stocks to project activities is very difficult because in most cases, biomass cover is affected by multiple human and natural processes.*
- *There is consensus in the scientific community that consumption of non-renewable biomass linked to the use of fuelwood and charcoal contributes mainly to degradation rather than deforestation. Degradation is much more difficult to measure (even without considering the diffuse boundaries and attribution challenges described above). Demonstrating measurable impact on degradation would require the use of sophisticated remote sensing techniques with extensive ground truthing and/or the creation of semi-permanent plots in both project and non-project areas. Both of these options require specialized knowledge and investment that are beyond the capabilities of most or all project implementers.*

*Furthermore, activities that displace non-renewable biomass and apply a value of fraction of non-renewable biomass (fNRB) to the emissions reduction calculations account for some permanence risk by accounting for the balance between tree offtake and regeneration. In other words, by applying an fNRB value, emissions reductions are only created from biomass that would not have regrown without the project activity."*