

Agenda item 4.1. (a)

Request for update of ASB0002 v.01.0:
“Fuel switch, technology switch and methane
destruction in the charcoal sector of Uganda”.

CDM EB 96

Bonn, Germany, 18 to 22 September 2017



Procedural background

- At EB 73, the Board adopted ASB0002 “Fuel switch, technology switch and methane destruction in the charcoal sector of Uganda” v01.
- The request for update of ASB0002 was received on 07/02/2017, and deemed complete (on 14/03/2017) in accordance with the procedure “Development, revision, clarification and update of standardized baselines” v04.1.
- At SSCWG54, the WG assessed the submission and agreed to its recommendation for approval.
- The case has been placed on the agenda of the Board meeting following comments from Board members regarding the validity of the applied default value for the fraction of non renewable biomass (fNRB) --- para 171 of the procedure.



Purpose

This standardized baseline aims to provide standardized values for the following baseline parameters:

- $fNRB$: fraction of non-renewable biomass,
- Md : legal requirements for capture and destruction of methane in the charcoal production facility,
- $SMG_{y,b}$ and SMG_b : Specific methane generation factor for the baseline charcoal generation process
- CF : Default wood to charcoal conversion factor
- $EF_{projected_fossilfuel}$: emission factor of the displaced mix of fossil fuels
- NCV of wood and charcoal

This standardized baseline also provides a positive list of technologies for fuel switch, technology switch and/or methane destruction in the charcoal production sector of Uganda.



Key issues

In line with paragraph 171 of the procedure “Development, revision, clarification and update of standardized baselines” v04.1, the case has been placed on the agenda of the Board meeting following comments from Board members:

- The SB uses a default value approved by the Board for *fNRB*, in this case a value of 0.82.
- However, the Board, at EB90, paragraph 58, decided that these default values shall expire five years from the date of their approval. In this case of Uganda, the value of 0.82 expired already in April 2017.
- If the SB was approved, this default value could continue to be used when applying the SB. But there is a recent research published in Nature Climate Policy, that suggests that the current values are over-estimated, leading to an over-estimation of emission reductions. For this reason, the Board also limited the validity of these values and requested that new values be proposed as part of submitting standardized baselines (EB90 para. 58).



Key issues

At SSCWG54, the WG assessed the proposed update of ASB0002, and agreed to its recommendation for approval based on the consideration of the following issues:

- The submission was received on 07/02/2017, and deemed complete on 14/03/2017, which is before the expiration date (10/04/2017) of the fNRB default value approved by the Board;
- Uganda was among the first host parties to have an approved value of fNRB (11/04/2012) and was an early mover in endorsing fNRB values. The WG estimated whether the values would be different if the old calculation methodology was used, and found no material impact as new approach is yet to be approved by the Board;
- The list of countries with valid fNRB values using the old method was analyzed and found that for many countries the values are still valid until 2020;
- The Board adopted a new SB for the charcoal sector in another host country on 19/10/2017, whilst its fNRB value was valid only until 12/04/2017.



Key issues and proposed solutions

The SSCWG included a footnote in the draft standardized baseline stating that the current value of 0.82 “is applicable until a new value is approved by the CDM Executive Board.”



Impacts

The standardized baseline, if adopted, will facilitate the development of CDM projects in the charcoal production sector in Uganda.



Recommendations to the Board

The secretariat recommends that the Board adopt the standardized baseline.

