PROJECT REVIEW REPORT

This document tracks the findings raised in Verra's review of the project specified below. The VVB must address the findings before the project request can be considered by Verra for approval. The document will be made publicly available on the Verra Registry. Confidential information may be provided as separate attachments.

Review Type	Registration& verification
Project ID	2977
Project Name	Biomass Cogeneration Plant By SCOUL
Program(s)	VCS
Verification Period	19July 2021 - 31December 2021
Project Proponent	Sugar Corporation of Uganda Limited Enen Green Services Private Limited
Methodology	ACM0006:Consolidated methodology for electricity and heat generation from biomass residues; v15.0
VVB	LGAI Technological Center, S.A. (Applus+ Certification)
Assessment Criteria	VCS Version 4.2
Date of First Issue	21 December 2022
Review Conclusion	Approval
Date of Final Issue	30 May 2023

FINDINGS

#	Description	Response	Status
1	**Unclear application of the barrier due to prevailing practice** Issue The PD Section 3.5, Step 3 (Barrier Analysis) seem to apply the barrier due to prevailing practice. However, it remains unclear how the identified barrier prevents the implementation of the project activity. Action item The VVB must ensure that the identified barrier due to prevailing practice is appropriate and relevant in the context of the project activity, i.e. it must be explained how the VVB assessed that the identified barrier prevents the implementation of the project activity. Program rule CDM Guidelines for objective demonstration and assessment of barriers, version 1.0; CDM Tool for demonstration and assessment of additionality, version 07.0.0	Round1: PP Response: Based on CDM Guidelines for objective demonstration and assessment of barriers, version 1.0 para 10, as project is in LDC and co-generation project is may be sufficient to demonstrate a history of non-implementation of co-generation technology. Within the current project activity high pressure boilers were not impended. VVB Response: Now appended Step3 in the section 3.4.4 of the revised FVR Verra Review: The VVB clarified that as per the rules applicable to LDC, additionality was based on the history of non-implementation of the technology. Further, additionality was also proven based on first-of-its-kind. The finding is closed.	Closed
2	**Applicability of the Tool "Project and leakage emissions from biomass" (version 5.0)** Issue The PP states that the "Project and leakage emissions from biomass (Version 5.0) " is not applicable as there is no	Round1: PP Response: PP updated section 4.2 with applicability of tool 16 Project and leakage emissions from biomass. VVB Response: Now updated the details about parameter calculation	Closed

	dedicated plantation involved in project activity and the biomass used is bagasse waste from the sugar industry. However, the Tool is also applicable to the project situation, as per paragraph 9. **Action item** The VVB must confirm that the referred Tool is applied in the project ER calculations in line with the requirement considering that the project activity utilizes bagasse waste and this is a situation illustrated in letter "b" of the referred tool paragraph 9. **Program rule** CDM Tool Project and leakage emissions from biomass, version 5.0	approach of $PE_{BRP,y}$ as per the "Project and leakage emissions from biomass " in the relevant section 3.4.6 of the FVR. The approach has been discussed and explained appropriately. Verra Review: The revised documents include an assessment on the project and leakage emissions due to biomass consumption based on CDM Tool 16 ver.5. The finding is closed.	
3	**Expired grid emission factor applied** **Issue** The Joint PD and MR mention that the appliedgrid emission factor of 0.55 tCO2e/MWh is the latest available value published by the Uganda DNA. However, there is an updated grid emission factor (0.2055 tCO2/MWh) published by the DNA that is applicable from August 2022 to August 2025. **Action item** The VVB must confirm that the Joint PD and MR is corrected and in line with the latest available information on the grid emission factor published by the host country DNA. **Program rule** VCS Standard v4.3, section 3.1.2	**Round1**: PP Response: PP updated grid emission factor as 0.1370 tCO2e/MWh as per standardized baseline recently published by Uganda DNA. VVB Response: The value of 0.2055 tCO2e/MWh is applicable to wind and solar projects and for non solar non wind projects it comes to 0.1370 tCO2/MWh as verified from https://cdm.unfccc.int/sunsetcms/storage/contents/stored-file-20220811154530340/ASB0054-2022_PSB0058.pdf which was published on 10/08/2022 to 09/08/2025. Same has been updated in FVR Verra Review: The documents were adjusted to apply the latest available grid emission factor. The finding is closed.	Closed

4	**Wrong crediting period and unclear demonstration of "First of its Kind"** Issue The Joint PD and MR argues the "first-of-its-kind barrier". The crediting period applied (renewable) is not in line with the requirement from the applied Tool 23 " Additionality of first-of-its-kind project activities" Action item The VVB must ensure that the revised Joint PD and MR is corrected and in line with the requirement from the applied tool to assess the first-of-its-kind barrier. The crediting period must be fixed as per the requirement, which is clearly mentioned in the Joint Validation and Verification Report p.31. Also, the crediting period must be mentioned in the document. The VVB must ensure that a complete assessment of the"first of its kind" is completed in the revised joint PD and MR and VV report. **Program rule** CDM ToolAdditionality of first-of-its-kind project activities, version 3	Round1: PP Response: PP has updated crediting period from 7 to 10 years as required in tool 23 Additionality of first of it's kind project activities. VVB Response: The VV report and the PD and MR are now corrected with a fixed crediting period. Verra Review: The revised documentation now applies a fixed 10 years crediting period. The finding is closed.	Closed

5	**Missing calculations of estimated and achieved GHG emission reductions** Issue Sections 4.4 and 6 in the Joint PD and MR refer to the excel calculation sheet. However, this section must be completed in a way that calculations are reproducible by any reader. Action item The VVB must ensure that the revised document presents the calculations in a reproducible manner. Program rule VCS Joint PD and MR template v4.1	Round1: PP Response: Calculation approach included in section 4.4 and section 6.3 of Joint PD and MR. VVB Response: The section 4.4 and section 6.3 of the Jt PD and MR is now revised as per the guidance document . The FVR section 3.4.6 has been updated accordingly providing confirmation of approach adopted by the PP in Jt PD and MR. This is found to correct and accepted by VVB. Verra Review: Calculations were included in the revised documentation in order for a third party to be able to reproduce them. The finding is closed.	Closed
6	**Missing monitoring parameters** Issue Sections 5.1 and 5.2 in the Joint PD and MR are not complete as per the applied methodology. The PP must include in the referred section all required parameters. Also, the Joint Validation and Verification Report lacks information on how the VVB has assessed the correctness of the monitoring plan and procedures (a generic explanation is provided on p.57) Action item The VVB must ensure that the revised Joint PD and MR presents all required parameters by the methodology. The VVB must explain how it has assessed the appropriateness of the applied values. In addressing this issue, the VVB must also explain how it has validated the suitability of the monitoring plan and procedures.	Round1: PP Response: As PP is considering project boundary only supply of power to grid (Refer section 3.3) and not considering steam and inhouse power generation because current project activity is retrofitting of old co-generation boiler. PP has defined the monitoring parameter based on power supplied to grid only. VVB Response: The PP has now updated the section 5.1 and 5.2 of the Jt PD and MR as per current project scenario as As PP is considering project boundary only supply of power to grid (Refer section 3.3) and not considering steam and inhouse power generation because current project activity is retrofitting of old co-generation boiler. PP has defined the monitoring parameter based on power supplied to grid only and accordingly the verification assessment is provided in the relevant section 3.4.8 of the FVR as all relevant parameters are discussed as per updated project scenario.	Closed

	Program rule VCS Joint PD and MR Template v.4.1 VCS Joint Validation and Verification Report Template v4.1 VCS Standard v4.2	Verra Review: All required parameters were included in the revised documentation. The finding is closed.	
7	**Missing information on the project participant** **Issue** The Joint Validation and Verification Report does not confirm the project participant "Sugar Corporation of Uganda Limited" **Action Item** The VVB must confirm the project participant "Sugar Corporation of Uganda Limited" in the Joint Validation and Verification Report. **Program rule** VCS Joint Validation and Verification Report Template v4.1 VCS Standard v4.2	**Round1**: VVB Response: Now included in section 3.1 of the FVR Verra Review: The documents were updated accordingly. The finding is closed.	Closed
8	**Missing information on the project scale** **Issue:** The joint Validation and Verification Report does not refer or explain the project scale. **Action required:** The VVB must include the information on the project scale in the joint Validation and Verification Report. **Program rules:**	**Round1**: VVB Response: Based on the clause 3.9.1 (1), the scale is projects and mentioned under section 3.1 of the validation and verification report Verra Review: The documents were updated accordingly. The finding is closed.	Closed

	VCS Joint Validation and Verification Report Template v4.1 VCS Standard v4.2		
9	**Missing information on the project ownership** **Issue:** The joint Validation and Verification Report does not mention how the project ownership was verified. **Action required:** The VVB must include further information on how it verified the information on the project owner and that the information presented in the Joint PD and MR is correct. **Program rule:** VCS Joint Validation and Verification Report Template v4.1 VCS Standard v4.2	**Round1**: VVB Response: The ownership assessment is now elaborated in section 3.1 of the Jt Validation and verification report Verra Review: The documents were updated accordingly. The finding is closed.	Closed
10	**Methodology deviation** **Issue:** Clarification is needed regarding the statement found in the Joint PD and MR regarding "methodology deviation" (p.40: "*CDM standardized baseline expired on 20th Oct 2017, in absence of latest available information PP has adopted the same. PP is considering grid emission factor 0.55 tCO2e/MWh for current monitoring period. If any latest grid emission factor published by the Uganda grid authority or UN, PP will update the same in next verification period.*"). The Joint Validation and Verification report mentions on p.56 that no deviation applies. **Action required:**	**Round1**: VVB Response: The revised Jt PD and MR has not taken any methodology deviation. The statement is deleted now from section 3.6 of the Jt PD and MR . The PP has taken the CDM standardized baseline for combined margin emission factor which is valid from 10/08/2022 to 09/08/2025. Verra Review: The grid emission factor was adjusted to apply the last default value available published by the DNA.	Closed

	The VVB must clarify the conflicting information presented in the submitted documents. When referring to the grid emission factor published by the host country the VVB must note that there is an updated grid emission factor (0.2055 tCO_2/MWh) published by the DNA that is applicable from August 2022 to August 2025 (as per issue 3 above) **Program rule:** VCS Joint Validation and Verification Report Template v4.1 VCS Standard v4.2	The finding is closed.	
11	**Project description** **Issue:** Section 3.1 in the joint Validation and Verification Report does not explain how the VVB has assessed the accuracy of the project description. **Action required:** The VVB must clarify how it has validated that the project description is accurate and complete. **Program rule:** VCS Joint Validation and Verification Report Template v4.1 VCS Standard v4.2	**Round1**: VVB Response: The means of verification is now elaborated Verra Review: The documents were updated accordingly. The finding is closed.	Closed

12	**Eligibility under the VCS Program** **Issue:** The VVB has not explained how it has assessed that the project activity is eligible under the VCS Program. **Action required:** Section 3.1 in the joint Validation and Verification Report must provide information on how the VVB has confirmed that the project activity is eligible under the VCS Program. **Program rule:** VCS Joint Validation and Verification Report Template v4.1 VCS Standard v4.2	**Round1:** VVB Response: Now elaborated under section 3.1 of the Jt Val and Ver report Verra Review: The documents were updated accordingly. The finding is closed.	Closed
13	**Missing information on verified ERs** **Issue:** In section 4.1 in the joint Validation and Verification report, the following statement on p.66 is missing the actual verified ERs: *"The total number of emission reductions for the monitoring period from 19/07/2021 to 31/12/2021 is (in blank) tCO2e. The calculation of emission was checked in ER sheet and found to be correct, hence accepted."* **Action required:** The VVB must include the actual verified ERs in the statement in section 4.1 in the joint Validation and Verification report. **Program rule:** VCS Joint Validation and Verification Report Template v4.1 VCS Standard v4.2	**Round1:** VVB Response: Now updated Verra Review: The documents were updated accordingly. The finding is closed.	Closed

14	**Project start date** **Issue:** It is not clear how the VVB has confirmed the project start date to be 19th July 2021 as the information provided by the VVB in the Joint Validation and Verification Report on p.10 states that: *"...2020 saw the installation of the project activity with a 37.5 MVA capacity, producing an estimated 238 GWh/y of gross electricity."* **Action required:** The VVB must confirm the actual date the project activity started to generate ERs and therefore the project start date, and provide further information on how the VVB validated the start date of the project. **Program rule:** VCS Joint Validation and Verification Report Template v4.1 VCS Standard v4.2	**Round1:** VVB Response: The relevant section has now been updated to the project start date Verra Review: The validation report was updated stating the correct start date. The finding is closed.	Closed
15	**Price of bagasse residue applied in the investment analysis** **Issue** The VVB states on p.14 in the Joint Validation and Verification report that: "*The factory has excess bagasse at the current production capacity of 200 TCH(4600 TCD) of sugarcane processing, but there is no local market for it, thus it has no economic value.*" However, the Joint PD and MR state on p.34 that the biomass residue has a price of 30 USD/ton. **Action Item** The VVB must explain how it has validated the applied biomass price as appropriate considering the statement found in the Joint Validation and Verification Report on p.14 that it has no	**Round1:** PP Response: In investment analysis bagasse price is necessary to calculate economic value for company. PP has taken bagasse market value based on market interpretation and price of other biomass residues like rice husk available in local market. VVB Response: It must be noted that this value is used in the investment analysis as cash outflow, even though it does not have market value per se. In the baseline scenario as well as project scenario PP has considered market value at nominal term to evaluate IRR. Verra Review:	Closed

	economic value and that the biomass used is a residue from an industrial process from the PP implementing the project activity. Program rule CDM Tool for demonstration and assessment of additionality, version 07.0.0	**The VVB clarified that the bagasse has no value as there is no market for it.** **The finding is closed.**	
16	**Input values to the investment analysis and IRR calculations** Issue The values applied in the investment analysis mentioned in the Joint Validation and Verification Report on p.39 are not the same as the values mentioned in the Joint PD and MR p.34. The IRR calculation procedure is not clear in the PD. Action Item The VVB must explain how it has confirmed the appropriateness of the input values applied in the investment analysis considering the discrepancies found in the mentioned values in the submitted documents. The VVB must include the assessment procedure applied to validate each of the parameters applied in the investment analysis. The VVB must ensure that the calculation of the IRR is clearly explained so that a third party would be able to replicate them. Program rule CDM Tool for demonstration and assessment of additionality, version 07.0.0 CDM Guidelines on the assessment of investment analysis, version 05.0	Round1: PP Response: Refer Appendix 3 for input values of IRR calculations. VVB Response: A means of verification column is included against each of the values used in the determination of IRR. The appropriateness of the calculation steps, choice of the financial indicator are now elaborated. The IRR calculation steps are now explained under financial additionality section. Verra Review: The means of verification of input values were included in the revised validation report. The finding is closed.	Closed

17	**Wrong statement in PD section 2.4** Issue The PD section 2.4 does not include information on the public comment period and comments received Action Item The VVB must ensure that the PD section 2.4 is completed as required Program rule PD template section 2.4	Round1: PP Response: PP included commenting period details in section 2.4 of Joint PD and MR. VVB Response: The section 2.4 is now completed. Verra Review: The documents were updated accordingly. The finding is closed.	Closed
18	**Unclear information on the common practice analysis** Issue it is not clear why the Ndiff=4, as there is no explanation in the PD on why the projects are different to the actual project Action Item The VVB must ensure that the PD is updated explaining the procedure applied for the common practice analysis, and the VVB must include the assessment in the V&V report. Program rule *VCS Standard* section 3.1.2	Round1: PP Response: PP includedNdiff justification in Joint PD and MR. VVB Response: The explanation is now given in the PD stating that the 4 project activities listed in the table are low pressure boilers while the present project activity is high pressure one. This assessment is now included in the FVR Verra Review: The documents were updated accordingly. The finding is closed.	Closed