

PROJECT REVIEW REPORT

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

Project ID	4144
Project Name	CHITETEOZ MBAULA PROJECT – MALAWI
Review Type	Registration and Verification
Verification Period	01/08/2021 – 16/02/2023
Program(s)	VCS Program
Project Proponent	CO2Logic SA
Methodology	VMR0006, “Methodology for Installation of High Efficiency Firewood Cookstoves”, Version 1.1
VVB	Carbon Check (India) Private Ltd.
Assessment Criteria	VCS Standard, v4.4
Date of First Issue	12 December 2023
Date of Second Issue	25 March 2024
Date of Third Issue	01 August 2024

Review Conclusion	APPROVED
Date of Final Issue	21 October 2024

FINDINGS

#	Finding Description	VVB Response	Status
1	Missing table in Section 1.1 of JPD-MR <u>Issue</u> Section 1.1 of the Joint Project Description and Monitoring Report (JPD-MR) does not include Table as required by Section 1.1 of the VCS <i>Joint Project Description and Monitoring Report Template v.4.2</i> . <u>Action item</u> 1. The VVB must ensure that the project proponent includes the table in Section 1.1 in the JPD-MR. <u>Program rule(s) or methodology section</u> <i>VCS Joint Project Description and Monitoring Report Template v.4.2, Section 1.1</i>	Round 1 <u>VVB Response</u> PP has submitted the revised VCS JPD-MR, section 1.1 has been revised in line with the comments raised. This has been checked and deemed appropriate to the validation team. <u>Verra Response</u> The Table has been included in the revised JPD-MR. The finding is closed, and no further action is required.	Closed
2	Further assessment on no double counting with manufacturer / wholesale providers <u>Issue</u> Further information is required on how no double counting with the manufacturers/wholesale providers of the ICS is ensured, in order to demonstrate that the project complies with applicability condition under AMS II.G related to double counting, <u>Action Required</u>	Round 1 <u>PP Response</u> Section 3.2 is further elaborated regarding avoidance of double counting from manufacturers and wholesale providers. Examples of the signed form mentioned in section 3.2 is provided as a supporting document. <u>VVB Response:</u>	Closed

1. The VVB must request the project proponent to further elaborate in Section 3.2 of the JPD-MR how it is ensured that the credits for emission reductions from the project devices are not claimed by the manufacturers/wholesale providers. 2. The VVB must explain how it validated that no double counting would occur and update Section 3.2.1 of the JV-VR as needed. <u>Program Rule(s)</u> <i>VCS Joint Project Description and Monitoring Report Template v.4.2, Section 3.2</i> <i>VCS Joint Validation and Verification Report Template v.4.2, section 3.4.2</i>	VVB has reviewed the in Section 3.2 of the JPD-MR which has been further elaborated. 1. whenever there is a sale or distribution of stoves, it is done through the network of promoters. These promoters then document the serial number on the sales receipt. The recorded serial numbers, along with the receipt number, are stored in the database and associated with the household information (customer ID) of the stove buyer. The same process is followed in replacement of stoves. It was emphasized that this procedure is in place to prevent any double counting of the stoves sold. Furthermore, it ensures that only stoves sold through the distribution network and belonging to the project are included in the project database. It was clarified that all stakeholders along the stove value chain, including promoters, SPG's, and transporters, are informed about United Purpose's ownership of the carbon rights which stated that they do not claim these rights. The commitment to this effect is formally acknowledged through a signed form. Which deems acceptable to VVB. 2. VVB has updated section 3.2.1 of the JV-VR and added a reference of double counting declaration /14/ which states the Project is not participating in any other GHG programme and not received any other form of environmental credit. <u>Verra Response</u> The revised JPD-MR states that all project stakeholders along the value chain sign a form in attestation of the ownership of the carbon credits, and the VVB confirmed the same. The finding is closed, and no further action is required.	
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3 Further information on on going communication with local stakeholders			
	<u>Issue</u> Under Section 2.2 of the JPD-MR, there is no information on the results of the on-going communication during the monitoring period (such as if comments from e-mails/telephone or grievance books have been received and their responses).	Round 1	Closed
	<u>Action Required</u> 1. The VVB must ensure that the project proponent includes in Section 2.2 of the JPD-MR all the information required above during the monitoring period. 2. The VVB must validate this information and update Section 3.2.1 of the JVR-VR as needed.	<u>PP Response</u> A paragraph has been added in section “ <i>Consolidated Grievance Mechanism</i> ” p.40 to specify that no comments or requests for change have been received in the frame of the consolidated grievance mechanism. <u>VVB response:</u> 1. VVB has reviewed the JPD-MR as PP has included the information about the result of on-going communication under page 40 of the JPD -MR VVB confirms that “No comments or requests for change in the project have been received from stakeholders in the frame of the grievance mechanism during the period covered by the joint PD/MR” which has been further cross checked the grievance logbook on a sample basis during the onsite visit which is found to be appropriate and acceptable to VVB. 2. This has been validated and updated in the JVR-VR under page 30-31 of the JVR-VR.	
	<u>Program Rule(s)</u> VCS Joint Project Description and Monitoring Report Template v.4.2, Sections 2.2 VCS Joint Validation and Verification Report Template v.4.2, Section 3.2.2	<u>Verra Response</u> The revised JPD-MR clarifies that no comments have been received during the monitoring period. The finding is closed, and no further action is required.	
4 Missing information on compliance with eligibility criteria			
	<u>Issue</u> Under Section 1.4 of the JPD-MR it is not clear how it is ensured that each added project activity instance is located	Round 1	Closed
		<u>VVB Response</u> Section 3.6.8 of VCS Standard v.4.4. specifies that “ <i>The project proponent shall include in a singular project all project</i>	

within 10 kilometers of another instance, as required by Section 3.6.8 of the VCS Standard v.4.4. Action item 1. The VVB must ensure that the project proponent includes in Section 3.3 of the MR detailed information on how each added PAIs complies with Section 3.6.8 of the VCS Standard. 2. The VVB must validate this information and update the JVR-VR as needed. Program rule(s) or methodology section VCS Standard v.4.4, Section 3.6.8	<i>activity instances within ten kilometers of another instance of the same project activity and with the same Project proponent (i.e., instances of the same project activity may not be spread across more than one project if they are within ten kilometers of each other)."</i> This imposes that all instances of the same Project activity with the same Project proponent and which are less than 10 km apart must be part of the same Project. It does not require that each activity instance is located within 10km of another instance. In the case of VCS4144, all Project activity instances are located in the same Project and therefore condition 3.6.8 is respected. <u>Verra Response</u> The clarification is accepted. The finding is closed, and no further action is required.	
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5 Missing information and assessment on additionality		
Issue Section 3.5 of the JPD-MR and related to the investment analysis: (a) does not indicate the date of the investment decision, and the dates of the discount and exchange rates used.	Round 1 <u>PP Response</u> (a) The date of the investment decision was in September 2022, the PDD is updated in this sense. References for exchange rates are further specified in the PDD. USD/MWK exchange rate on xe.com was at ≈1020 during September 2020, which was rounded up to 1100 which is more conservative.	Closed

(b) does not detail the values of each of the input values used (incomes and each component of the expenses) and its sources. (c) does not include the sensitivity analysis on the incomes (sale price and amount of ICSs sold/distributed for free). Section 3.4.5 of the JVR-VR does not provide any assessment of the investment analysis conducted by the PP. Further, it is not clear how the VVB verified that some of the ICS are installed free of cost to the end users and the value paid for the sold ones. Also, it is unclear why the V&V report refers to LEDs, when the current project distribute cookstoves. Finally, Section 3.1 of the JVR-VR states (page 24) that the project distributes the stoves at zero cost and has no other revenue sources other than the sale of GHG credits, when assessing the eligibility criteria for the inclusion of PAIs. The calculation spreadsheet has not been provided. Action item 1. The VVB must ensure that the project proponent addresses issues a to c above and updates the JPD-MR as needed. 2. The VVB must further validate the additionality of the project activity, including all the information related to the investment analysis and how it has been checked that some ICS have been distributed free of cost and the assessment of the eligibility criteria under Section 3.1 of the JVR-VR. Further, the VVB is required to provide an	For the discount rate, the reference article from June 2021 states that “For Africa, we use an average WACC of approximately 12% for the whole continent, while Steffen reports a solar WACC of 7.8%, 6.6%, 4.2% in Uganda, South Africa and in Zambia, respectively; however, in sharp contrast, Sweerts et al.²⁷ find that WACC values vary between 8 and 32% across a sample of 46 African countries. The TIAM model has Africa as one region, and in the face of such diverse estimates, we chose a continent-wide average of 12%”, which justifies the use of 12%. In addition to the fact that 12% accurately represents the cost of capital for an average project implementing entity in South Pole’s experience, the NPV analysis remain conclusive on both extremes of the WACC values identified above by Sweerts (respectively 8 and 32%), confirming that a large spectrum of discount rate lead to the same NPV conclusion. (b) The detail values of the sources used in the NPV analysis are available in the excel file used for the calculation of the NPV which was not previously provided to Verra. The updated file (see point 3) is now attached in the supporting documents. (c) The sensitivity analysis for the % of commercial sales, the sales price and the replacement price is added in the PDD, and the updated calculation tool is added to the supporting documents. <u>VVB Response:</u>
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assessment of the investment analysis considering the CDM Tool 27 requirements. 3. The NVP calculation spreadsheet must be provided for further reference. <u>Program Rule(s)</u> <i>VCS Joint Project Description and Monitoring Report Template v.4.2, Sections 3.1 and 3.5</i> <i>VCS Joint Validation and Verification Report Template v.4.2, Section 3.4.5</i>	1. VVB has validated the inputs used in the investment analysis and had cross checked the applicability during the validation, hence deemed appropriate VVB has updated stove distribution instead of LED as it was a typographical error done during the preparation of the report which has now been rectified. 2.VVB has validated the additionality of the project considering the CDM Tool 27 and further detailed assessment has been provided under section 3.4.5 of the JVR-VR. Furthermore, VVB interviewed the end-user by asking whether they received the stoves for free or they have bought from PP which has been further cross check from the PP distribution database the stoves having each stove with UIN and the sales receipts which has been recorded in the SCTP distribution database and commercial model stove database. 3.NPV calculation spreadsheet has been provided to VERRA. <u>Verra Response</u> The revised JVR-VR Section 3.4.5: 1. States that the 12,882 cookstoves are distributed free of cost to the SCTP beneficiaries proving the additionality for positive list. Project method and investment analysis is done for the commercial approach where 7,816 cookstoves are sold at a subsidized rate. However, different figures are mentioned in the NVP spreadsheet provided. Further, the figures are not aligned with the total ICS to be distributed as per the documents submitted.	
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		2. States that the investment decision date is September 2022, whereas the project start date is 01 August 2021. 3. Does not include an assessment of the sources used for the input values used in the investment analysis (income and expenses). 4. Does not include the assessment of the sensitivity analysis and the unlikelihood of variations occurring in the main parameters that could result in a positive NVP. 5. Does not provide any cross-check with actual values to confirm the suitability of the input values used in the investment analysis (including the sales price for the replacement of the stoves after the lifespan) The revised JPD-MR: 6. Does not indicate the source of each of the input values used in the investment analysis (inflows and outflows). 7. States that the investment decision date is September 2022, whereas the project start date is 01 August 2021. Further, the nature of the investment decision date is not explained. The NPV v4 calculation spreadsheet provided: 8. Calculates the NPV considering a lifespan of 5 years, whereas it is not clear if it has been considered under a conservative approach (as per finding 8). 9. For the years 1, 4, 5, and 6 it considers outflows from community interventions (ROW 21) whose nature is not described. 10. Does not indicate the source of each of the input	
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		values used (as stated in the response above from the PP). 11. The NPV was determined considering 7 years, however, this is not aligned with the requirements of Tool 27, paragraph 6. Further, the calculation of the NPV considering 7 years (with a replacement in the year 5) and not including a fair value at the year 7 is not conservative. 12. The replacement price in the investment analysis does not match the one stated in the documents submitted. <u>Action required:</u> 1. The VVB must ensure that the revised documents contain all details regarding the additionality demonstration, including assumptions used, input values, and calculation procedures. 2. The VVB must address all issues mentioned above and provide revised versions of the documents including the required information and validation procedure. 3. The VVB must ensure that the additionality demonstration complies with all the requirements set in the TOOL27, v.13. 4. The VVB is requested to further validate the additionality of the project activity as per the applicable TOOL27 requirements. 5. The VVB must provide a detailed description of the assessment performed to ensure the additionality of the project.	
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	Round 2	
	<u>VVB Response:</u> <u>Revised JVR-VR section 3.4.5</u> 1). The mentioned numbers are correct and are extracted from ex post data: a.) 12,882 cookstoves have been distributed free of charge (see file SCT numbers in 02. ER's_ex_post_VCS4144_v1.1.xlsx, tab 1. Project Database, column D) b.) 7,816 cookstoves have been sold (see column D blank cells) Figures in the NPV analysis are different since the NPV analysis is made with ex ante values which were available at the time of the investment decision. The discrepancy in the figures in the NPV is due to the stoves counted for replacement, which were not counted as stoves part of the initial distribution. The NPV is modified to account for a total of 125,000 stoves only as per the ex-ante planning. 2) VVB assessed that United Purpose had initiated the project implementation at its own cost/risk on 01/08/2021 with the anticipation to find Investor/funding along Project implementation. However, the Negotiations with PP/CO2Logic for investment in the project were completed in September 2022, after the start of Project implementation. Therefore, the decision date has been considered by PP according to its actual investment decision date. 3) VVB assessed that the Data sources are added to the NPV sheet and the PDD. VVB has provided the assessment in section 3.4.5 of the FVR	

		4) VVB has provided the assessment of sensitivity analysis in section 3.4.5 of the FVR. 5) VVB has provided the cross-check of the actual values in the updated FVR section 3.4.5. <u>Revised JPD-MR:</u> 6) Sources are added in the JPD-MR in section 3.5. Please note that the document on the stoves value chain applies to the commercial model only, the SCTP model applies different tariffs since it is being subsidized by the project. 7) VVB assessed that the United Purpose had initiated the project implementation at its own cost/risk on 01/08/2021 with the anticipation to find investors/funding along project implementation. However, the Negotiations with PP/CO2Logic for investment in the project were completed in September 2022, after the start of project implementation. Therefore, the decision date has been considered by PP according to its actual investment decision date. <u>The NPV v4 calculation spreadsheet provided:</u> 8) The justification for a lifespan of 5 years is re-justified in finding number 12 round 2 and therefore kept aligned. 9) The design of the community interventions is to be elaborated by the communities themselves in collaboration with United Purpose. At this early project development stage, discussions with communities are not yet launched to not create expectations while the project is not yet able to implement them. Therefore, the budget is booked as an undefined activity, but an integral part of the larger project.	
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		10) Source of data has been added in the NPV sheet 11) The NPV analysis is modified to include a period of 10 years as requested by Tool 27 paragraph 6. No project fair value is included in the NPV analysis since, due to the nature of the project (no valuable machinery or equipment purchased, local production of stoves by SPG's etc....) no recoverable residual value remains after completion of the project. 12) The replacement price of MK 1000 has been considered by PP in the NPV worksheet and JPD-MR <u>Action required:</u> 1) VVB has updated section 3.4.5 to include the details of additionality assessment. 2) The assessment has been provided for the additionality demonstrated by PP> Kindly refer section 3.4.5 of the FVR. 3) The additionality section 3.4.5 of the FVR is updated to include the detailed assessment of the NPV in accordance with tool 27 requirement. 4) The assessment has been provided e t assessment additionality demonstrated by PP> Kindly refer section 3.4.5 ensure FVR. <u>Verra Response:</u> <u>Issues raised:</u> The JPD-MR/JVR-VR: 1. Does not indicate how each of the input values used in the investment analysis (inflows and outflows) were valid and applicable at the time of investment	
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		decision (except for the discount rate, stove sales price and exchange rate). - The sensitivity analysis does not include the unlikelihood of variations to occur in the share of stoves sold commercially for the NVP to become positive. - The sensitivity analysis presented in the JPD-MR is different than the one validated by the VVB. <u>JVR-VR:</u> - Does not provide any cross-check with actual values to confirm the suitability of the production and distribution costs (including each component) used in the investment analysis. - Does not indicate the source used to confirm the investment decision date. <u>NVP calculation spreadsheet:</u> - As per the response above, the fair value has not been considered based on the assumption that no recoverable residual value remains after the completion of the project. However, the project is expected to have a lifetime of 21 years whereas the NVP analysis has been conducted for 7 years. Therefore, it remains unclear how the portion of the fair value that accounts for the reasonable expectation of the potential profit or loss on the realization of the assets (expected during the 21 years) has been considered under the 7 year analysis.	
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		7. The replacement price of MK 1000 has been considered by PP in the NPV worksheet, for the initial stoves distributed. However, it does not consider incomes/ outflows generated by the replacement of the sold stoves after their expected lifetime (i.e., from year 5 onwards). The finding remains open.	
		Round 3 1. VVB has assessed the updated JPD MR and confirms that relevant updates were made in Sec 3.5 of the updated JPD-MR V2.0 to show how the various values used at the time of investment decision were valid. With respect to input parameters VVB would like to present the assessment of validity as follows: A. Stove production cost is purchasing price agreed with manufacturer. VVB confirms that it is valid at the time of investment decision. PP has shared its stove value chain document for the commercial model demonstrating the same. B. Stove transport price is estimated based on PP's experience from their already registered and implemented project of similar nature (VCS 3262). C. Promoters commission is based on PP's budget and was valid at the time of investment decision. The same has been confirmed by PP during interviews with representatives of PP. D. Community intervention cost is from PPs estimated budget. E. Project expenses are from PPs annual budget and valid at the time of investment decision.	

		F. 12% discount rate is considered based on literature review of the paper “Higher cost of finance exacerbates a climate investment trap in developing economies”. VVB confirms that the source is relevant, credible and applicable at the time of investment decision. G. The exchange rate considered is on the conservative side and higher than the one applicable at the time of investment decision. H. It is PP's assumption that 50 % of the stove will be distributed under commercial model. I. PP estimates that share of replacement stoves will be 15%. J. Residual value is considered as zero as the end-user is owner of the ICS once sold, while PP retains the rights to carbon credits. At the end of its lifetime if the end-user sells their stove, the residual value is not obtained by PP and therefore cannot be considered as cash inflow into PP's account. 2. VVB confirms that unlikely variation in the share of stoves sold commercially has been included in the sensitivity analysis in table in section 4.3.6 of the JPD-MR. For NPV to become 0, share of commercial model should be 1396.462. This is highly unlikely considering that PP estimates only 50% of the ICS will be under the commercial model. Considering 50% of ICS under commercial model, the sales price of ICS should be 31,140.18 for the NPV to be positive. VVB confirms that both these scenarios are unlikely.	
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		3. The updated NPV v7 has been assessed by VVB and section 3.4.5 of the validation report is updated with revised assessment. 4. VVB has updated section 3.4.5 of the validation report to provide any cross-check with actual values to confirm the suitability of the production and distribution costs (including each component) used in the investment analysis. 5. VVB confirms that VVB has assessed investment decision meeting as well as the final investment decision voting sheet records to confirm the date of investment decision to confirm the investment decision date. The referenced source is relevant and credible. 6. VVB would like to clarify that the fair value is not considered because the ownership of the stoves remains with the households at the end of the project and the project has no potential for realizing any profit or loss from the stove. The ownership of the stoves is outlined in the sale agreement. Further, VVB has reviewed two registered projects in VERRA of similar nature, with investment analysis considering NPV to confirm that both the registered projects have not considered a fair value for the project ICS in their analysis. The projects reviewed by VVB are : A.VCS3262 https://registry.verra.org/app/projectDetail/VCS/326	
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		2 B. VCS4225 https://registry.verra.org/app/projectDetail/VCS/4225 Based on the above information, VVB confirms that PPs rationale to not include fair value in investment analysis is deemed acceptable. 7. The outflows and income from the sale of replacement stoves is now considered in the NPV after year 5 in the NPV sheet. <u>Verra Response</u> The finding is closed, and no further action is required.	
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6 Further information on value used for baseline stove efficiencies			
	<u>Issue</u> Section 6.1 of the JPD-MR includes the baseline stove efficiency as a fixed parameter while as per VMR0006 it has to be included under Section 6.2. Further, it is not clear why a default value of 0.1 has been fixed given that Section 1.13 of the JPD-MR states that out of the 95% Malawian population that use woodfuels for cooking purposes, 18% use charcoal. <u>Action Required</u> 1. The VVB must ensure that the project proponent further elaborates on the suitability of considering a fixed value of 0.1 for the baseline stove efficiencies.	Round 1 <u>VVB Response</u> Baseline stove efficiency is moved from section 6.1 to section 6.2. The 18% included in section 1.13 is an average for the whole country. Most cooking with charcoal is concentrated in urban areas rather than rural area's. The value of 10% for the baseline stove has been fixed to 0.1 due to the results of the KPT baseline where 140 out of 144 households tested (97%) only used three stone fire. <u>Verra Response</u> The Baseline stove efficiency has been moved to section 6.2 in the revised JPD-MR.	Closed

2. The VVB must further validate the suitability of the baseline stove efficiency value used and update the JVR-VR as needed. <u>Program Rule(s)</u> <i>VCS Joint Project Description and Monitoring Report Template v.4.2, Section 6.2</i> <i>VCS Joint Validation and Verification Report Template v.4.2, Section 3.4.8</i>	<u>Issue Raised:</u> As per the response above, it is indicated that the value of 0.1 has been fixed as per the KPT baseline results, since 97% of the households tested use three stone fire, however it does not refer to the type of fuel used. Further, as per the information under Section 1.13 of the revised JPD-MR, Figure 1 (2018 Malawi Population and Housing Census Main Report) it is indicated that the use of charcoal varies between 8% and 11% in the rural areas and between 14% and 19% in the urban and rural areas. <u>Action Required:</u> The VVB must ensure that the selection of a fixed 0.1 value for the baseline stove efficiency is justified. Further, the VVB must explain how it determined the value applied is conservative considering it does not account for the use of charcoal in some of the baseline stoves. The VVB is required to update the documents with the required information.	
	Round 2 <u>VVB response:</u> VVB has evaluated that the following mentioned files submitted by PP detail the baseline KPT data in which the use of fuel type is also captured (a version 1.1 of the 3 stone fire file is provided due to an error in a formula affecting visibility of the results in the version 1.0): • <i>KPT_Analysis_3-stones only_VCS4144_v1.1.xlsx</i> details the 140 households exclusively using three stone fire. Those households exclusively use wood as a fuel source.	

		• <i>KPT_Analysis_3-stones and charcoal stoves_VCS4144_v1.0.xlsx</i> details the 4 households using three stone fire along with charcoal stoves. Those households used a mix of wood and charcoal as fuel source. PP has conservatively assumed as entirely using charcoal. In order to account for the use of charcoal, the baseline stove efficiency is then computed as the weighted average of the two scenarios with the following assumptions, as per VMR0006 guideline p.19: • Baseline stove efficiency for three stone fire = 10% • Baseline stove efficiency for charcoal stove = 20% • 140 households exclusively using wood. • 4 households using a mix of wood and charcoal, conservatively assumed as entirely using charcoal. Therefore: • $\eta_{old} = 10\% * (140/144) + 20\% * (4/144) = 10.28\%$ VVB observed that the ex-ante/ex post values and PPD documents are updated by the PP and JVR has also been updated accordingly. <u>Verra response:</u> The baseline stove efficiency has been revised to 10.28% considering the results of the baseline survey conducted. Hence, the finding is closed, and no further action is required.	
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7	Lack of assessment and clarity on the determination of <i>fNRB</i>
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<u>Issue</u> - For the calculation of <i>fNRB</i>, there is lack of information on: - If it has been estimated using the most recent historical year for which data is available. - The values and dates of each source used to calculate each parameter. - the comparison of the calculated value of <i>fNRB</i> against the values for <i>fNRB</i> reported in relevant scientific literature (including the minimum requirements as per para. 6-b-i of the TOOL30 and justify any differences and. - the cross-checks performed as required by para.13 of the TOOL30, v.04.0. - The Joint PD_MR page 11 states that the project will also use crop residues. However, crop residues are usually a renewable source of biomass, and this was not considered in the emission reduction calculations. - The calculation spreadsheet has not been provided. <u>Action Required</u> - The VVB must ensure that the project proponent further elaborates how the <i>fNRB</i> has been calculated in line with the requirements of TOOL30, v.04.0 and addresses points a to c above. - The VVB must verify this information and update the JVR-VR as needed. - The VVB must ensure that the emission reductions are calculated conservatively, and if a renewable biomass is used in the baseline and project scenario, the calculations are done accordingly.	Round 1 <u>PP Response</u> The report of the <i>fNRB</i> is attached along with its calculation sheet, which were not uploaded on the VCS portal. Crops residues are mentioned as a potential source of fuel for the Chitetezo Mbaula only since its design allows the use of it. The project itself does not use or encourage the use of crop residues as a fuel. As a matter of fact, KPT's have shown that no household has made use of crop residues during the tests. <u>VVB response:</u> - PP has submitted the revised VCS JPD-MR. Also, during the validation process PP has submitted the <i>fNRB</i> report and calculation sheet, this has been checked and reviewed by the validation team and hence VVB confirms the <i>fNRB</i> has been calculated using the TOOL30 version 04. Furthermore, VVB has checked the calculation process and source of reference and found to be appropriate and acceptable. - Crops residues are mentioned as a potential source of fuel for the Chitetezo Mbaula only since its design allows the use of it. The project itself does not use or encourage the use of crops as a fuel. As a matter of fact, KPT's have shown that no household has made use of crop residues during the tests. - VVB has checked the ER spreadsheet and are calculated Conservatively, PP has not claimed to use of crop residue furthermore, it was only mentioned that project stoves designs allow to use fuel like crop residues and hence not calculated in the emission	Closed
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4. The calculation spreadsheet shall be provided for further reference. <u>Program Rule(s)</u> TOOL30, v.04.0. <u>Background information</u> TOOL30, v.04.0, para. 6 (b): <i>The project participants shall compare and analyse the calculated values against the values for fNRB reported in relevant scientific literature and justify any differences. This analysis shall be included in the appropriate section of the PDD. The relevant scientific literature should include at least: (i) Bailis, R.; Drigo, R.; Ghilardi, A. & Masera, O. (2015). The carbon footprint of traditional woodfuels. Nature Climate Change, 5(3), pp. 266–272.</i>	reductions. 4. A calculation spreadsheet has been now provided to VERRA. <u>Verra Response</u> The VVB clarified that the crop residues are not used by the project and that they have been mentioned when describing the design features of the ICS used. The fNRB calculation spreadsheet and Report ‘Calculation of the fraction of non-renewable biomass (fNRB) – Malawi’ from South Pole, dated 20 February 2023 have been submitted where all the information related to the fNRB calculation is presented. <u>Issue Raised:</u> However, the following information is missing in the JPD-MR, as required by the TOOL30, v.04.0: - the comparison of the calculated value of fNRB against the values for fNRB reported in relevant scientific literature (including the minimum requirements as per para. 6-b-i of the TOOL30 and justify any differences and. - the cross-checks performed as required by para.13 of the TOOL30, v.04.0. <u>Action Required:</u> The VVB must ensure that the revised documents address the issues above. The VVB must provide an assessment of the value obtained and cross-check with other independent sources. Finally, the VVB must provide a conclusive statement	
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		regarding the appropriateness of the value applied for the fraction of NRB based on independent third-party sources.	
		Round 2 <u>VVB response</u> VVB has reviewed fNRB report (v1.2) has been produced to further emphasize the previous comparison and cross checks that were already made available: • The comparison of the fNRB value obtained with relevant scientific literature as per Tool 30 para. 6-b-i is described in the document “Malawi_fNRB Report_v1.2 05.05.2024.pdf” section 4-page 12 last paragraph. • The cross checks of the fNRB value obtained with relevant scientific literature as per Tool 30 para. 13 is described in the “Malawi_fNRB Report_v1.2 05.05.2024.pdf” section 4 page 12 first paragraph. This information is as well added in the JPD-MR and JVR Furthermore, VVB has provided Detailed assessment under section 3.4.8 of the JVR. <u>Verra response</u> The revised documentation explains that the main difference between the calculated value of 95.49% fNRB against the values for fNRB reported in Bailis et al. 2015 (i.e., 41.40%) are attributed to several key assumptions in the Bailis Report that deviate from the requirements in the TOOL30, such as Underestimation of Wood Consumption, different Definition of Mean Annual Increment (MAI), different definition of accessibility, adjustments and assumptions made regarding plantations and the proportion of forested areas. The VVB further compared the calculated fNRB with other 5	

		registered VCS projects that applied fNRB values ranging from 0.91 to 0.98 and explained that the calculated value from the PP is within the range. The finding is closed and no further action is required.	
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8	Missing information in ex-ante ER calculation spreadsheet		
	<u>Issue</u> Under TAG 1-Results of the ex-ante ER calculation spreadsheet provided, the values of the ERs are missing. Further, the parameter “Adjustment to account for any continued use of pre-project devices” applied for the ex-ante estimation is not aligned with the results achieved during monitoring.	Round 1	Closed
	<u>Action item</u> 1. The VVB must ensure that the project proponent provides the ex-ante ER calculation spreadsheet with the calculated ER values. 2. The VVB must ensure that the ex-ante estimations of emission reductions are done conservatively.	<u>VVB Response</u> 1. VVB has reviewed the ER ex-ante Excel file which provide the necessary data. Data issues arose from compatibility between Microsoft Office and Google Sheets. As detailed in section 6.2, the factor μ (adjustment to account for any continued use of pre-project devices) was set at 10% for the ex-ante estimations and was found to be 18.56% during monitoring. Using different values between ex-ante and monitoring has been done since 10% was the best available estimation at the time of ex ante estimations during the planning phase. 2. VVB has checked all equations 2, 3,5 ,6 and source of reference used to calculate the ER and found to be appropriate and acceptable.	
	<u>Program rule(s)</u> VCS Joint Project Description and Monitoring Report Template v.4.2, Section 5.4	<u>Verra Response</u> <u>Issue Raised:</u> The ex-ante ER spreadsheet has not been submitted. <u>Action required:</u> The VVB must ensure that the calculations spreadsheets are provided in a manner that allows a third party to replicate all calculations.	

		The finding remains open.	
		Round 2 VVB Response VVB has checked the updated Ex Ante calculation sheet is now provided with updated values, notably the baseline stove efficiency (10.28%) and the project stove efficiency (29%). The JPD&MR and JVR are updated accordingly as well. Ex-ante sheet has been provided to VERRA.	
		Verra response The Ex-ante sheet has been provided. The finding is closed, and no further action is required.	

9	Missing information and assessment on baseline and monitoring surveys		
	Issue The following information related to the baseline and monitoring surveys conducted is missing: (a) Dates in which both studies have been conducted. (b) How the sampling size for the baseline survey has been calculated and how many households have been sampled. (c) Whether the measurements performed for Bold comply with the requirements under Section 9.1 of VMR0006, v.1.1. (d) Whether the baseline survey to determine Bold value also considered population using charcoal, and how was this reflected in the emission reductions calculations.	Round 1 PP Response (a) The baseline survey was conducted from 19/01/2023 until 12/02/2023 (few surveys conducted on 11/10/2022 as well) while the KPT survey has been conducted from 13/01/2023 until 08/02/2023 (few samples collected on 10/10/2022). The PDD is updated in this sense. (b) The sampling size for the baseline survey was calculated as per VMR0006 v1.1 paragraph 8.4.(b) which states a minimum sample size of 100. The total of number of surveys conducted were 155HH. (c) Section 9.1 refers to section 8.4 when it comes to B_{old}. In section 8.4, B_{old} is defined as “Annual quantity of woody biomass that would have been used in the absence of the project activity (in tonnes per device) to generate useful	Closed

(e) The parameter N (“Number of equivalent project devices of age group i, operating during year y”) was not correctly reported for the monitoring period, as the value reported was for the “Stove equivalents”, which is not aligned with the methodology. (f) References provided as footnotes to values applied were not provided to Verra for review. (g) Information on the precision achieved was not reported. Further, Section 4.1 of the JVR-VR refers to a sample size of 48 and to the monitoring of $B_{y=1, new, l, j, survey}$ whereas the JPD-MR selected the Bold approach. <u>Action item</u> 1. The VVB must ensure that the project proponent addresses points a to g above and updates the JPD-MR as needed. 2. The VVB is required to explain how it validated the sample size for $B_{y=1, new, l, j, survey}$, and the source of information used for the validation. 3. The VVB must validate all the information related to the baseline and monitoring surveys including how each requirement is fulfilled and update the JVR-VR as needed. <u>Program rule(s)</u> VCS Joint Project Description and Monitoring Report Template v.4.2 VCS Joint Validation and Verification Report Template v.4.2 VMR0006, v.1.2, Section 9.1	<i>thermal energy equivalent to that provided by the improved cook stove.”</i> Bold has been defined through Kitchen Performance Tests following the KPT protocol, as evidenced in the three provided files: 1. KPT_Analysis_3-stones and charcoal stoves_VCS4144_v1.0.xlsx 2. KPT_Analysis_3-stones only_VCS4144_v1.0.xlsx 3. KPT_Consolidated result_VCS4144_v1.0.xlsx Therefore, Bold is considered to comply with the requirements of section 9.1. (d) The KPT used to determine B_{old} takes the presence of charcoal into account as evidenced in the 3 files provided above. (e) Section 6.2 is updated to reflect N as the monitoring of stoves sold. (f) Document showing the random sampling steps is added as a supporting document. All documents mentioned as footnotes have been remade available. (g) VMR0006 v1.1 8.4.(b) page 12 states that a minimum sample size of 100 is applicable to target population larger than 100. It further states that “<i>This simplified approach may also be used for determining minimum sample size for parameters listed under Sections 9.1 and 9.2 in which case it is not requisite for the sample size to meet confidence/precision requirements</i>”. Therefore, no demonstration of precision is required.	
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		<u>VVB response:</u> 1. VVB has reviewed all the responses provided by PP from a to g and which is in line with applied methodology and has been updated in the JPD-MR. 2. VVB has reviewed the JVR-VR and found that the parameter_By=1, new, Ij,survey has been corrected as it was an typographical error done during the preparation of the report. Which has been now rectified and in line with JPD-MR. 3. VVB has reviewed all the information related to the baseline and monitoring surveys and found to be consistent and appropriate.	
		<u>Verra Response</u> The dates of the baseline and monitoring surveys have been provided in the revised JPD-MR. <u>Issue raised:</u> The JPD-MR clarifies that the baseline surveyed 155 households, however: 1- As per the spreadsheet provided, 144 HH have been surveyed (as per spreadsheet KPT_Analysys_3 stones only) plus 4 HH (as per spreadsheet KPT_Analysys_3 stones and charcoal stoves). Please clarify. 2- It must be clarified how, for the calculation of Bold the requirements under page 12 of VMR0006, v.1.1 have been complied with, provided that as per the baseline survey results there are households in which up to 19 persons live and therefore might have more than one baseline stove in order to satisfy the baseline cooking	

		needs. Page 9 states: "The above equations assume that a single baseline stove is replaced by a single project stove. However, in some cases more than one project stove may be required to achieve service levels equal to baseline stove. For such cases, the displaced biomass shall be apportioned between the project stoves while calculating Bold. The equations below shall be used for calculating biomass consumed in absence of Project. 3- The reporting of the parameter $N_{y,i,j}$ has been corrected under Section 6.2 in order to show the number of stoves installed, however Section 7.1 still reports the parameter as number of equivalent stoves, which is not in line with the methodology. 4- The following finding is still not addressed: Section 4.1 of the JVR-VR refers to a sample size of 48. However, page 70 of the JPD-MR states that to determine $N_{y,i}$, and μ_y, a sample of 150 households was taken. Further, page 73 of the JPD-MR refers to the document "09. MS1_analysis_VCS4144_v1.0.xlsx"13, TAB3-Analysis" which has not been submitted. <u>Action Required:</u> The VVB is required to address all issues mentioned above and to update the documents accordingly.	
		Round 2	

		<u>VVB response</u> 1. VVB has reviewed the revised document and found that PP has conducted a baseline survey amongst 155 households while the baseline KPT was conducted for 144 households, explaining the difference in sample size. Which seems appropriate and acceptable to VVB. 2. VVB has reviewed the file <i>MS1_analysis_VCS4144_v1.0.xlsx</i> tab 2. MS Data column AO (in attachment), the question “<i>How many United Purpose Chitetezo Mbaula (UP CM) stoves are present in the respondent's household ?</i>” was asked during the monitoring survey to the 119 households. The average of the answer gave an average of 1.1443 stove/household (see tab 3. Analysis cell B6). This value is then used in 02. ER's_ex_post_VCS4144_v1.1.xlsx cell C21 to discount the ERs in cells B43/C43/D43/B44/C44/D44, accounting for the presence of multiple stoves per household. Which seems appropriate and acceptable to VVB. 3. VVB has reviewed the revised JPD-MR and found that Reporting of the parameter $N_{y,l,j}$ under section 7.1 has been corrected to stoves. Further same has been updated in the JVR. 4. VVB has reviewed the Section 4.1 of the JVR-VR Which has been corrected and in line with JPD-MR. VVB has provided the file <i>S1_analysis_VCS4144_v1.0.xlsx</i> tab 2 to VERRA.	
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		<u>Verra response</u> The reporting of the parameter $N_{y,i,j}$ has been corrected under Section 7.1 in order to show the number of stoves installed. The monitoring sampling size in the JVR-VR is now consistent with the rest of the documentation presented and the MS1_analysis_VCS4144_v1.0.xlsx file has been provided. <u>Issues raised:</u> As per the response above the PP has conducted a baseline survey of 155 HH, however it remains unclear which information has been surveyed since the survey results are not presented in the JPD-MR and no spreadsheet has been provided. <u>Action required:</u> The VVB is requested to submit the results of the baseline surveys, including the spreadsheet, and clarify which values/information have been used in the JPD-MR and the main differences between its results and the KTP survey. The finding remains open.	
		Round 3 1. VVB confirms that the baseline survey results is being shared with VERRA for further review (See “Baseline Results V1.0.clsx”). The values used to determine which households would be sampled for the KPT as explained in the JPD-MR are highlighted in the Baseline results excel file in the analysis sheet. The main differences between the KPT and Baseline results are also included in Sec 6.3 of V2 of the JPD-MR(see	

	file:"VCS4144_joint_PD_MR_v2.0") where KPT results indicated a slightly higher average woody biomass consumption per household compared to the Baseline (3.18Tonnes/HH/yr Vs 2.2 Tonnes/HH/Yr). The more conservative KPT value was used in calculation of emission reductions.	
	<u>Verra Response</u> The finding is closed, and no further action is required.	

10 Inconsistent information related to project activity registered under CDM		
<u>Issue</u> Under page 22 of the JVR-VR it is stated that the PP has declared that the project is registered as a CPA under PoA 9626, however under Section 3.2 it is confirmed that the project is not seeking/has not been registered under any other GHG program. <u>Action item</u> 1. The VVB must further clarify and confirm whether the proposed project activity is registered under any other GHG program scheme and clearly indicate how it has verified such information. 2. The VVB is required to provide a detailed explanation of the assessment performed to ensure that the cookstoves that are part of the present project are not included in another project as well. <u>Program rule(s)</u> VCS Joint Validation and Verification Report Template v.4.2, Sections 3.1 and 3.2	Round 1 <u>VVB Response</u> 1. VVB has reviewed the JVR-VR and found that it was a typographical error done under 22 of the VR and which has been further rectified by VVB. VVB would like to clarify that the proposed project is not registered under any other GHG program scheme. and furthermore, it was verified during the desk review the evidence South pole Co2 logic – a. Declaration no instances in other VCS programs. b. Declaration of no claims from other GHG programs. which deems appropriate and acceptable to VVB. 2.VVB has checked the distribution database records and double counting declaration which states that the proposed project is not registered under any other GHG programme.	Closed
	<u>Verra Response</u> The VVB clarified that the project is not registered under the CDM and revised the statement under Section 3.1 of the JVR-VR. The finding is closed, and no further action is required.	

11 Further assessment required on project start date			
	<u>Issue</u> It remains unclear how the project start date has been verified provided that no unique evidence has been checked in order to confirm the project start date (i.e., only database entry has been verified).	Round 1	Closed
	<u>Action item</u> 1. The VVB must further substantiate how it verified the project start date.	<u>VVB Response</u> PP has submitted documentary evidence indicating that the start of the project activity was on August 1st, 2021. Additionally, VVB has conducted an assessment as per section 3.1 of the JVR-VR, specifically under Table 1, 2.6. This assessment highlights the registration certificate cum consent deed as evidence of the project's start date. It was confirmed during both onsite visits and desk reviews that the receipt has both the customer and promoter have signed on the receipt, which was found to be suitable and acceptable by VVB.	
	<u>Program Rule(s)</u> <i>VCS Joint Validation and Verification Report Template v.4.2, Section 3.1</i>	<u>Verra Response</u> The VVB clarified that the project start date has been verified as per the receipt signed by both the customer and promoter (i.e., registration certificate cum consent deed). The finding is closed.	
12 Unclear reference applied to determine the efficiency of the project stove			
	<u>Issue</u> The Joint PD_MR states that the project stove has an efficiency of 31%, based on the “average value of WBT results publicly available in the Catalog of Clean Cookstoves”.	Round 1	Closed
		<u>PP Response</u> 1) The link provided states the efficiency of 31% under the tab “Additional details” as shown below:	

However:

- 1) The link provided does not show the mentioned value.
- 2) The source applied is not aligned with the methodology requirements to establish the efficiency of the project cookstove.
- 3) The VVB did not provide an assessment of the efficiency value used for the project cookstove.

Action item

1. The VVB must provide a detailed assessment of the validation activities performed to ensure that the project efficiency is conservatively determined.
2. The VVB must provide an assessment on how the efficiency value stated is aligned with the methodology requirements.

Program Rule(s)

VCS Joint Validation and Verification Report Template v.4.2, Section 3.1



The page then opens on the 31% efficiency stated by the CCA:

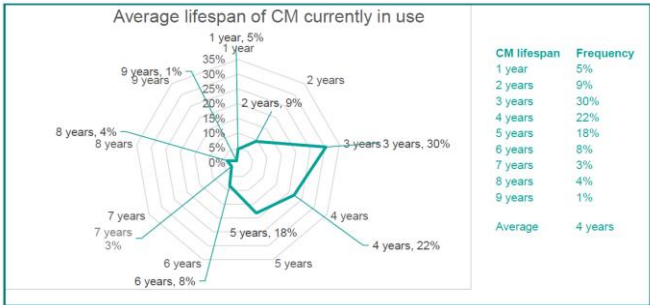
ISO Safety	Not Available	Not Available	0	Not Available
ISO Durability	Not Available	Not Available	0	Not Available
IWA Emissions				
Metric	Mean Value	Range	Number of Data Sources	Most Recent Submission
IWA High Power CO (g/MJ-dst)	Not Available	Not Available	0	Not Available
IWA High Power PM (mg/MJ-dst)	Not Available	Not Available	0	Not Available
IWA Low Power CO (g/MJ-dst)	Not Available	Not Available	0	Not Available
IWA Low Power PM (mg/MJ-dst)	Not Available	Not Available	0	Not Available
IWA Efficiency				
Metric	Mean Value	Range	Number of Data Sources	Most Recent Submission
IWA High Power Thermal Efficiency (%)	31	25 - 33	2	2012
Low Power Specific Consumption (MJ/min/L)	0.00	0 - 0	1	2012

- 2) With regards to stove efficiency, the project makes use of equations (3) and (5). $\eta_{new,ij}$ is therefore determined through η_p , the efficiency of the project stove at the start of project activity. In section 9.1 of VMR0006 v1.1, η_p source of data is

		specified as “Manufacturer’s specifications”. The Chitetezo Mbaula being manufactured by different SPG’s the value from the Clean Cooking Alliance represents the best available value on that particular stove model and is in line with the methodology requirements to establish the efficiency of the project cookstove. <u>VVB response:</u> VVB has reviewed all the response provided by PP from 1 to 2 which is acceptable. 1. The Clean Cooking Alliance provides a range of 29% to 33%, for which the mean value of 31% was adopted by PP which is more conservative approach furthermore the detailed assessment has been provided in the JVR-VR under section 3.1, table 1 and section 3.4.2 table 2. 2. VVB has provided the assessment of efficiency on 31% which in line with requirement of the methodology of section 2 and point number 2 “Project stoves to be implemented shall have specified high-power thermal efficiency of at least 25%” and further validation team has confirmed the efficiency values through the Average value of WBT results publicly available in the Catalog of Clean Cookstoves: http://catalog.cleancookstoves.org/stove_details.html?stove_id=stove_VROU4NT see “Additional Details” and KPT test results provided by PP which deems appropriate and acceptable to validation team. 3. VVB has provided the detailed assessment of the efficiency value used that is 31% which is inline with	
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		the requirement of the methodology under section 3.1, of table 1 and section 3.4.2 table 2. <u>Verra Response</u> The information of the ICS efficiency has been provided, as per the link under footnote 5 of the JPD-MR which shows that 2 tests have been performed to measure the IWA High Power Thermal Efficiency [%] during 2012, with an efficiency ranging from 29-33%. <u>Issue raised:</u> It remains unclear why, for the selection of the efficiency, the mean value has been adopted and not the most conservative one, also considering that the results are from a different manufacturer (i.e., Nkhoma Mountain Conservation). <u>Action Required:</u> The VVB must explain how the conservative principle from the VCS Standard ver. 4.5, section 2.2.1 has been considered when accounting for the efficiency of the project stoves.	
		Round 2 <u>VVB response</u> VVB evaluated the update JPD-MR and confirmed that the PP has now opted the efficiency of project stove as the lowest threshold i.e. 29% from the efficiency range of (29% to 33%). <u>Verra response</u> The revision of the efficiency to 29% has been accepted. <u>Issue raised:</u> However, the re-calculated values for the η_{new} under page 50 of the JVR-VR have not been revised. <u>Action required:</u>	

		The VVB is requested to update the re-calculated values of the project stove efficiency for years 1 to 5 under page 50 of the JVR-VR. The finding remains open.	
		Round 3 <u>VVB Response</u> VVB confirms that recalculated value of the project stove efficiency for year 1-5 are updated in line with the JPDMR. <u>Verra Response</u> The finding is closed, and no further action is required.	

13 Inconsistency in the value applied for the project cookstove lifespan			
13	<u>Issue</u> The Joint PD_MR, page 33, states that the project stove has a life span of 5 years, however, page 39 and 45 states 4 years. Further, during the LSC, when asked about the durability of the project stove, the response was that the “stove can last for 3 years on average or more”, which is not aligned with the documentation provided. <u>Action item</u> 1. The VVB must provide a detailed assessment of the validation activities performed to ensure that the lifetime of the project stove is correctly determined. 2. The VVB must provide its expert opinion on the value applied, using independent third-party sources. 3. The VVB is required to explain why a longer lifespan was applied than that informed during the LSC,	Round 1 VVB Response As explained in section 6.1 for the parameter “Life Span”, the Project device lifespan is based on EnDEV/GIZ dedicated study for the lifespan Chitetezo Mbula in Malawi (provided as a supporting document). That study has found the following lifespan distribution for the Chitetezo Mbula stove:	Closed
		 Based on that evidence, a lifespan of 5 years was adopted.	

<u>Program Rule(s)</u> VCS Joint Validation and Verification Report Template v.4.2, Section 3.1	Since any stove not meeting physical integrity or usage condition (found through monitoring surveys) is discarded from generating ER's (usage rate = 0%), any stove not operational within its lifespan will not generate credits and the definition of a lifespan of 5 years is not a risk to credit stoves that are out of order. The statement that “the stove can last for 3 years on average or more” was provided to be conservative towards the community. It also includes the mention of “or more” which is in line with the above definition of a 5-year lifespan. VVB response: 1. The VVB is has assessed the response provided by PP and found that a longer lifespan was applied than that informed the clean cooking alliance provides an approximate usable life of 4 years but that field surveys have demonstrated a non-negligible use in the 5th year, a lifespan of five year has been adopted. This adoption is made considering that the quality control conducted during the monitoring survey ensures conservativeness: the efficiency of stoves which present superficial cracks or cracks on the bridge are considered as per equation 5 of VMR0006 v1.1 since those are not significantly contributing to a loss of efficiency. 2. The process ensures that only stoves that have reached their fifth year and remain in uncompromised condition, meeting the specifications and generating the expected emission reductions (ERs), are eligible
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		for ER generation. Considering the PP's explanation and the evidence provided in the form of the lifespan survey report, it appears that a lifespan of five years for the Chitetezo Mbaula stoves is a reasonable and conservative estimation. 3. Based on the Evidence provided by PP, VVB has reviewed the report and found that As explained in section 6.1 for the parameter “Life Span”, the Project device lifespan is based on EnDEV/GIZ dedicated study for the lifespan Chitetezo Mbaula in Malawi and a lifespan of 5 year was adopted. <u>Verra Response</u> The VVB explained the reasons behind considering 5 years as the life span of the project. <u>Issue raised:</u> As per the two external pieces of evidence submitted and verified by the VVB (i.e., Clean Cooking Alliance information –footnote 5 of the JPD-MR- and EnDEV/GIZ dedicated study, picture above) the average lifespan is 4 years. Further, as per the analysis of the data above, at year 5 the use is 16%, which seems very low. As per the above, the selection of a lifespan of 5 years is not conservative. <u>Action required:</u> The VVB must further explain how the useful lifetime has been determined conservatively.	
		Round 2	

		<u>VVB Response</u> VVB wish to submit that VT has assessed the following argument of PP for considering the lifetime of five years: “ • <i>The EnDEV/GIZ survey referenced identifies an average lifespan of 4 years, but it does not state anywhere that stoves lifespan does not go beyond 4 years.</i> • <i>On the contrary it demonstrates that stoves go up to 9 years (34% of stoves go beyond 4 years), 5th year alone is 18% which is not negligible.</i> • <i>Calculating an average lifespan does not mean that it is a cap for ER calculation: usage rates monitoring are conducted by age groups and will most likely reflect the range of usage rates identified in the study, therefore limiting crediting of the different age groups to the actual use on the ground and ensuring that no over crediting takes places.</i> • <i>On the contrary, applying a cap of 4 years arbitrarily excludes the 5th year where usage rates are still substantial (18%)</i> • <i>We propose a max lifespan (or cap) of 5 years which already excludes 16% of the stoves (all age groups 6 to 9), this is already a conservative measure since - theoretically - a max lifespan of 9 years could be claimed as long as usage rates monitoring are correctly conducted.</i> • <i>It should also be noted that in the EnDEV study, 5 years represents 18% of the total stoves while 4 years represent 22%, both of which are in the same range and not negligible. Therefore, the lifespan of 5 years cannot be excluded based on this sole criteria.</i>	
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		After reviewing the provided arguments regarding the lifespan of the Improved Cook Stoves (ICS), the VVB acknowledges the points raised by the Project Proponent (PP) regarding the consideration of a five-year lifespan for the ICS. VVB noted that the data presented by PP demonstrates that 34% of stoves go beyond 4 years of operation. Also, there is the provision of monitoring survey that can act as a cross check of usage rate providing a proxy for the operational cookstove at a particular time. Considering the above points and cross check measure of monitoring survey, VVB opined that the lifetime of 5 years is feasible and should be allowed. <u>Verra response</u> The clarifications provided have been accepted. The finding is closed, and no further action is required.	
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14 Similarity with VCS project 3262			
	<u>Issue</u> The project description document and cookstove distributed are very similar to the VCS project 3262, which seems to be developed by the same PP in the same region. <u>Action item</u> 1. The VVB is required to provide a detailed description of the assessment performed to ensure that there is no double counting of the cookstoves included in the other project activity. <u>Program Rule(s)</u> VCS Standard ver.4.5 Section 3.23 and Section 3.6.8.	Round 1 <u>PP Response</u> Project proponents are different: project proponent of VCS4144 is CO2Logic while project proponent of VCS3262 is Livelihoods SICAV Fund SIF. The databases of both projects have been compared to ensure that no stove is counted in both projects. This is documented in the supported document provided. The implementing partner also has internal procedures in place to ensure that both Project databases are kept strictly separated. <u>VVB response:</u> VVB has reviewed the stove distribution	Closed

		records for both projects, VCS 3262, and VCS 4144. Upon examination, it was observed that the serial numbers of 40 instances matched in both databases, however, the user and location were different. To ensure each cookstove was unique and not counted twice, VVB requested sales receipts for the stoves with matching serial numbers from both projects. The investigation revealed that each cookstove, despite having the same serial number in both databases, was sold to different users in different locations and both the information i.e. information provided in database and information of sale receipt matched. This confirms that despite of identical serial number, the cookstoves are indeed unique to each user and location, eliminating the possibility of double counting in the project <u>Verra Response</u> The clarification is deemed acceptable. The finding is closed, and no further action is required.	
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15 Inconsistency in the reported number of cookstoves distributed			
	<u>Issue</u> For the ex-ante emission reduction calculation, the Joint PD-MR states that they plan to distribute 22,000 ICS in year 1 and 34,000 ICS in year 2 (Joint PD-MR page 33). However, the values monitored for the ICS distributed during the current monitoring period are not aligned with the ex-ante estimation. Further, the values applied are not aligned with those mentioned during the LSC, which was carried out in December 2022, and the start date was August 2021. Finally, the PD states that the project will distribute 125,000 cookstoves, and the V&V report states 88,420. <u>Action item</u>	Round 1 <u>PP Response</u> Ex Ante and Ex Post figures are different since ex ante are made at the planning stage and reflect initial objectives. Due to issues during implementation and some situation in the field, the project could not distribute as much as planned, resulting in differences between ex ante and ex post. In the same way, figures planned at the time of LSC have evolved after the LSC meeting took place. <u>VVB Response:</u> VVB has reviewed the Ex-ante and Ex-	Closed

	1. The VVB is required to ensure that the ex-ante emission reduction calculations are done considering the number of real ICS distributed during the implementation of the project. 2. The VVB must explain why the real distributed values were not informed during the LSC to the attendees, given that the values were already available. 3. The VVB must ensure that the documents are adjusted to include the whole period with the start and end date of the period (not just mentioning Year 1, Year 2...). 4. The VVB must ensure that the documents contain consistent information, <u>Program Rule(s)</u> VCS Joint Project Description and Monitoring Report Template v.4.2, Section 5.4	post figure provided by PP and found that: 1. VVB has reviewed the ex-ante emission reduction calculations are done considering the real ICS distributed during the implementation of the projects. 2. VVB has reviewed the response provided by PP and found that due to some issues during the implementation and some situation in the field the project could not distribute the as much as the planned which results in the difference of ex-ante and ex-post. Which is found to be acceptable. 3. The VVB has checked and ensured the documents are now being updated whole period correctly in JVR_VR and JPD-MR. 4. VVB has checked the documents and are now being consistent. <u>Verra Response</u> The clarifications and revision in the JVR-VR from the VVB are deemed acceptable. The finding is closed, and no further action is required.	
16	References to Southpole in the project documents <u>Issue</u> It is noted that there are several references to the PD developer South pole in the submitted project documents. However, South pole is not the main or other PP as per the submitted documents. <u>Action item</u>	Round 1 <u>PP Response:</u> CO2Logic is a company part of South Pole since 2021, as evidenced on its website. While it remains a distinct separate entity, references to South Pole might happen in some Project documents due to its close relationship within South Pole.	Closed

1. The VVB is required to explain why there are several references to the project developer South pole in the project documents while it is not included as a project proponent or other entity. 2. The VVB must provide an assessment of the project developer's rights to the project. <u>Program Rule(s)</u> VCS definition of Project Ownership VCS Standard ver. 4.5 section 3.7	<u>VVB Response:</u> VVB has assessed the explanation provided by PP with evidenced with website link that the CO2 logic is a company of south pole which deems acceptable to VVB. <u>Verra Response</u> The clarifications from the VVB are deemed acceptable. The finding is closed, and no further action is required.	
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17 Evidence of monitoring visits twice per year to every stove		
<u>Issue</u> The Joint PD-MR states that “Monitoring visits will take place twice per year to every stove by the promoters to check their condition, make replacements and encourage continued usage”. However, evidence of these monitoring visits was not provided for the monitoring period nor checked by the VVB. <u>Action item</u> 1. The VVB is required to ensure that the description of the monitoring visits to all cookstoves is included in the revised documentation. 2. The VVB is required to include a detailed assessment of the verification activities performed to verify the monitoring visits. <u>Program Rule(s)</u>	Round 1 <u>PP Response</u> Due to some delays in the implementation of the Project related to Access to funding, monitoring visits could not take place as was expected earlier. The monitoring is nonetheless still planned and currently happening in the field. Evidence of this monitoring can be produced for the next monitoring period. Forms for the monitoring are produced as a supporting document. <u>VVB response</u> VVB has reviewed the response provided by PP and found that as Monitoring is still in planning process due to some delay from the implementation team access to funding so monitoring could not take place however the PP will monitor this in the next monitoring period and the Forms were provided by PP which included the information of the stove ID and the end-user , village , phone number , condition of the	Closed

	VCS Standard ver. 4.5 section 3.26	stove , need of replacement etc, mentioned which was checked by the VVB which found to be appropriate and acceptable. <u>Verra Response</u> The VVB explained why the twice a year monitoring of every stove was not performed. However, this shall be checked during the next verification. The finding is closed.	
18	Too many inconsistencies in the Validation and Verification report <u>Issue</u> The V&V report does not allow a third party to understand the assessment done by the VVB, as there are inconsistencies within the document. For example, the V&V report states the date of the site visit, and at the same time, refers to the “remote” interviews. The V&V report states a different start date than that stated in the Joint PD-MR. It is unclear how the VVB checked the start date as being 1 May 2022, when also the VVB refers to 1 August 2021 as the start date. It is unclear how the VVB verified the additionality of the project, given that it states that the cookstoves are distributed at zero cost, while the Joint PD-MR states that some cookstoves are charged. At the same time, the V&V report refers to the NPV analysis as reference 22. The VVB refers to the sampling of parameter By=new,survey, while this parameter was not monitored, based on the Joint PD-MR provided. <u>Action Required</u> 1. The VVB must ensure that all information provided is consistent throughout the documents provided.	Round 1 <u>VVB Response</u> 1) VVB has checked the inconsistencies and corrected the typographical errors in the joint validation and verification report. 2) The start date has been corrected to 01-August-2021, it was typographical error done in the JVR-VR. 3) Additionality has been mentioned under section 3.4.5 of the JVR-VR. 4) VVB has reviewed the section 4.1 of the sampling and updated JVR-VR with the correct parameter which is used to be monitored based on Joint PD-MR. <u>Verra Response</u> The reference to the remote interviews has been eliminated in the revised JVR-VR, the Project start date corrected. The additionality section has been revised and provides consistent information with the one presented under the JPD-MR. Section 4.1 of the JVR-VR has been revised, deleting the	Closed

	2. The VVB must ensure to provide a detailed description of the assessment performed to validate each of the parameters used. <u>Program Rule(s)</u> VCS Joint Project Description and Monitoring Report Template v.4.2, Section 3.2 VCS Joint Validation and Verification Report Template v.4.2, section 3.4.2	reference to the parameter By=new, survey,y and providing the information on the verification of the parameter μy (Adjustment to account for any continued use of pre- project device during the year y). The finding is closed, and no further action is required.	
19	Closure of CAR18		
	<u>Issue</u> The VVB raised CAR#18 concerning the inconsistencies between the information reported and the information cross-checked during the interviews during site visit. The VVB noticed, for example, that the ID numbers did not match with the information from the database. Also, the VVB found cookstoves that were cracked and the use of 3-stone fires together with the project cookstove. Finally, the VVB also observed that in some areas there were no promoters to ensure the viability of the grievance mechanism. However, it was noted that CAR#18 was closed without providing a satisfactory answer to the issues raised. <u>Action Required</u> 1. The VVB is required to ensure that all issues raised in CAR#18 are correctly addressed before closing the finding, to ensure consistent, complete, and conservative estimation of the emission reductions.	Round 1 <u>VVB Response</u> VVB has reviewed the CAR18 and found that: - The specific stove ID-BT06/22/994, which did not initially match with the VVB's acceptance sample list during the on-site visit was investigated by the VVB seeking clarification for PP. However, it's important to clarify that the stove ID-BT06/22/994 is also the part of PP's baseline survey database which later have been identified by VVB. Upon receiving a clarification from the project participants (PP), it was confirmed that there was a swapping of stove IDs due to some error. This discrepancy was an isolated case and has been thoroughly investigated to ensure its accuracy and consistency with project records. - The absence of promoters in some areas was noted as a potential concern for the grievance mechanism and regular maintenance that is why the VVB actively raised the query. However, it's crucial to highlight that the project's grievance mechanism remains robust and accessible. VVB has evidenced the	Closed

2. The VVB is required to update the V&V report including satisfactory answers to the findings during the site visit. <u>Program Rule(s)</u> VCS Standard ver.4.5 Section 4.1.14	receipts, each cookstove receipt includes contact phone numbers, allowing stakeholders/users to initiate communication directly with promoters, who are integral community members. This system has been verified as effective and appropriate, as documented in the JPD-MR, ensuring that stakeholders can raise concerns and receive support efficiently. During the onsite audit, VVB identified one cookstove with a noticeable crack and two cookstoves with minor cracks on their outer surfaces. In response to the observation of these minor structural cracks in two cookstoves, VVB determined that such occurrences are consistent with the expected wear and tear resulting from regular use. Importantly, these minor cracks do not compromise the functionality or efficiency of the cookstoves, and they do not negatively impact the overall performance or integrity of the project, unless the crack reaches a point of breakage that would allow heat leakage. VVB has clarified the procedure for accounting for the efficiency of broken cookstoves. PP clarified that the presence of structural cracks on the stove body or a broken bridge leads to a usage rate of zero. Such cookstoves are consequently excluded from the Emission Reductions (ER) calculations. This conservative approach, as explained by the Project Participants (PP), ensures that stoves with compromised structural integrity are not considered in the ER calculations. VVB has accepted this argument as a	
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		valid and conservative method, aligning with the project's goal of conservative reporting. 1. The VVB has ensured that all issues raised in CAR#18 are correctly addressed closed the findings, and ensure consistent, complete, and conservative estimation of the emission reductions. 2. The VVB has updated the V&V report including above satisfactory answers to the findings during the site visit.	
		<u>Verra Response</u> The clarifications from the VVB are deemed acceptable, CARID19 has been revised including more information on its closure. The finding is closed, and no further action is required.	