

# 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.

<b>Project ID</b>	3262
<b>Project Name</b>	Livelihoods Chitetezo Mbaula Project
<b>Review Type</b>	Registration and Verification
<b>Program(s)</b>	VCS Program
<b>Project Proponent</b>	Livelihoods Fund SICAV SIF
<b>Methodology</b>	VMR0006 “ <i>Methodology for Installation of High Efficiency Firewood Cookstoves</i> ” version 1.1
<b>VVB</b>	Carbon Check (India) Private Ltd.
<b>Assessment Criteria</b>	VCS Standard, v4.4
<b>Date of First Issue</b>	12 April 2023
<b>Review Conclusion</b>	Approved
<b>Date of Final Issue</b>	23 June 2023

## FINDINGS

#	Finding Description	VVB Response	Status
<b>1</b>	<b>Further information on ICS cookstove efficiency</b>		
	<p><u>Issue</u> The joint project description and monitoring report refers to the efficiency of the improved cookstove as per footnote 3 which is not accessible.</p> <p><u>Action item</u> 1. The VVB must ensure that the project proponent provides an accessible link related to the efficiency of the ICS.</p> <p><u>Program rule(s)</u> VCS Joint Project Description and Monitoring Report Template v.4.2</p>	<p><b>Round 1</b></p> <p><u>VVB Response</u> PP has submitted the revised Joint PD &amp; MR with reference 3 in the footnote being accessible. This has been checked and confirmed by the VVB.</p> <p><u>Verra Response</u> The footnote link can be accessed. This finding is closed.</p> <p><b>Round 2</b></p> <p><u>VVB Response</u></p> <p><u>Verra Response</u></p>	Closed
<b>2</b>	<b>Missing information and assessment of Scope 3 emissions</b>		
	<p><u>Issue</u> Section 1.16.3 of the joint project description and monitoring report states that the nature of the project does not allow scope 3 claims along the supply chain. However, the manufacturer of the cookstoves are involved in the project and therefore, requirements 3.23.7-9 from the VCS Standard v.4.4 are applicable.</p> <p><u>Action item</u> 1. The VVB must ensure that the project proponent complies with the requirements 3.23.7-9 of the VCS Standard v.4.4.</p>	<p><b>Round 1</b></p> <p><u>VVB Response</u> PP has submitted the revised Joint PD &amp; MR section 1.16.3 has been reviewed by the VVB. As per the PP has justified its action of not notifying the supply chain by providing public statement in line with the VCS standard version 4.4. Appendix 3 point 15 “Sections 3.23.7 through 3.23.9 have been added to require public statements to help avoid double claiming of emissions reductions and removals in Scope 3 emissions inventories. Effective 1 July 2023, public statements are required for all emission reductions</p>	Closed

	<p>2. The VVB must validate the information related to the Supply Chain (Scope 3) Emissions and update the validation report as needed.</p> <p><u>Program rule(s)</u></p> <p>VCS Standard v.4.4, Section 3.23.7-9</p> <p>VCS Joint Project Description and Monitoring Report Template v.4.2</p> <p>VCS Joint Validation and Verification Report Template v.4.2, Section 3.1</p>	<p><i>and removals associated with impacted goods or services for which VCUs may be requested from this date onwards”</i></p> <p>Thus, VVB has not mandate the process and PP has justified the same under section 1.16.3 deemed appropriate.</p>	
		<p><u>Verra Response</u></p> <p>Justification has been provided. This finding is closed.</p>	

<b>3 Further information and assessment of ex-ante value of <i>Bold</i></b>			
	<p><u>Issue</u></p> <p>The joint project description and monitoring report determines an ex-ante value of <i>Bold</i> of 2.47 tonnes/year as per a baseline survey of local usage. However, there is no information on how it has been calculated.</p> <p><u>Action item</u></p> <ol style="list-style-type: none"> <li>1. The VVB must ensure that the project proponent includes all the details related to the ex-ante determination of <i>Bold</i> in the project description.</li> <li>2. The VVB must validate this information and update the validation report as needed.</li> </ol> <p><u>Program rule(s)</u></p> <p>VCS Joint Project Description and Monitoring Report Template v.4.2, Section 4.4</p> <p>VCS Joint Validation and Verification Report Template v.4.2, Section 3.3.6</p>	<p><b>Round 1</b></p> <p><u>VVB Response</u></p> <p>PP has submitted the revised Joint PD and MR, under section 5.4 PP has included all the details related to ex-ante calculation Also, during the validation process PP has submitted the below listed calculation sheets detailing how the ex-ante value for <i>Bold</i> parameter was determined.</p> <ul style="list-style-type: none"> <li>• BFCT_UP_Malawi_LV_VCS3262_Analysis_3-stones and charcoal stoves_v1.0.xlsx <b>(Analysis Tab - X64)</b></li> <li>• BFCT_UP_Malawi_LV_VCS3262_Analysis_3-stones only_v1.0.xlsx <b>(Analysis Tab – N70)</b></li> <li>• BFCT_UP_Malawi_LV_VCS3262_Consolidated result_v1.0.xlsx <b>(Sheet1 Tab - D11)</b></li> </ul> <p>Thus, the calculations have been checked and verified by the VVB and are found to be appropriate.</p> <p>Also, VVB has updated section 3.4.8 of the validation report inline</p>	<p>Closed</p>

		with the revised Joint PD and MR.	
		<u>Verra Response</u> The justification for value of Bold has been provided. This finding is closed.	

4 Further information and assessment on calculation of fNRB			
	<u>Issue</u> As per the information provided in the project description in section 4.4 related to the ex-ante calculation of $f_{NRB}$ it is not clear: <ol style="list-style-type: none"> <li>1. If it has been estimated using the most recent historical year for which data is available.</li> <li>2. How H has been calculated as per Section 3.1 of the TOOL30, v.03.0;</li> <li>3. How RB has been calculated as per Section 3.2 of the TOOL30, v.03.0;</li> <li>4. <math>f_{NRB}</math> calculation sheet has not been submitted</li> </ol> Further, there is no information in the joint project description and monitoring report on the cross-checks performed as required by para.13 of the TOOL30, v.03.0.  Finally, the information related to the justification of the significant higher calculated value of NRB of 21,843,646 t/year and the results based on deforestation (i.e., 3,305,400 t/year) included in page 42 of the joint validation and verification report is not sufficiently clear.	<b>Round 1</b> <u>VVB Response</u> <ol style="list-style-type: none"> <li>1. PP has submitted the revised VCS PD updated the section 4.4. Also, during the validation process PP has submitted the fNRB report and calculation sheet, this has been checked and reviewed by the validation team and hence VVB confirms the fNRB has been calculated using the TOOL30 version 03.</li> <li>2. PP has provided the below calculation sheet for fNRB calculation along with Third party fNRB report by C4 EcoSolutions (Pvt) Ltd (dated 25 Feb 2022). CAR_02 Malawi_Chitetezo Cookstoves_Calculation Sheet_23 Feb 2022.xlsx</li> <li>3. VVB has updated the validation report section 3.3.6 inline with the revised VCS PD and tool 30 v.03. NRB, as calculated in the fNRB report according to the latest CDM Tool 30, was found to be 21,843,646 t/year, which is significantly greater than the cross-check results based on deforestation (3,305,400 t/year). It is expected that the cross-check estimate of biomass loss from deforestation would grossly under-estimate the actual extent of non-renewable biomass consumption as it only considers the average biomass stocks from areas that are completely deforested. Unsustainable wood harvesting resulting in forest degradation and significant reductions in biomass stocks, but not complete</li> </ol>	Closed
	<u>Action item</u> <ol style="list-style-type: none"> <li>1. The VVB must ensure the project proponent includes details of how the <math>f_{NRB}</math> was calculated and how it complies with the provisions of TOOL30 in section 4.4 of Joint PD&amp;MR.</li> <li>2. The VVB must ensure that PP submits the final version of the <math>f_{NRB}</math> calculation sheet.</li> </ol>		

<p>3. The VVB must further elaborate how it justified the higher value of the calculated value of NRB and the results based on deforestation since there is an increase of around 600%.</p> <p><u>Program rule(s)</u> TOOL30, v.03.0</p>	<p>deforestation, are not considered in the cross-check. Conservatively, however, non-domestic consumption has been excluded. However, The NRB calculated is deemed to be appropriate.</p> <p><u>Verra Response</u> The fNRB calculations and report have been submitted. This finding is closed.</p>	
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<b>5 Further information required on the verification of participation under other GHG programs</b>		
<p><u>Issue</u> Section 3.1 of the validation report only refers to the checks made in the UNFCCC website and information from the PP in order to ensure that the project does not participate under other GHG program.</p> <p><u>Action item</u> 1. The VVB must further elaborate how it verified that the project does not participate under other GHG programs.</p> <p><u>Program rule(s) or methodology section</u> <i>VCS Joint Validation and Verification Report Template v.4.2, Section 3.1</i></p>	<p><b>Round 1</b></p> <p><u>VVB Response</u> VVB has updated section 3.1 in the revised joint validation verification report.</p> <p><u>Verra Response</u> Additional information has been provided. Evidence of delisting from GS has been provided. This finding is closed.</p>	<p>Closed</p>

<b>6 Further assessment required on pre-project scenario/baseline cookstove efficiency</b>		
<p><u>Issue</u> The joint validation and verification report does not clearly describe how the conditions prior to the project activity have been validated, in particular the use of three stone stoves using firewood (not charcoal) or a conventional device with no improved combustions air supply in each household in order to apply a baseline efficiency value of 0.1. Further, as per CL02 there are baseline devices using charcoal.</p>	<p><b>Round 1</b></p> <p><u>VVB Response</u> During the onsite visit for the baseline survey 1 out of 11 HHs was observed to be using the charcoal stove. On further probing the end user it was clear that the charcoal stove was not the primary cookstove on which most of the cooking activity was carried out. The three stone fire was used frequently for cooking meals by the end users and the charcoal stove was used occasionally when</p>	<p>Closed</p>

<p><u>Action Required</u></p> <p>1. The VVB must further explain why it considered suitable the default baseline cookstove efficiency of 0.1 given that as per CLO2 there are baseline devices using charcoal.</p> <p><u>Program Rule(s)</u> VCS Joint Validation and Verification Report Template v.4.2, Section 3.3.6</p>	<p>there was an event or for cooking specific food items which was done 2-3 times in a month. Thus, the stoves have not be distributed to the charcoal users, and the baseline scenario is clearly defined that the stove will only be distributed to the household using firewood for cooking. Also as per the acceptance sampling conducted by VVB on the monitoring survey did not found any charcoal users.</p> <p>However, considering the 17% of households using both charcoal and three stone fire cookstove, PP has applied the weighted average fuel wood consumption.</p> <p>Additionally, the usage of charcoal is also reflected in the ER calculations (VCS3262_ER_Livelihoods Chitetezo Mbaula Project_MS1_v1.0).</p> <p>The detailed clarification has been updated for CLO2 in the revised Joint Validation and Verification report to avoid confusion.</p> <p>Considering all the above factors and situations PP has considered the default baseline cookstove efficiency of 0.1. This is deemed appropriate to the VVB.</p> <p><u>Verra Response</u> The justification has been provided. This finding is closed.</p>	
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7 Missing information and validation of additionality		
<p><u>Issue</u></p> <p>Section 3.5 of the joint project description and monitoring report does not indicate the sources of the input values used in the investment analysis.</p> <p>Section 3.3.5 of the joint validation and verification report does not assess the suitability of the input values used, including any cross-checks made and their applicability at the time of investment decision.</p> <p><u>Action item</u></p>	<p><b>Round 1</b></p> <p><u>VVB Response</u></p> <ol style="list-style-type: none"> <li>1. PP has provided the updated joint PD &amp; MR with the sources added. The discount rate has been changed to 12% which is weighted average cost of capital (WACC) considered for the whole African continent. This has been checked and confirmed by the VVB.</li> <li>2. VVB has validated the inputs used in the investment analysis and had cross checked the applicability during the validation, hence deemed appropriate.</li> </ol>	<p>Closed</p>

	<p>1. The VVB must ensure that the project proponent includes in the joint project description and monitoring report the sources of the input values used in the investment analysis.</p> <p>2. The VVB must validate the suitability of the input values used in the investment analysis, including any cross-checks made and their applicability at the time of investment decision.</p> <p><u>Program Rule(s)</u> TOOL27, v.12.0</p>	<p><u>Verra Response</u> VVB has assessed the input parameters in additionality assessment. This finding is closed.</p>	
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<b>8 Missing information on on-going communication with local stakeholders</b>			
	<p><u>Issue</u> Section 2.2 of the joint project description and monitoring report does not describe the results of the on-going communication with the local stakeholders during the monitoring period.</p> <p><u>Action item</u></p> <ul style="list-style-type: none"> <li>The VVB must ensure that the project proponent describes the results of the on-going communication with the local stakeholders in Section 2.2 of the joint project description and monitoring report.</li> <li>The VVB must further validate this information and update the joint validation and verification report as needed.</li> </ul> <p><u>Program Rule(s)</u> VCS Joint Project Description and Monitoring Report Template v.4.2, Section 2.2 VCS Joint Validation and Verification Report Template v.4.2, Section 3.1</p>	<p><b>Round 1</b></p> <p><u>VVB Response</u></p> <ul style="list-style-type: none"> <li>PP has provided the updated Joint PD &amp; MR which has been checked and confirmed by the VVB.</li> <li>VVB has validated the information and updated the section 3.3.2 of the Joint Validation and Verification report.</li> </ul>	Closed
		<p><u>Verra Response</u> The information has been provided. This finding is closed.</p>	
<b>9 GHG sources table not in line with the methodology</b>			
		<b>Round 1</b>	Closed

<p><b>Issue</b></p> <p>The description of the sources included in table of Section 3.3 of the joint project description and monitoring report is not in line with Table 1 of VMR0006, v.1.</p> <p><b>Action item</b></p> <ol style="list-style-type: none"> <li>1. The VVB must ensure that the project proponent describes the GHG sources as per Table 1 of VMR0006, v.1.</li> <li>2. The VVB must validate this information and update the joint validation and verification report as needed.</li> </ol> <p><b>Program Rule(s)</b></p> <p>VMR0006, v1.1, Table 1</p>	<p><b>VVB Response</b></p> <ol style="list-style-type: none"> <li>1. PP has provided the updated Joint PD &amp; MR with Section 3.3 – Project Boundary Table being updated as per Table 1 of VMR0006, version 1.1. This has been checked and confirmed by the VVB.</li> <li>2. Table 03 has been updated in the revised joint validation and verification report by VVB.</li> </ol>	Closed
	<p><b>Verra Response</b></p> <p>The GHG sources table has been updated. This finding is closed.</p>	

<b>10</b>	<b>Further information on ex-post calculation of Ny,i</b>		
<p><b>Issue</b></p> <p>Section 6.2 of the joint project description and monitoring report does not indicate how ex-post Ny,i has been calculated as per the monitored parameters.</p> <p>Further, it is not clear where the number of ICS identified in Section 4 of the joint project description and monitoring report can be found in the ex-post calculation spreadsheet submitted.</p> <p><b>Action item</b></p> <ol style="list-style-type: none"> <li>1. The VVB must ensure that the project proponent clearly describes how the parameters Ny,i has been calculated in the monitoring period, including the values used/monitored for each of its components (i.e., n<sub>y,i,j</sub>, U<sub>y</sub> and DF<sub>stoves/HH,y</sub>).</li> </ol> <p><b>Program Rule(s)</b></p> <p>VCS Joint Project Description and Monitoring Report Template v.4.2, Section 6.2</p>	<p style="background-color: #1a3d4d; color: white; padding: 2px;"><b>Round 1</b></p> <p><b>VVB Responses:-</b></p> <p>PP has submitted the revised Joint PD and MR , section 6.2 has the detailed calculation , however PP has also provided the</p> <ul style="list-style-type: none"> <li>• VCS3262_StoveDataBase.xlsx</li> <li>• VCS3262_MalawiCookstovesLV_MS1_Analysis_v1.0.xlsx</li> </ul> <p>This has been checked and verified by the VVB and the approach is inline with the applied methodology and the calculation deemed to be appropriate.</p> <p><b>Verra Response</b></p> <p>The detailed calculation has been provided. This finding is closed.</p>	Closed	

11 Missing information in joint validation and verification report		
<p><b>Issue</b></p> <p>Section 3.1 of the joint validation and verification report lacks the following assessments:</p> <ul style="list-style-type: none"> <li>a) Other entities</li> <li>b) Project scale</li> <li>c) Conditions prior to project initiation</li> <li>d) Compliance with applicable laws and regulations</li> <li>e) Sustainable development contributions</li> </ul> <p><b>Action item</b></p> <ul style="list-style-type: none"> <li>(a) The VVB must include the assessment related to items a to e above in Section 3.1 of the joint validation and verification report.</li> </ul> <p><b>Program Rule(s)</b></p> <p>VCS Joint Validation and Verification Report Template v.4.2, Section 3.1</p>	<p><b>Round 1</b></p> <p><u>VVB Response</u></p> <p>VVB has updated section 3.1 in the revised validation and verification report in line with the joint validation and verification template.</p>	<p>Closed</p>
	<p><u>Verra Response</u></p> <p>The Joint validation and verification report has been updated. This finding is closed.</p>	

12 Further validation of additionality		
<p><b>Issue</b></p> <ol style="list-style-type: none"> <li>1. Section 3.3.5 of the validation report does not indicate which evidence has been verified in order to confirm that the cookstoves are distributed free of cost to the end users.</li> <li>2. Further, validation report mentions that “furthermore, the project activity meets all the applicability conditions of the applied methodology VMR0006, version 1.1 and distributes stoves at zero cost to the end-users and has no other source of revenue other than the sale of GHG credits. Hence the project qualifies under positive list and deemed</li> </ol>	<p><b>Round 1</b></p> <p><u>VVB Response</u></p> <ol style="list-style-type: none"> <li>1. During onsite interviews the end users were asked whether they are enrolled for SCTP or have they paid for the cookstove. End users belonging to SCTP approach (10 out of 11 HHs) claimed that no amount was paid at any stage for the cookstove. Those belonging to commercial approach were asked to show the sale receipt confirming the same.</li> </ol> <ul style="list-style-type: none"> <li>• During the onsite visit it was also observed that the</li> </ul>	<p>Closed</p>
	<p><u>Verra Response</u></p>	

	<p>additional.” It is not clear how positive list has been considered for whole project activity considering some of the cookstoves are sold at subsidized rate.</p> <p><b>Action item</b></p> <ol style="list-style-type: none"> <li>1. The VVB must further elaborate in section 3.3.5 how it validated that the cookstoves are distributed free of cost to the end users.</li> <li>2. The VVB shall clearly indicate the applicable additionality method for different approaches as used by PP.</li> </ol> <p><u>Program Rule(s)</u></p> <p>VCS Joint Validation &amp; Verification Report Template v.4.1, Section 3.3.5</p>	<p>commercial approach hasn't picked up pace yet and most of the cookstoves distributed are under the SCTP approach.</p>	
		<p><u>Verra Response</u></p> <p>VVB has provided information on how they validated cookstoves have been distributed free of cost. This finding is closed.</p>	