

# 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	4679
Project Name	Project Reignite: Turning Farm Waste to Climate Action
Review Type	VCS Requantification Approval
Program(s)	Verified Carbon Standard
Project Proponent	SRCNatura Sure Pvt. Ltd.
Methodology	VM0044, Methodology for Biochar Utilization in Soil and Non-Soil Applications, v1.2
VVB	RINA Services S.p.A (RINA)
Assessment Criteria	VCS Standard, v4.4
Date of First Issue	24-12-2025
Review Conclusion	Approved
Date of Final Issue	10 March 2026

## FINDINGS

#	Finding Description	VVB Response	Status
1	<b>Insufficient evidence to demonstrate project’s eligibility</b>		
	<p><u>Issue</u></p> <ol style="list-style-type: none"> <li>1. The first instance of the proposed grouped project applies the flame curtain pyrolysis technology to produce biochar in a decentralized way using selected 'Biochar Producers' drawn from 5000 small holder farmers in Odisha, using Steel-Shield Soil Pits as demonstrated in Section 3.3 of the VCS PD. It is not indicated what the incentives are, assuming the biochar is offered to farmers free of cost as stated, i.e, no cash inflows. The VVB does not indicate in Sections 2.1-2.3 and 3.2.4 of the validation report how it verified from the biochar producers that no income is generated from sale of biochar. Section 2.3 of the initial validation Report dated 12 July 2024 also does not confirm the validation of the same.</li> <li>2. The PP also states that the project is entirely OPEX-based and applies cost analysis as the appropriate 'financial indicator'. This is not in line with para. 5.4.1 1) of VT0008 v1.0.</li> <li>3. Further, as per the tool, common practice analysis must be applied per para. 5.5 of the tool. This has not been applied and how it is unclear how it complies with para. 5.5.3 of the VT0008 tool.</li> <li>4. The basis for sensitivity analysis is not clear as no appropriate financial indicator - which should be the basis for comparison, has been applied.</li> <li>5. The investment comparison analysis spreadsheet and the 'detailed cost calculations' referred by the VVB in the VCS re-quantificaiton verification report have not been submitted for review.</li> </ol>	<p><b>Round 1</b></p> <p><u>VVB Response</u></p> <p>Part (1) of query</p> <p>At the outset, the VVB wishes to clarify that the role of the PP as far as Project Reignite is concerned is to only develop the project and to act as facilitator for its implementation. The PP assists the farming community in the technique of producing biochar in the fields belonging to the community. The biochar produced by the pit pyrolysis method is stored and utilized by the farmers. The PP himself does not collect this biochar from the farmers for sale or disposal later on. The purpose of the project is not to realize any gains for the PP. Rather, it is to educate and train the farmers in producing the biochar, utilizing the biochar for soil application, and thereby enhance farm yields as well as improve soil fertility, water conservation along with a number of other co-benefits described in the VCS PD at section 1.17.</p> <p>During initial validation, the project was newly under implementation. The production activities were monitored by PP and the same was assessed and cross verified by the audit team during the on-site verification audit of the project. During the audit, this has been confirmed in the verification report that the no income is generated as there is no sale of biochar by the farmers. And moreover, the farmers in the vicinity cannot afford the biochar.</p>	Closed

<p><u>Action Required</u></p> <ol style="list-style-type: none"> <li>1. The VVB shall explain how it verified onsite that no income is generated from the production and distribution of biochar in the project area</li> <li>2. The VVB shall ensure an appropriate financial indicator is applied as basis for comparison with the Operational Expenditure in line with VT0008, and shall ensure finding CL 01 is revised accordingly</li> <li>3. The VVB must ensure all steps are followed including the demonstration of common practice.</li> <li>4. The VVB must ensure sensitivity analysis is based on variation from a suitable financial indicator, and appropriate justifications adduced to indicate why the same cannot be breached.</li> <li>5. The VVB shall ensure that the financial analysis spreadsheet is submitted for review</li> <li>6. The validation report shall be updated as needed</li> </ol> <p><u>Program Rule(s)</u> VCS Project Description Template, v4.4, Section 3.5</p> <p><u>Evidence Observed</u> N/A</p> <p><u>Background</u> N/A</p>	<p>The VVB reiterates that Project Reignite is implemented by the PP in the state of Odisha in India. The areas the project is implemented in are among the most backward in India. The project implementers are local farmers in villages in the state. These farmers can barely make both ends meet and their farming is mostly for self-sustenance. Whatever they grow is consumed by them for their own needs, leaving little surplus for sale. This is obvious to even a casual visitor to these parts. The VVB's team did not find any reason to believe that the project was capable of deriving any revenues from sale of the biochar produced. The VVB's team would like to comment that for a sale of biochar to happen, there needs to be buyers who can purchase it from the producers. Given the conditions under which the populace in these villages live and subsist, it is inconceivable that they could possess the means for purchase of biochar from those who produce it. The question of the project benefiting from revenues from the sale of biochar therefore does not arise at all, as this is an impossible scenario.</p> <p>Also, the project implementation areas are remotely located. The closest town is not less than 50 km from the villages wherein the project is implemented. There are no convenient means of transporting the biochar to nearby marketplaces. Mechanical means of transport such as tractors or light trucks are expensive and beyond the reach of poor farmers. The only other possible option could be by bullock carts. These are slow and also limited in their carrying capacity. Even this primitive method of transportation involves a cost that the farmer could not afford to pay. Thus, transporting the biochar for market sale is also not possible. The only use of the biochar produced under the project is for the farmers is soil application in their own fields.</p>	
--	---	--

		<p>More than that, the monitoring protocol of the project ensures that the biochar produced in a particular pyrolysis run has been applied in the farm/neighbouring farm where the biochar was produced. This application is witnessed by the field officer and both the biochar producer and field officer attest to the biochar application in the dMRV mobile app along with the collection of coordinates of the site and date and time of application. Further, managers in the monitoring team of the PP spot check farms to ensure biochar was adequately applied in the soil through internal inspections. Hence, the question of biochar leaving the farmlands in which it is produced does not arise. It is a circular process in which biochar produced in these farms are applied there itself.</p> <p>The VVB can therefore confirm beyond doubt that the project cannot earn any revenues from biochar sale, neither for the PP nor for the farmers implementing it and only involves costs during its implementation. It can expect to earn revenues, but these would only be through the sale of VCUs that could ultimately accrue to the project. It has no other incentives. Further, the accrual from sale of the VCUs is used for costs incurred for production of biochar and its application in farmers' lands. The project therefore incurs only costs for the PP. Without financial support from the sale of VCUs, the project clearly is unsustainable, as the PP cannot continue to incur operating costs throughout the lifetime of the project. The VCS PD has presented the cost economics of the project as part of the justification for additionality at section 3.5. The same has been validated by the VVB and justification provided in the CCP Eligibility Verification Report submitted to Verra, which may kindly be referred to.</p>	
--	--	---	--

		<p>Part (2) of query</p> <p>As explained by us in our reply to part (1) of this query, Project Reignite is a net cost incurring project and results in no cash benefits to the PP or to the farmers implanting it, other than through the sale of VCU credits that the project claims. The project would operate only till the time the project can receive VCUs to continue funding it.</p> <p>In the investment analysis presented at section 3.5 of the VCS PD, the PP considers two alternatives: 1) the project activity implemented and 2) no project activity taken up. The PP has the choice of not starting the project; in which case, there is no cost outgo on the part of the PP. By taking up the project for implementation, however, the PP has made a conscious decision to incur costs that he could have avoided totally, had their decision been to not take up the project at all. The VVB team agrees, therefore, that the indicator chosen by the PP to demonstrate the investment analysis, viz., a levelized cost comparison between the two alternatives, is appropriate. The PD and VR has been updated accordingly.</p> <p>The VVB contends that in the context of the project activity, a cost comparison between the two alternatives as described is the most appropriate to demonstrate the additionality of the project through an investment analysis. Paragraph 5.4.1 of VT 0008 mentions financial indicators such as IRR, NPV, cost-benefit ratio, etc. These are only examples provided by the tool. The choice of an indicator would be determined in terms of its suitability for the purpose. For Project Reignite, levelized cost as a comparison indicator as stated above seems the best fit and hence, the PP has selected that indicator and the VVB</p>	
--	--	--	--

		<p>team agrees that such an indicator is an appropriate choice by the PP.</p> <p>The VVB has validated the assumptions and data used by the PP in his investment analysis. A validation justification for the same is provided in the CCP Eligibility Verification Report submitted to Verra. The alternative (1) results in significant costs per tonne (levelized cost) of biochar, which the PP must bear all throughout the duration of the project. On the other hand, the alternative (2) not taking up the project does not entail any cost whatsoever for the PP. Clearly, therefore, alternative (1) is additional.</p> <p>Part (3) of query</p> <p>The VVB team would like to observe that the subject assessment is for the evaluation of whether the issued credits (VCUs) from Project Reignite could qualify for ICVCM CCP labelling. As per the ICVCM web site <a href="https://icvcm.org/assessment-status/">https://icvcm.org/assessment-status/</a>, biochar projects under the Verra VCS Program could be considered for eligibility for CCP labelling provided the underlying methodology is VM 0044 version 1.2. The VVB's assessment scope is to evaluate whether version 1.2 of VM 0044 could also be applicable to Project Reignite, since the project though registered under Verra VCS as Project I.D. 4679, had applied version 1.1 of VM 0044; that being the version of the methodology current at the time of validation of the project.</p> <p>The VVB found that the principal difference between the two versions of VM 0044, i.e. versions 1.1 and 1.2 is that the latter version has mandated that the project be able to demonstrate additionality by an additional Step 3 (Investment Analysis). It</p>	
--	--	--	--

		<p>may be recalled that version 1.1 did not include the additional Step 3. The following is reproduced from the methodology version 1.2 Step 3 for reference:</p> <p><i>“Step 3: Investment Analysis</i></p> <p><i>Project proponents must follow the procedures and requirements of the most recent version of VCS tool VT0008 Additionality Assessment to conduct an investment analysis (Step 3) through either an investment comparison analysis (Option 1) or benchmark analysis (Option 2). Where the project proponent activity demonstrates that <b>all conditions of the investment analysis per VT0008</b> are met, the proposed project activity is additional. Otherwise, the project activity is not additional and is not eligible for crediting”.</i></p> <p>The VVB team contends that the PP has now demonstrated Step 3 of VM 0044 version 1.2 by comparing the two alternatives (1) &amp; (2) mentioned above in the reply to part (2) of this query. The registered VCS PD of Project Reignite had already illustrated in section 3.5 the level of activity penetration of the project to be 0.062%, which is far below the methodology’s own threshold of 5% stated in Appendix 1 of VM 0044. It may be noted that with an activity penetration of less than 5%, Project Reignite is already on the positive list and could therefore be considered additional (by virtue of the methodology alone and not necessitating any application of paragraph 5.5 of VT 008); since the methodology itself has prescribed the limit of 5% in its Appendix 1 (Activity Method) as a test of additionality. For the sake of reference, the requirement of the methodology is copied as below:</p>	
--	--	--	--

		<p><i>“The project activity, production of biochar with waste biomass, is a relatively recent field with few fully commercial technologies. Therefore, the methodology uses an activity method for demonstrating additionality with the processing of waste biomass to biochar as the basis for a positive list. This approach stipulates that the total waste biomass converted to biochar amounts to less than five percent of the total waste biomass available worldwide. Five percent is the activity penetration threshold set by the VCS Methodology Requirements and is determined by taking the Observed Activity (OA) divided by the Maximum Adoption Potential (MAP). Where the result of this equation is less than five percent, the project activity may be considered additional”.</i></p> <p>In the opinion of the VVB team, therefore, the PP has been able to demonstrate that the project has an extremely low diffusion rate in the geographical area of its implementation (i.e. the state of Odisha). The additionality tool VT 0008 has asked for the investment analysis to be complemented by a ‘Common Practice Analysis’ (CPA) (paragraph 5.5). It can be inferred from a reading of paragraph 5.5 that the purpose of the CPA (i.e. the project activity not being a common practice) is, in essence, for the PP to demonstrate that the project technology or practice has not diffused to a large extent in the applicable geographical area. By showing, in the VCS PD at section 3.5 that the activity penetration rate for biochar production remains much below the threshold of 5%, the CPA has been sufficiently demonstrated by the PP. Consequently, the team agrees that Project Reignite is not common practice.</p> <p>Part (4) of query</p>	
--	--	---	--

		<p>The VVB notes that the VCS PD has included a sensitivity analysis at section 3.5. The financial indicator has been updated and chosen to be levelized cost (Cost per tonne of biochar), and the comparison made is between two alternatives- alternative (1) and (2), out of which alternative (2) is “not taking up the project activity”, i.e. a continuation of the baseline scenario. It follows, therefore, that only alternative (1) involves an expenditure on the part of the PP for the production of biochar. Alternative (2) does not need any action on the PP’s part and consequently, nil expenses incurred, as no project would be set up by the PP in the case of alternative (2). This also means that whatever be the range of variation of the operational parameters of the project in alternative (1), the net effect is always a cost. With the variations in operational parameters, the cost of biochar would increase or decrease, but at no point would this cost be ‘nil’. Thus, alternative (1) would always remain a costlier option for the PP when compared to alternative (2). However, to meet the requirement of paragraph 5.4.1 (5), the sensitivity analysis does feature in the VCS PD. The analysis only has one conclusion, viz., that alternative (1) remains the costlier of the two alternatives, regardless of the range of variation in operational parameters used to work out that cost. VCS PD has been updated with an enhanced explanation of the same.</p> <p>Part (5) of query</p> <p>The VVB team has received a financial analysis in MS Excel spread sheet format from the PP. It has reviewed the same and validated the input assumptions made by the PP in calculating the cost of biochar production under alternative (1) described above. A justification for the assumptions used in the financial analysis is presented in tabular form in the document “Project</p>	
--	--	---	--

		<p>Reignite: Investment Analysis Validation” being submitted along with this PRR response. It has now been submitted along with this PRR.</p> <p>Part (6) of query</p> <p>The VVB team has updated their validation report with the above explanations at the Section 2 of the VCS Re-quantification Validation Report. The validation justification for input values used in the financial analysis has also been added in the same section of the report.</p>	
		<p><u>Verra Response</u></p> <ol style="list-style-type: none"> <li>1. The VVB has provided a detailed assessment and confirmed that no revenues are accrued from the project sale of biochar</li> <li>2. The only revenue for the project activity would be from future sale of VCU. A cost comparison on to implement or not to implement is therefore deemed to be an appropriate approach to demonstrate additionality, in line with the VT008 tool (Option 1). The VCS PD has been updated accordingly.</li> <li>3. The investment comparison analysis and the assessment of the technology diffusion rate in the original and current VCS PD is sufficient and in line with the methodology version 1.2 and CCP labelling requirements. No further action is due.</li> <li>4. An investment comparison using levelized cost per tonne of biochar has been included. Sensitivity analysis therefore only relates to the alternative 1, which is to implement the project activity and incurring associated variable costs.</li> <li>5. The investment comparison analysis, including the sensitivity analysis and related assumptions has been provided for review. The values are consistent with the Project Reignite_Investment Analysis document.</li> <li>6. The re-quantification validation report has been updated</li> </ol>	

		<b>Round 2</b>	
		<u>VVB Response</u> (Pending)	
		<u>Verra Response</u> (Pending)	
		<b>Round 3</b>	
		<u>VVB Response</u> (Pending)	
		<u>Verra Response</u> (Pending)	

#	Finding Description	VVB Response	Status
2	<b>Fixed parameter Biomass categories and quantities used for selection of the baseline scenario and production of biochar utilized in the project activity</b>		
	<p><u>Issue</u></p> <p>1. In the estimation of the fixed parameter '<b>Biomass categories and quantities used for selection of the baseline scenario and production of biochar utilized in the project activity</b>', in tons on dry basis, it is indicated in the updated VCS PD (Section 5.1) and VCS Re-quantification Report (Section 3.1) that the source is 'Expert judgement based on on-site assessment of biomass categories and quantities'. In the initial Validation Report (page 43), it is indicated that the values are derived from baseline survey (survey data) and expert judgement from the project proponent</p> <p><u>Action Required</u></p> <p>1. The VVB is required to explain how it validated the data and offer its opinion on the appropriateness of each of the values for the different biomass types</p> <p>2. The VVB shall update the validation report accordingly and include the document in the references</p> <p><u>Program Rule(s)</u> VCS Project Description Template, v4.4, Section 5.1</p>	<p><b>Round 1</b></p> <p><u>VVB Response</u></p> <p>Part (1) of query</p> <p>The query posed by Verra is related to the quantities of various biomass types such as paddy (rice) straw, tree pruning, bamboo pruning, maize cobs, ipomea carnea and water hyacinth available in the baseline scenario and based on which it would be possible for the PP to estimate the expected quantities of biochar that could be produced by the project when it is implemented. These quantities were considered as:</p> <p>57 tonnes per year for rice straw 6 tonnes per year for tree pruning 12 tonnes per year for bamboo pruning 6 tonnes per year for maize cobs 6 tonnes per year for ipomea carnea 3 tonnes per year for water hyacinth</p> <p>Indeed, these quantities were taken on the basis of expert judgement based on on-site assessments made. The VVB requests Verra to please note that these quantities were arrived</p>	Closed

<p><u>Evidence Observed</u> N/A</p> <p><u>Background</u> N/A</p>	<p>at by considering empirical data and on-site observations made by experts whose reports were used by the PP to determine the quantities. Inputs provided by the local farmers were also used in corroborating those numbers. Already during verification audit of the project activities and implementation at site, the VVB team spoke to some of the farmers who have been growing these crops for many years and they were able to provide fairly accurate estimates of their own that tallied with the experts' reports that were reviewed by the team. Biomass assessment has been already validated and verified in accordance with the applied methodology. The same is reported in detail in the registered MR and verification report.</p> <p>The PP also conducted a baseline survey prior to the start of the project. The baseline survey report reflects these same quantities of biomass types available that could be utilized for biochar making, in the project implementation areas. Further, an external third-party laboratory M/s. CRPL had also carried out an analysis of the available biomass quantities at the commencement of the project. The VVB team has referred to both these documents, viz., baseline survey report and third-party laboratory report for supporting evidence and can confirm that the quantities considered by the PP are correct. The same quantities also appear in the VCS PD and were validated by us at the time the registration of Project Reignite under the VCS. They are now included in section 4.3 of the VCS Re-quantification Report also, that has been submitted to the Verra team as part of the VVB's initial submission. We trust that the explanation offered together with the evidence we are submitting for your review would be adequate to answer your query convincingly.</p>	
--	---	--

		<p>Part (2) of query</p> <p>The VVB team has updated the section 4.3 and reference in the VCS Re-quantification Report with the explanation /justification offered for this query. The updated report is also being submitted to the Verra team along with our response to the PRR.</p>	
		<p><u>Verra Response</u></p> <p>The biomass categories and estimates available for biochar production were obtained from expert judgements, farmer input and baseline survey and the same was validated as well during the initial validation. The VVB has provided further assessments on how it validated the values. Hence, no further action is required</p>	
		<p><b>Round 2</b></p> <p><u>VVB Response</u> (Pending)</p>	
		<p><u>Verra Response</u> (Pending)</p>	
		<p><b>Round 3</b></p> <p><u>VVB Response</u> (Pending)</p>	
		<p><u>Verra Response</u> (Pending)</p>	

#	Finding Description	VVB Response	Status
3	<b>Editorials in the VCS Re-quantification Report</b>		
	<p><u>Issue</u></p> <ol style="list-style-type: none"> <li>The monitoring periods selected for re-quantification in the title page is incorrect</li> <li>The first verification period indicated in Section 1.2 is not correct</li> <li>In Section 4.4, the table does not indicate the monitoring period</li> </ol>	<p><b>Round 1</b></p> <p><u>VVB Response</u></p> <p>Part (1) of query</p> <p>The VVB team has carried out all the necessary editorial corrections as pointed out by this query and the revised VCS Re-quantification Report is enclosed along with our submission,</p>	<p>Closed</p>

<p>4. The validation conclusion includes CDM references</p> <p><u>Action Required</u></p> <p>1. The VVB is required to carry out all the necessary editorial corrections as outlined above</p> <p><u>Program Rule(s)</u> VCS Verification Report Template</p> <p><u>Evidence Observed</u> N/A</p> <p><u>Background</u> N/A</p>	<p>which may please be reviewed by Verra. Following are the corrections made in the VCS Re-quantification Report:</p> <ul style="list-style-type: none"> <li>a) The monitoring periods selected for re-quantification on the title page have been corrected from to 16 October 2023 to 30 June 2024.</li> <li>b) The first verification period indicated in Section 1.2 of the report has been corrected to 16 October 2023 to 30 June 2024.</li> <li>c) In Section 4.4 of the Re-quantification Report, the table now indicates the monitoring period, which was missing in the earlier submission</li> <li>d) The incorrect references to CDM have been removed from the revised VCS Re-quantification Verification Report being submitted to Verra with this response</li> </ul>	
	<p><u>Verra Response</u> (Pending)</p> <ul style="list-style-type: none"> <li>1. The monitoring period has been duly corrected</li> <li>2. The start date of the first verification is deemed to be still incorrect</li> <li>3. The start date of this first verification (monitoring period) on the table in Section 4.4 is deemed to be still incorrect</li> <li>4. The CDM references are removed</li> </ul>	
	<p><b>Round 2</b></p> <p><u>VVB Response:</u></p> <p>Re-quantification report has been corrected and includes the following details:</p> <ul style="list-style-type: none"> <li>2) The start date of the first verification in Section 1.2 has now been corrected.</li> <li>3) The start date of first verification in Section 4.4 has been corrected.</li> </ul>	
	<p><u>Verra Response</u></p>	

		<p>2) The start date of the first verification in Section 1.2 has now been corrected.</p> <p>3) The start date of first verification in Section 4.4 has been corrected.</p>	
		<b>Round 3</b>	
		<u>VVB Response</u> (Pending)	
		<u>Verra Response</u> (Pending)	

#	Finding Description	VVB Response	Status
4	<b>Applied Re-quantification Templates</b>		
	<p><u>Issue</u></p> <p>The basis for the re-quantification and the version of the updated VCS Project Description shall be based on the latest versions of the VCS Standard version 4.7, and the VCS Project Description Template</p> <p><u>Action Required</u></p> <p>The VVB must ensure the PP applies the latest VCS PD template version 4.4 and the VCS Standard version 4.7 is referred in all the documents</p> <p><u>Program Rule(s)</u></p> <p>VCS Project Description Template, v4.4, Section N/A VCS Standard, v4.7, Section</p> <p><u>Evidence Observed</u></p> <p>N/A</p> <p><u>Background</u></p> <p>N/A</p>	<p><b>Closed</b></p> <p><u>VVB Response</u></p> <p>The VVB team takes note of the issue raised by Verra. It has directed the PP to revise their PD to the latest version and the same has been done by the PP. The VCS Standard version 4.7 is now referred to at all places in the VCS PD document. Hence, this query is addressed by the team.</p> <p><u>Verra Response</u> (Pending)</p> <p>The VCS PD Template version, the VCS VR template version and the VCS Standard version have been correctly referred</p> <p><b>Round 2</b></p> <p><u>VVB Response</u> (Pending)</p> <p><u>Verra Response</u> (Pending)</p> <p><b>Round 3</b></p> <p><u>VVB Response</u> (Pending)</p> <p><u>Verra Response</u> (Pending)</p>	Closed