REFORESTATION OF DEGRADED LANDS IN THE VALLE CALIFORNIA OF PATAGONIA, CHILE - VALIDATION REPORT

ENVIRONMENTAL SERVICES, INC.

ANSI ACCREDITED PROGRAM GREENHOUSE GAS VALIDATION AND VERIFICATION 0800

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Report Title	Reforestation of Degraded Lands in the Valle California of Patagonia, Chile – Validation Report
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Summary:

Environmental Services, Inc., (ESI) was contracted by SNP Patagonia Sur on 19 January 2012 to conduct the project validation of the *Reforestation of Degraded Lands in the Valle California of Patagonia, Chile* project, dated 06 June 2012.

According to the Project Document (PD),[1] "*Reforestation of Degraded Lands in the Valle California of Patagonia, Chile* is a grouped project utilizing the CDM methodology 'Consolidated afforestation and reforestation baseline and monitoring methodology' (AR-ACM0001). All current and future project activity instances will be implemented in the geographic region represented by Regions IX, X, XI, XII and XIV of Chile, and all will apply an identical set of baseline, additionality, and eligibility criteria. The initial project activity instance is located in an area known as Valle California, in the Palena Province of Region X of Los Lagos, Chile. The initial project activity instance will be made up of many small plots of land, all of which are parts of larger parcels of land that are currently under ownership of SNP Patagonia Sur." The Project Proponent is Agrícola y Forestal SNP Ltda.

The grouped project start date is April 30, 2010, and the project crediting period will be 80 years. Due to a voluntary easement with conservation purposes being implemented by the Project Proponent, the project lifetime is perpetual. The grouped project differs from other reforestation projects currently proposed or implemented in Chile due to its reforestation utilizing native Chilean tree species. The project activity instances will take place on land that is classified as degrading or degraded due to their baseline scenario of livestock grazing.

The validation objective included an assessment of compliance with the VCS Standard (Version 3.2) and the likelihood that implementation of the planned GHG project will result in the GHG emission removal enhancements as stated by the project developer (ISO 14064-3:2006). This validation assessed the GHG emission removals through Agriculture, Forestry and Other Land Use (AFOLU) projects, specifically Afforestation, Reforestation, and Revegetation (ARR).

The scope of the validation included the GHG project and baseline scenarios; physical infrastructure, activities, technologies and processes of the GHG project; GHG sources, sinks and/or reservoirs; types of GHG's; and time periods covered. The geographic validation scope was defined by the project boundary, which included multiple project areas (grouped), the carbon reservoir types, management activities, growth and yield models, inventory program, and contract periods.

The validation criteria followed the guidance documents provided by VCS and included the following: VCS Program Guide (01 Feb 2012, v3.2), VCS Standard (01 Feb 2012, v3.2), Program Definitions (01 Feb 2012, v3.2), AFOLU Requirements (01 Feb 2012, v3.2), AFOLU Non-Permanence Risk Tool (01 Feb 2012, v3.1), and AR-ACM0001 V 05.2.0.

A summary of all findings is included in Attachment A. There are no restrictions of uncertainty.

ESI confirms all validation activities, including objectives, scope and criteria, level of assurance and the PD adherence to the VCS Standard (v3.2, 01 Feb 2012) as documented in this report are complete. ESI concludes without any qualifications or limiting conditions that Reforestation of Degraded Lands in the Valle California of Patagonia, Chile dated 06 June 2012 meets the requirements of VCS Standard (v3.2, 01 Feb 2012).

[1] CarbonVerde, LLC, *Reforestation of Degraded Lands in the Valle California of Patagonia, Chile*, Version 3.0, 06 June 2012.

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1 INTRODUCTION

1.1 Objective

The validation objective for this project included an assessment of compliance with the VCS Standard (v3.2, 01 Feb 2012) and the likelihood that implementation of the planned GHG project would result in the GHG emission removal enhancements, as stated by the project developer (ISO 14064-3:2006). This validation assessed the GHG emission removals through an AFOLU project – specifically Afforestation, Reforestation, and Revegetation (ARR).

1.2 Scope and Criteria

The scope of the validation included the GHG project and baseline scenarios; physical infrastructure, activities, technologies and processes of the GHG project; GHG sources, sinks and/or reservoirs; types of GHG's; and time periods covered. The geographic validation scope was defined by the project boundary, which included multiple project areas (grouped), the carbon reservoir types, management activities, growth and yield models, inventory program, and contract periods. The scope of *Reforestation of Degraded Lands in the Valle California of Patagonia, Chile* was outlined by the project developer prior to the validation initiation and is re-defined as follows:

Baseline Scenario	The baseline scenario for the project is continued degradation due to over-use for livestock production, resulting in thin and fragile soils, which cannot reforest naturally.
Activities/Technologies/Processes	Reforestation of three native species of beech tree – *Nothofagus betuloides* (Coigüe), *Nothofagus antarctica* (Ñirre), and *Nothofagus pumilio* (Lenga).
Sources/sinks/Reservoirs	Carbon biomass stocks in above- and below-ground biomass.
GHG Type	CO_2
Time Period	80 years, beginning on April 30, 2010 and ending on April 30, 2090.
Project Boundary	The initial project activity instance is comprised of 20 individual reforestation lots (VC_1 – VC_20) totaling 136.65 hectares in Valle California, Palena Province, Chile.

1.3 Level of assurance

The level of assurance was used to determine the depth of detail that the validator placed in the Validation Sampling Plan to determine if there are any errors, omissions, or misrepresentations (ISO 14064-3:2006). ESI assessed the project (general principles, data, sampling descriptions, documentation, calculations, etc.) to provide *reasonable assurance* to meet the Project Level requirements of the VCS Program. The evidence used to achieve a *reasonable* level of assurance is specified in the following sections.

1.4 Summary Description of the Project

As stated in the Project Document (PD),[2] "*Reforestation of Degraded Lands in the Valle California of Patagonia, Chile"* is a grouped project utilizing the CDM methodology 'Consolidated afforestation and reforestation baseline and monitoring methodology' (AR-ACM0001). All current and future project activity instances will be implemented in the geographic region represented by Regions IX, X, XI, XII and XIV of Chile, and all will apply an identical set of baseline, additionality, and eligibility criteria. The initial project activity instance is located in an area known as Valle California, in the Palena Province of Region X of Los Lagos, Chile. The initial project activity instance will be made up of many small plots of land, all of which are parts of larger parcels of land that are currently under ownership of SNP Patagonia Sur." The Project Proponent is Agrícola y Forestal SNP Ltda.

The validator confirmed that the grouped project start date is April 30, 2010, and the project crediting period will be 80 years. Due to a perpetual conservation easement being implemented by the Project Proponent, the project lifetime is perpetual. The grouped project differs from other reforestation projects currently proposed or implemented in Chile due to its reforestation utilizing native Chilean tree species. The project activity instances will take place on land that is classified as degrading or degraded due to their baseline scenario of livestock grazing.

The initial project activity instance includes the reforestation of 136.65 hectares of degraded land in Region X of Chile, in an area known as Valle California (VC). The project activities were initiated in 2010, with the planting of native *Betuloides* trees on approximately 57 hectares spread over twenty lots. These plantations were established in areas without tree cover, previously dominated by grazing activities.

Carbon pools included in the project boundary are above and below-ground biomass.

2 VALIDATION PROCESS

2.1 Method and Criteria

The sampling plan methodology is derived from all items in our validation process stated above. Specifically, the sampling plan utilizes the VCS guidance documents and ISO 14064-3. For this validation, the sample size for the desktop portion of the validation included a review of 100% of the PD and supporting documents. The field validation included an onsite review of 9 of the 39 plots installed by the project (23%). These tracts were selected to allow a review of a sufficient sample for the validator; sufficient to provide the necessary sample size to meet a reasonable level of assurance; as directed by the professional judgment of the Lead Validator.

During the field review of these plots the following aspects of the project were assessed:

- pre-project conditions, as evidenced by condition of adjacent or nearby non-project areas, by evidence of site-preparation activities, and related
- current project conditions, including reported tree species, reported planting density, reported current density, reported growth characteristics (diameter, or similar), reported biomass volume (above- and/or below-ground), implementation of management plan/monitoring (historical and contemporary), and related

[2] CarbonVerde, LLC, 06 June 2012.z

Direct field measurement of tree density (number planted and species) and growth characteristics was performed in limited instances, with a detailed review of field measurement methodologies sufficient to satisfy the professional discretion of the Lead Validator.

2.2 Document Review

A detailed review of all project documentation was conducted to ensure consistency with, and identify any deviation from VCS program requirements (VCS, Version 3 and associated updates), and the methodology (AR-ACM0001). Initial review focused on the PD and included an examination of the project details, data and parameters, and quantification of GHG emission reductions and removals.

AFOLU Non-Permanence Risk Tool (01 February 2012 v3.1) was used by the project proponent to assess overall project risk. The final risk score for *Reforestation of Degraded Lands in the Valle California of Patagonia, Chile* was calculated to be 15%. The information in this report was evaluated by validators and found to have been conducted appropriately and in compliance with VCS Standards v3.2. No discrepancies were found in the evaluation of the elements of the Risk Analysis.

Please see Appendix A for a complete list of documents provided by the client during validation, including any items associated with the risk analysis.

2.3 Interviews

Onsite interviews and informal discussions were conducted with project staff. Additionally interviews were conducted with community members; however, due to the remoteness of the project only two such interviews were held. During all interviews no negative comments were received and information provided in the PD was supported. Meetings included discussions with:

Warren Adams – Patagonia Sur

Divya Mankikar – Patagonia Sur

Matías Río – Patagonia Sur

Alejandro Orizola – Patagonia Sur

Ernesto Jaramillo – *Former Project Landholder*

"Nilia Monje– *Former Project Landholder*

2.4 Site Inspections

The field validation included an onsite review of 9 of the 39 plots installed by the project (23%). These tracts were selected to allow a review of a sufficient sample for the validator; sufficient to provide the necessary sample size to meet a reasonable level of assurance; as directed by the professional judgment of the Lead Validator.

During the field review of these plots the following aspects of the project were assessed:

- pre-project conditions, as evidenced by condition of adjacent or nearby non-project areas, by evidence of site-preparation activities, and related

- current project conditions, including reported tree species, reported planting density, reported current density, reported growth characteristics (diameter, or similar), reported biomass volume (above- and/or below-ground), implementation of management plan/monitoring (historical and contemporary), and related

Direct field measurement of tree density (number planted and species) and growth characteristics was performed in limited instances, with a detailed review of field measurement methodologies sufficient to satisfy the professional discretion of the Lead Validator.

2.5 Resolution of Any Material Discrepancy

During the validation process, there was a risk that potential errors, omissions, and misrepresentations would be found. The actions taken when errors, omissions, and misrepresentations were found included notifying the client of the issue(s) identified, and expanding our review to the extent that satisfied the Validator's professional judgment.

During the course of the validation, seventy (70) non-conformity reports (NCRs) and/clarifications (CLs) were identified. All NCRs/CLs were satisfactorily addressed. The NCRs/CLs provided necessary clarity to ensure the project was in compliance with the requirements of the VCS Standard for GHG projects. For a complete list of all NCRs/CLs and their resolutions, refer to Appendix B.

3 VALIDATION FINDINGS

3.1 Project Design

The scope of *Reforestation of Degraded Lands in the Valle California of Patagonia, Chile* was outlined in Section 1.2 of this report. This project is seeking registration under the Verified Carbon Standard (VCS 3.2) as an Afforestation, Reforestation and Revegetation (ARR) project and has been developed in compliance with the AFOLU Requirements (01 Feb 2012, v3.2). It is a grouped project.

3.1.1 *Project Proponent and Other Entities*

Project Proponents	Point of contact	Roles/ Responsibility	Contact Details
Agrícola y Forestal SNP Ltda	Divya Mankikar, Carbon Offsets General Manager	Project developer, implementer, manager	Agrícola y Forestal SNP Ltda, 515 Madison Avenue Suite 1500, New York, NY 10022 Office: +1 212-888-0215 Cell: +1-973-393-1759

As stated in the Project Document[3] and confirmed during validation, "this project is being developed entirely by Agrícola y Forestal SNP Limitada.

The following affiliated companies shall play an operative role described as follows:

[3] CarbonVerde, LLC, 06 June 2012.

Agricola y Forestal Melimoyu Limitada is a limited liability company established and registered under Chilean law who has acquired and currently owns all of the properties included within the project boundary described in Section 2.3 of this Project Description.

Sociedad Servicios Turísticos SNP Limitada is a limited liability company established and registered under Chilean law which has been in charge of paying for the baseline studies detailed in Section 3 of the Project Description, as well as establishing itself as paying for the planting services related to the reforestation."

Other Entities	Point of contact	Roles/ Responsibility	Contact Details
Environmental Services, Inc. (ESI)	Shawn McMahon	Validator	Environmental Services, Inc. 3800 Clermont St., NW North Lawrence, OH 44666 United States of America Phone: +1-330-833-9941

3.1.2 *Project Start Date*

The project start date is April 30, 2010 – the date on which activities leading to the generation of GHG emission reductions or removals were implemented by the project. This date corresponds to the invoicing and supply of native plant species to the project, which were succesionally planted thereafter.

3.1.3 *Project Crediting Period*

The project crediting period for this grouped project is 80 years, beginning on April 30, 2010 and ending on April 30, 2090.

3.1.4 *Project scale and estimated GHG emission reductions or removals*

Project	X
Mega-project	

Years	Net Number of Emissions Reductions	Total Estimated Emissions Reductions
Year 2010	0.03	0.03
Year 2011	0.27	0.30
Year 2012	0.86	1
Year 2013	2	3
Year 2014	3	6
Year 2015	6	12
Year 2016	8	20
Year 2017	12	32
Year 2018	16	48

Year 2019	21	68
Year 2020	27	95
Year 2021	33	128
Year 2022	41	169
Year 2023	49	219
Year 2024	59	278
Year 2025	70	347
Year 2026	82	429
Year 2027	95	524
Year 2028	109	632
Year 2029	124	756
Year 2030	141	897
Year 2031	159	1,055
Year 2032	178	1,233
Year 2033	198	1,432
Year 2034	220	1,652
Year 2035	244	1,896
Year 2036	269	2,165
Year 2037	295	2,460
Year 2038	323	2,784
Year 2039	353	3,137
Year 2040	384	3,521
Year 2041	417	3,938
Year 2042	452	4,390
Year 2043	488	4,878
Year 2044	526	5,404
Year 2045	566	5,970
Year 2046	607	6,577
Year 2047	651	7,228
Year 2048	696	7,924
Year 2049	743	8,667
Year 2050	793	9,460
Year 2051	844	10,303
Year 2052	897	11,200
Year 2053	952	12,152
Year 2054	1,009	13,161
Year 2055	1,068	14,229
Year 2056	1,130	15,359
Year 2057	1,193	16,552
Year 2058	1,259	17,811

Year 2059	1,327	19,137
Year 2060	1,397	20,534
Year 2061	1,469	22,003
Year 2062	1,544	23,547
Year 2063	1,621	25,168
Year 2064	1,700	26,868
Year 2065	1,782	28,649
Year 2066	1,866	30,515
Year 2067	1,952	32,467
Year 2068	2,041	34,507
Year 2069	2,132	36,640
Year 2070	2,226	38,866
Year 2071	2,322	41,188
Year 2072	2,421	43,609
Year 2073	2,523	46,132
Year 2074	2,627	48,759
Year 2075	2,734	51,493
Year 2076	2,843	54,336
Year 2077	2,955	57,291
Year 2078	3,070	60,361
Year 2079	3,187	63,548
Year 2080	3,187	66,735
Year 2081	3,187	69,923
Year 2082	3,187	73,110
Year 2083	3,187	76,297
Year 2084	3,187	79,485
Year 2085	3,187	82,672
Year 2086	3,187	85,859
Year 2087	3,187	89,047
Year 2088	3,187	92,234
Year 2089	3,187	95,421
Total Estimated ERs		95,421
Total Number of Crediting Years		80
Average Annual Emissions Reductions		1,192.76

3.1.5 *Project Activities*

The validation affirmed the following project activity assertions of the PD. “The initial project activity instance involves the reforestation of 136.65 hectares of degraded land in Region X of Patagonia, in an area known as Valle California (VC).

The first project activities began in 2010, where nearly 57 ha spread over twenty areas were forested. These plantations were established in areas without tree cover, and by using species of the *Nothofagus* genus, such as the Coihue (*N. betuloides*) and Ñirre (*N. antarctica*).

Forestation activities involve a series of steps aimed at creating a well-planned planting programme. The main forestation steps are the following:

- Identifying suitable planting areas,
- Preparing or readying the land to be planted,
- Transporting the saplings from the nursery to the properties, and remote planting areas,
- Planting itself.

Such preparation requires special attention on the land in order to make the correct decisions at the right time, as well as keeping the relevant records

Identifying planting areas

The Forestry Operations Manager and Sub-manager of SNP Patagonia Sur identify the planting areas using GIS maps and observations in the field. Once the afforested areas are selected, they are clearly delineated through the use of a GPS in the field. The points are subsequently imported to ArcGIS and Google Earth, where the necessary maps are later generated in order to be presented to CONAF and any other institutions that require them.

At this point, the managers determine which species and how many of each species should be planted in each location. The Forestry Operations Manager relies on knowledge of terrain and hydrologic conditions to decide which species are most suitable for each area.

Once the planting areas are identified, the managers proceed to determine the roads and paths we will use to supply those areas with plants. These paths are cleared by using hand tools, such as machetes, weed eaters and chainsaws when necessary. It should be noted that the planting areas do not usually have access for vehicles, for which reason horses (pack horses) are needed to help supplying the planting areas with saplings.

Fence Building and Repair

It is important to maintain a good fence around reforestation sectors, so that animals in neighbouring premises and those using the roads to reach summer pastures do not destroy the plants. This work is done by staff that maintains Valle California’s premises. They generally use recycled materials and fallen trees for repairing the fences.

Plant Supply

The supply of plants comes from the Vivero Mañihuales nursery, owned by the company Forestal Mininco, located in the region of Aysén. The nursery has broad experience in the production of exotic plants and in recent years, has been taking advantage of its greenhouse and irrigation infrastructure, as well as fertilization equipment to produce native plants.

During the 2011 season, 226,500 plants were procured from the nursery. These were divided in the following amounts:

- Coihues: 100,000 plants (*Nothofagus betuloides)*
- Lengas: 71,500 plants (*Nothofagus pumilio)*
- Ñirres: 55,000 plants (*Nothofagus antarctica)*

Total 226,500 plants

Through an exploratory trip by the Forestry Operation Manager, it was established that the Vivero Mañihuales nursery works with transplants from natural nurseries. These plants are deposited in containers and conditioned through controlled temperature, fertilization and irrigation for 1 year.

During the final weeks prior to transportation, the seedlings proceed to "hardening", which involves applying calcium and waiting for the vegetative growth to end and the seedling to become dormant in order to ready them for transport to the field. The nursery must meet this condition that the seedlings are dormant before determining the transport date. In 2011, transport began on April 18th using Patagonia Sur's truck.

The transport boxes hold about 200 seedlings each (the exact number per box depends on their size and foliage). In addition, a gel is applied in order to keep the plants moist during transportation. When the plants arrive at the premises, they are stored in a warehouse to avoid the low temperatures of the area. A Unimoc truck is used to bring the plants nearer to the planting areas. Subsequently, pack horses are used to transport the plants to the planting sites. Each horse can carry around 500 to 800 plants, depending on the plants' size and foliage.

Plant Quality

Plants coming from the nursery must have the shape of the container that held them when they were in the nursery, with fine or secondary roots that look white. Plants must appear without scrapes on the stems or cracked trunks.

The nursery is requested to deliver seedlings with a root/shoot mass ratio that is not less than 2:1, in order to ensure a balance of nutrients and water during transport. Furthermore, the stem must be ligneous with a diameter below 3 millimeters (mm) so that the plant to has a greater potential to withstand extremely cold and snowy conditions.

Damaged plants or those that do not meet the minimal conditions requested are sent back to the nursery for replanting.

Weed control

This task consists in the reduction or elimination of vegetation competing with the species being planted, preventing competition for water, light and nutrients. This activity is needed for proper establishment and growth of the plantation. No chemical weed control will be employed.

Weed control becomes even more relevant considering the topographic restrictions of the area. For proper control, grass weeds must be eliminated in a 30 x 30 centimeter (cm) square where the plant will be located. The bushes in the planting area will not be eliminated. They will be used for the protection of the new plant according to a "plant nursery" technique.

Soil Preparation

This task involves modifying the surface layer of the soil to enhance its physical conditions, thus facilitating the establishment of plants. The soil should be soft and weed-free in a 30 x 30 cm

square, with a depth of 25 cm. This way, the soil can retain the appropriate amount of water, therefore encouraging better root development for plants.

Soil preparation will not be conducted with heavy machinery. Only hand tools, such as, machetes, shovels and brush cutters will be used, if necessary.

Pest Control

The main potential risk from pests to the plantation is the presence of Hares (*Lepus europaeus*) (common name: hares) in the reforestation area. The damage they produce may be significant as they can cut off the tops of plants.

An effective natural control in the population of hares is also expected due to the strong presence of foxes in the area. The extent of the damage caused by hares will be monitored through permanent plots. The first examination of damage from hares yielded the results that the hares are not yet a major factor.

The other problem that will directly affect the plantation is the explosive increase of rodents in the area throughout this year, mainly due to the flowering of the Quila (*Chusquea quila*). The extent of this damage will be monitored through permanent plots.

Planting Methodology

The seedlings will be planted at a density of 1,700 plants per hectare (pl/ha) distributed heterogeneously within standard 100 m^2 plots. Therefore the plantation will not be established in rows, but it will use a system that divides a surface of 100 m^2 in 3 rectangles. 6 plants are placed in the outer rectangles and 5 plants are placed in the center rectangle, totalling 17 plants in 100m^2. This will lead to a consistent density of 1,700 pl/ha (see Figure 2), though in a heterogeneous pattern.

Replanting areas with low survival

Each summer, the forest monitoring information will be updated, principally occurring during the months of January through March. Based on the results obtained during data collection, Patagonia Sur will proceed to plan the replantation of affected areas between the months of April and May. The objective will be to maintain the desired density in each plantation area.

Further Considerations

In order to monitor the appropriate plantation establishment, Patagonia Sur conducts bimonthly tours to correct issues that might be related to the damage produced by hares, frost heaving, twisted plants due to heavy snow, entrance of animals, and to identify the potential mortality issues early and take immediate action.

Patagonia Sur is not using fertilizer on its reforested plantations.

The lifetime of the project activity is estimated to be infinite based on a permanent voluntary easement with conservation purposes which is being placed on the land."[4]

[4] CarbonVerde, LLC, 06 June 2012.

3.1.6 *Project Location*

As stated in the PD, "the initial project activity instance is located in an area known as Valle California, Palena Province in Region X, Chile. All future project activity instances will take place in Regions IX, X, XI, XII and XIV. Agrícola y Forestal SNP Ltda has adopted a "grouped project" approach for this project, because it is expanding throughout southern Chile."[5] As required by VCS, a KML file has been prepared that defines the extent of the geographic area of the expanded program and this is shown in the project description.

3.1.7 *Project compliance with applicable laws, statutes and other regulatory frameworks*

All relevant information on SNP Patagonia Sur's compliance with laws, statutes, and other regulatory frameworks can be found in the supporting document, titled "Sec 1.11 Laws Statutes".

As stated in the PD the following information was confirmed during the validation process.

"1) Land Titles:

Real Estate property in Chile is for the most part privately owned, thus, any transaction regarding ownership is set to be made by private agreements. In this matter the main limitation established by law is in relation with the proper registration of the land title in the Land Registrar (Conservador de Bienes Raíces). This registration is deemed to be the only valid way to transfer property rights of land.

Regarding fiscal land (owned by the state), Decree Law N°1939 of Acquisition, Administration and Disposition of Fiscal Assets (Decreto Ley N° 1939 sobre Adquisición, Administración y Disposición de Bienes del Estado) regulates the cases and conditions in which the State may sell, buy, lease, etc.

All of SNP´s properties in Valle California were privately acquired, with all the required registrations in the Conservador de Bienes Raíces de Chaiten in force.

2) Limitations of Land Use

The main limitation established regarding the properties in Valle California, is the one established in Decree Law N° 3.516 (Decreto Ley N° 3516, Establece Normas sobre División de Predios Rústicos) in relation with Law N° 20.443 of Construction and Town Planning (Ley N° 20.443, Ley General de Urbanismo y Construcción). Thought and enacted as a measure to control the "urbanization" of rural communities, and to protect agriculture, DL N°3516 declares that no rural property located outside of the established areas for urban development shall be divided in plots under 0.5 hectares, and that any new plot product of such subdivision will not be allowed to change its original designation of use, thus, none of these plots shall lose their qualification as land suitable for agriculture, livestock and/or forestry.

All of SNP's properties are subject to and comply with these legal limitations. Further evidence is found in the certificate of compliance given by CONAF regarding the Decree Law 701 (detailed below), which could only be given to properties with an agricultural qualification and suitable features for reforestation. (See supporting document titled "Sec 1.11 Compliance with CONAF")

[5] CarbonVerde, LLC, 06 June 2012.

All of SNP's properties are subject to and comply with these legal limitations.

3) Regulatory Incentives related to Forestry:

a) Decree Law 701 (Decreto Ley N° 701, Fija Regimen Legal de los Terrenos Forestales o Preferentemente Aptos para la Forestación, y establece Normas de Fomento sobre la materia).

This Decree Law establishes incentives for reforestation on degraded land to owners of forest properties (previously qualified as such by the Corporación Nacional Forestal (CORFO)), by subsidizing the cost related to such activities. The reimbursement will be in force after a specific period determined by law, when the authorities confirm the existence and survival of the forested plantations within the frame of conditions previously determined. SNP's reforestation projects costs in Valle California are expected to be partly covered with this mechanism. [NOTE: There is no way to be 100% certain that Patagonia Sur will meet the conditions required with all of the reforestation]. Current reforestation areas in Valle California have either been (i) positively qualified as complying with the conditions established by this Decree Law, or (ii) are in the process of being qualified (applications submitted to this date).

For an explanation of the additionality implications of this subsidy, please refer to Project document Section 2.5, as well as supporting documents, "Section 2.5 Additionality" as well as "Section 2.5 Additionality – Financial Barrier Table".

b) Law N° 20.283 (Ley N° 20.283 sobre Recuperación del Bosque Nativo y Fomento Forestal)

This law was enacted in 2008 and is expected to create the right incentives in order to promote, recover and improve Chile's Native Forest. However, Laws 20.283 and 701 are mutually exclusive. Therefore, the application of Law 20.283 is unfeasible in relation to this project. Additional information on the law can be found in the supporting document, "Sec 1.11 Laws Statutes".

SNP Patagonia Sur declares that all of the above-mentioned laws, rules and decrees, apply to the whole geographic region considered for the initial project activity as well as future project instances."[6]

3.1.8 *Ownership and other programs*

3.1.8.1 Right of use

The validation activities confirmed "all of the areas which are to be reforested as a part of the initial project activity instance are segments of larger properties which have been acquired by SNP Patagonia Sur. Title documents proving purchase of each of the properties have been reviewed and can be found in the supporting PDF document titled "Sec 1.12.1 Proof of Title".

The 20 reforestation lots which represent the project area of the initial project activity instance are located in a single property, El Rosal (998.62 hectares) that is currently owned by Agrícola y Forestal Melimoyu Limitada."[7]

3.1.8.2 Emissions trading programs and other binding limits

[6] CarbonVerde, LLC, 06 June 2012.

[7] CarbonVerde, LLC, 06 June 2012.

Currently, no other emissions trading programs or binding limits exist in the geographic region where this grouped project will be developed.

3.1.8.3 Participation under other GHG programs

The project has not been registered and is not seeking registration under any other GHG programs.

3.1.8.4 Other forms of environmental credit sought or received

The project has not generated, nor does it intend to generate any other form of GHG related environmental credit under the VCS Program.

3.1.8.5 Rejection by other GHG programs

The project has neither applied to receive credits from, nor has it been rejected by any other GHG program.

3.1.9 *Additional information relevant to the project*

3.1.9.1 Eligibility criteria for grouped projects

The PD explains that "this initial project activity instance, as well as all future project activity instances shall:

1. Meet the applicability conditions set out in Version 5.2 of CDM Methodology AR-ACM0001, and therefore be established on degraded or degrading land.

2. Use the tree species and planting methodology described in the document entitled "Sec 1.8 and 4 Plantation Establishment and Monitoring Manual".

3. Apply the technologies or measures in the same manner as specified in the Project Description. This will involve planting trees and following the monitoring regime as described in the document entitled "Sec 1.8 and 4 Plantation Establishment and Monitoring Manual".

4. Be subject to the baseline scenario determined in "Section 2.4 Baseline Scenario" of the Project Description for the specified project activity and geographic area, and therefore be established on land where the primary use was grazing.

5. Have characteristics with respect to additionality that are consistent with that of the first instance in Valle California, as described in the document entitled "Section 2.5 Additionality".

6. Take place within the geographic are defined for this grouped project, Patagonian provinces of Chile, Regions IX, X, XI, XII and XIV."[8]

3.1.9.2 Leakage management for AFOLU projects

In accordance with the applicability conditions of the required tool: "Estimation of the increase in GHG emissions attributable to displacement of pre-project agricultural activities in A/R CDM project activity", the project utilized the "Guidelines on conditions under which increase in GHG

[8] CarbonVerde, LLC, 06 June 2012.

emissions related to displacement of pre-project grazing activities in A/R CDM project activity is insignificant" to demonstrate that leakage in the initial project activity instance is insignificant. These assertions were confirmed during the validation event. For evidence of the use of this tool and its guidance, please see the supporting document entitled "Sec 1.13 Leakage Statement".

The VCS Non-Permanence Risk Analysis determined an overall risk rating of 15% for the project. This rating of 15% signifies that the Project Proponent must hold a minimum of 15% of credits in a pooled AFOLU buffer account. However, SNP Patagonia Sur is going beyond this minimum to hold 20% of credits in the pooled AFOLU buffer account. The supporting document titled "Sec 1.13 Non-Permanence Risk" demonstrates the use of this tool and estimates a minimum of 14,313 credits will be held in the pooled AFOLU buffer account.

3.1.9.3 Commercially Sensitive Information

There is no commercially sensitive information within the PD that will be excluded from the publicly issued PD.

3.1.9.4 Further Information

There is no further additional information, which would have a bearing on the eligibility of the project, relating to net GHG emissions reductions or removals or quantification of net GHG emissions reductions or removals, that has not been included in the PD and its supporting documentation.

3.2 Application of Methodology

3.2.1 *Title and Reference*

The project is applying the CDM Consolidated afforestation and reforestation baseline and monitoring methodology, AR-ACM0001: "Afforestation and reforestation of degraded land," Version 5.2.0.

3.2.2 *Applicability*

The validation confirmed the project met the following applicability conditions of AR-ACM0001[9]:

"1. The A/R CDM project activity is implemented on degraded lands, which are expected to remain degraded or to continue to degrade in the absence of the project, hence the land cannot be expected to revert to a non-degraded state without human intervention."

As demonstrated by the supporting document titled, "Sec 2.5 Additionality," the area in which the project has been implemented was historically used for grazing, and has become degraded to the extent that it is now minimally useful for grazing livestock. Were it not for the project and carbon financing, inefficient grazing would continue at low productivity, and additional degradation of the project area would take place due to continued presence of livestock on the property.

The latest version of the "Tool for the identification of degraded or degrading lands for consideration in implementing A/R CDM project activities" was applied to demonstrate

[9] AR-ACM0001: Afforestation and reforestation of degraded land --- Version 5.2.0

that the project area lands are degraded and degrading. See supporting document titled "Sec 2.2 Degradation", for evidence of the use of this tool.

"2. If at least a part of the project activity is implemented on organic soils, drainage of these soils is not allowed and not more than 10% of their area may be disturbed as result of soil preparation for planting."

Neither the initial project activity instance, nor its future project activity instances will take place on organic soils.

"3. The land does not fall into wetland category."

Neither the initial project activity instance, nor its future project activity instances will take place on wetlands.

Because the project scenario will not account for soil organic carbon as a carbon pool (see page 1 of the supporting document titled "Sec 3 Baseline Procedure Document"), the methodology states that the project is exempt from the additional applicability conditions.

3.2.3 *Project Boundary*

The initial project activity instance is comprised of 20 individual reforestation lots, VC_1 – VC_20, totalling 136.65 hectares. Each lot is described in the following table and shown on the maps included in the PD.

Valle California Reforestation Project					
Reforestation Lot*	**Forestation year**	**Density (trees/ha)**	**Species planted**	**No. of trees planted**	**Hectares****
VC_1	2010	1300	70% Coihue and 30% Ñirre	1196	0,92
VC_2	2010	1300	70% Coihue and 30% Ñirre	2028	1,56
VC_3	2010	1300	70% Coihue and 30% Ñirre	221	0,17
VC_4	2010	1300	70% Coihue and 30% Ñirre	3744	2,88
VC_5	2011	1700	100% Nirre	4607	2,71
VC_6	2010	1300	90% Coihue and 10% Ñirre	19513	15,01
VC_7	2010	1300	70% Coihue and 30% Ñirre	3900	3
VC_8	2010	1300	70% Coihue and 30% Ñirre	6526	5,02
VC_9	2010	1300	70% Coihue and 30% Ñirre	5473	4,21
VC_10	2011	1700	100% Lenga	72760	42,8
VC_11	2012	1700	100% Lenga	1938	1,14
VC_12	2012	1700	100% Lenga	3400	2
VC_13	2012	1700	100% Coihue	2924	1,72
VC_14	2012	1700	100% Coihue	901	0,53
VC_15	2012	1700	100% Coihue	5474	3,22
VC_16	2012	1700	100% Lenga	25330	14,9
VC_17	2012	1700	100% Coihue	2414	1,42
VC_18	2012	1700	100% Coihue	2533	1,49
VC_19	2011	1700	100% Ñirre	14042	8,26
VC_20	2010	1300	70% Coihue and 30% Ñirre	30797	23,69
			Total	209.721	136,65

The above-mentioned reforestation lots are in Valle California within the boundaries of the property El Rosal, which is detailed in Section 1.12.1 of the Project Description. Details of each property's land title can also be found in Section 1.12.1 of the Project Description. Valle California and El Rosal are shown on the included maps. For a detailed map of each lot, and the boundaries of the entire Valle California property, the supporting KML file titled "Sec 2.3 Project Boundaries" was provided to the validator.

Boundaries were confirmed on the site visit for the current instance, and the geographic area boundary for the grouped project was confirmed to be consistent with the requirements for VCS grouped projects.

3.2.4 *Baseline Scenario*

Based on validator research, review of project documents and site visits conducted, the findings support the justification that the baseline land use scenario without the project will continue to be grasslands for livestock use. The lands are part of degraded lands that have undergone historic burning to clear lands for livestock grazing, which further caused soil loss and degradation.[10] According to the PD, "regeneration of the forest has not been possible due to the constant overgrazing and trampling by animals, which prevents the reestablishment of the original vegetation.

The loss of productivity of the properties has led to a decrease in the incomes from livestock activities of many landowners, and thus to the abandonment of some land. This abandonment has contributed to the abundant regeneration of Radal (Lomatia hirsuta), a shrub, but to a lesser extent Ñirre, Coihue, Lenga and some shrub species such as Berberis, Baccharis and Rosa moschata."[11]

3.2.5 *Additionality*

The methodology requires the use of the "Combined tool to identify the baseline scenario and demonstrate additionality in A/R CDM project activities," and details of its use can be found in the supporting document titled "Section 2.5 Additionality."

The validator confirmed that "the two credible land uses are livestock grazing and reforestation without VCS registration/carbon finance. Both of these land use scenarios are credible alternatives to the development of a VCS ARR project. Ultimately, reforestation without the implementation of a VCS ARR project is prevented due primarily to large financial barriers to independently reforesting the land. Even with the potential subsidy provided through Decree Law 701 (See Section 1.11 of the Project Description on the applicability of Decree Law 701), a reforestation project remains prohibitively expensive due to the long period of tree growth time before benefits can be realized. The Baseline Scenario, following the barrier analysis, is determined as livestock grazing. Currently, the only other registered afforestation project in Chile is a small scale CDM project involving the plantation of non-native Pine trees in Region VI of Central Chile. Another potential, but yet unregistered project in Region X of Chile *consists of planting 489.52 hectares of* Ponderosa pine in a managed forest that is thinned in Year 20 and

[10] Quintanilla, V (2005): "Degradacion del bosque nordpatagonico en la cuenca superior del Rio Palena (43°S)". Geographicalia, 47, Pp. 47-68 (Provided in translated English to the validator).

[11] CarbonVerde, LLC, 06 June 2012.

harvested in Year 40. As the project is a non-native, monoculture plantation, which is grown for the sake of timber, it is significantly different from that of Patagonia Sur's, maintaining the additionality of this reforestation project. *Patagonia Sur's proposed VCS ARR project is unique in the reforestation of trees native to Chile.*

Essential distinctions can be made between SNP Patagonia Sur's proposed ARR project and the projects mentioned above. Therefore, the proposed ARR project activity is not the baseline scenario, and it is additional."[12]

3.2.6 *Quantification of GHG Emission Reductions and Removals*

3.2.6.1 *Quantification of baseline emissions*

The validator confirmed that "baseline Emissions have been estimated in accordance with the AR-ACM0001 Baseline Methodology Procedure, Sections II-4, II-4.1, and II-4.2. The procedure for quantifying baseline emissions or removals entailed sampling biomass within the project boundary to estimate total stocks and then estimating change over the crediting period following the procedure detailed in Section II-4 of AR-ACM0001 Version 5.2.0.

Under the applicability conditions of this methodology:

- Changes in carbon stock of above-ground and below-ground biomass of non-tree vegetation may be conservatively assumed to be zero for all strata in the baseline;
- It is expected that the baseline dead wood and litter carbon pools will not show a permanent net increase. It is therefore conservative to assume that the sum of the changes in the carbon stocks of dead wood and litter carbon pools is zero for all strata in the baseline scenario;
- Since carbon stock in SOC is unlikely to increase in the baseline, the change in carbon stock in SOC may be conservatively assumed to be zero for all strata in the baseline scenario.

The results of this analysis found no trees within the baseline scenario, and thus net removals from trees are zero. Shrub crown cover was less than 5% of the project area, thus the guidance allows this factor to be considered negligible. Patagonia Sur has chosen to proceed with estimating the removals from shrubs. Baseline carbon stock in shrubs was also determined using the same tool. The baseline stock was determined to be 515.8 tonnes of CO_2-equivalent. This low number underscores the extent to which this landscape is deforested."[13]

3.2.6.2 *Quantification of project emissions*

The validator has confirmed that "Project Emissions have been estimated in accordance with the AR-ACM0001, Sections II-5, II-5.1, and II-5.2. SNP Patagonia Sur concluded that there is no increase in GHG emissions as a result of implementation of the proposed project activity."[14]

[12] CarbonVerde, LLC, 06 June 2012.

[13] CarbonVerde, LLC, 06 June 2012.

[14] CarbonVerde, LLC, 06 June 2012.

3.2.6.3 Quantification of leakage

"In accordance with the applicability conditions of the required tool: "Estimation of the increase in GHG emissions attributable to displacement of pre-project agricultural activities in A/R CDM project activity", SNP Patagonia Sur utilized the "Guidelines on conditions under which increase in GHG emissions related to displacement of pre-project grazing activities in A/R CDM project activity is insignificant" to demonstrate that leakage in the initial project activity instance is insignificant.

Due to this assessment of insignificance, Equation (7) of the Baseline Methodology Procedure was not used to calculate leakage."[15] These assertions were confirmed during validation.

3.2.6.4 Summary of GHG emission reductions or removals

The validator confirmed "Net GHG Emission Reductions and Removals have been estimated in accordance with the AR-ACM0001 Baseline Methodology Procedure, Sections II-7 and II-7.1. The results of this determine that Net GHG Emission Reductions or Removals for the 80-year project crediting period are estimated at 94,905.33 t CO_2-e."[16]

3.2.6.5 Uncertainties associated with the calculation of emissions

The validator confirmed there are no deductions associated with uncertainty. "SNP Patagonia Sur followed the "Guideline on conservative choice and application of default data in estimation of the net anthropogenic GHG removals by sink", to results in conservative. To ensure the net anthropogenic GHG removals by sinks to be measured and monitored precisely, credibly, verifiably, and transparently, a quality assurance and quality control (QA/QC) procedure has been implemented.

The plan that describes specific QA / QC procedures will be presented in the following:

a) Standard Operating Procedures (SOP) for data collection that will be established for all procedures such as: GIS analysis; field measurements; data entry; data documentation and data storage
b) Training courses will be held for all relevant personnel on all data collection and analysis procedures (to manage and calibrate the various measuring instruments (caliper, diametric tape, hypsometer, compass, GPS, etc).
c) Steps will be taken to control for errors in the sampling and data analysis to develop a credible plan for measuring and monitoring carbon stock and change in the project context. The same procedures shall be used during the project life to ensure continuity."[17]

3.2.7 *Methodology Deviations*

The validation confirmed that there are no deviations from the methodology.

[15] CarbonVerde, LLC, 06 June 2012.

[16] CarbonVerde, LLC, 06 June 2012.

[17] CarbonVerde, LLC, 06 June 2012.

3.2.8 *Monitoring Plan*

The following are the primary data and parameters that were monitored prior to, and made available and assessed during validation:

- Location of project area
- Boundary of project area
- Area of project area/plots
- Baseline trees/shrubs
- Baseline tree circumference/diameter at root collar/crown cover
- Baseline shrub crown cover
- Baseline strata
- Age of plantation
- Project trees
- Number of trees
- DRC
- Height
- Biomass allometric equations, coefficients, ratios and parameters
- Animal damage
- Survival rate
- Total CO2

The monitoring plan, procedures and equipment were comprehensive and were found to be applicable to the parameters monitored. They were appropriately designed and provided reasonable assurance that the sequestration occurring from GHG sources, sinks, and reservoirs was (baseline) and will be (project scenario) accurately assessed. In accordance with the conditions of the approved baseline and monitoring methodology AR-ACM0001, project emissions were considered insignificant and therefore neglected. SNP Patagonia Sur is responsible for the registration, monitoring, measurement, and reporting of sequestration, within the timeframe required by VCS-AFOLU-ARR requirements.

3.3 Environmental Impact

In addition to the sequestration of carbon, the *Reforestation of Degraded Lands in the Valle California of Patagonia, Chile* project creates several environmental co-benefits.

The validation confirmed that “as SNP Patagonia Sur’s efforts both reforest riparian areas and those near more mature secondary forested areas, the project will create and expand habitat for local biodiversity and improve the health of the Tigre River which flows within Valle California. The carbon offset project creates an alternative source of income derived from the land. As cattle are removed and the forest is re-established, habitat for the following key species is created:

- Puma (*Puma concolor*)
- Kodkod (*Oncifelis guigna*) - a type of leopard
- Huemul (*Hippocamelus bisulcus*) - a small deer
- Andean Condor (*Vultur grifus*)
- Magellanic Woodpecker (*Campephilus magellanicus*)
- Southern river otter (*Lontra provocax*)
- Rufous-legged Owl (*Strix rufipes)*
- Various species of Buzzard (*Buteo sp*)

Many of these species are considered vulnerable to extinction and are thus in critical need of conservation. The Reforestation and Biodiversity Project supports all of these species in expanding areas they can inhabit and by connecting forested islands.

Finally, the National Forest Corporation of Chile (CONAF) characterized the soil within Valle California as degrading, and therefore recommended reforestation to stabilize the fragile and deteriorating soils. As they are reforesting riparian areas of the Tigre River, it is expected that water quality within the river will improve.

As part of the by-laws of the *Servidumbre ecologica,* which is similar to a conservation easement, Patagonia Sur will monitor the environmental impact of its activities at regular intervals."[18]

3.4 Comments by stakeholders

The validation confirmed that comments from stakeholders were appropriately documented and were found to be overwhelmingly positive. Representatives of several families who are former owners of land that now belongs to SNP Patagonia Sur, and owners of adjacent land, sent letters of support for *Reforestation of Degraded Lands in the Valle California of Patagonia, Chile*. Translations of these letters were provided to validators.

[18] CarbonVerde, LLC, 06 June 2012.

4 VALIDATION CONCLUSION

ESI confirms all validation activities including objectives, scope and criteria, level of assurance and the PD adherence to the VCS Standard (v3 and updates) as documented in this report are complete. ESI concludes without any qualifications or limiting conditions that *Reforestation of Degraded Lands in the Valle California of Patagonia, Chile* dated 06 June 2012 meets the requirements of the VCS Standard (v3 and updates).

Report Submitted to:	Voluntary Carbon Standard Association 1730 Rhode Island Ave. NW Suite 803 Washington, D.C. 20036 Agrícola y Forestal SNP Ltda, 515 Madison Avenue Suite 1500 New York, NY 10022
Report Submitted by:	Environmental Services, Inc. Corporate Office 7220 Financial Way, Suite 100 Jacksonville, Florida 32257
ESI Lead Validator Name and Signature:	 Shawn McMahon Lead Validator
ESI Division Regional Technical Manager Name and Signature:	 Janice McMahon Vice President and Forestry, Carbon and GHG Division Regional Technical Manager
Date:	18 June 2012

5 APPENDIX A

- Received from client on 2011-12-21
  - PIN_Patagonia Sur.pdf
- Received from client on 2012-02-01
  - Firm7.pdf
  - Firm8.pdf
  - Sec 2.3 Project Boundaries.kmz
  - Sec 5 Env Impact - Estudio Línea Base VC .pdf
  - Firm1.pdf
  - Firm2.pdf
  - Firm3.pdf
  - Firm4.pdf
  - Firm5.pdf
  - Firm6.pdf
- Received from client on 2012-02-06
  - Sec 2.3 Completed Project Boundary Template.pdf
  - Sec 2.3 Procedures to demonstrate eligibility.pdf
  - Sec 2.3_Relevant_GHG_Sources.doc
  - Sec 2.5 Additionality _Proof of Prior Consideration of Carbon Offsets Business.pdf
  - Sec 2.5 Additionality.pdf
  - Sec 3 Baseline Procedure Document.pdf
  - Sec 3 Tool for Estimation of carbon stocks and change of carbon stocks of trees and shrubs.pdf
  - Sec 3_Supporting Data (Divya Mankikar's conflicted copy 2012-01-26).xls
  - Sec 3_Supporting Data.xls
  - Sec 1.1 to 1.4 Project Proponent and Other Participant Entities.pdf
  - Sec 1.5 Project Start Date.pdf
  - Sec 1.7 Estimated Ex-Ante Emissions Reductions.xlsx
  - Sec 1.8 and 4 Plantation Establishment and Monitoring Manual.pdf
  - Sec 1.8 Conservation Easement Draft.pdf
  - Sec 1.11 Laws Statutes and 2.5 Additionality_ Urban Development Law.pdf
  - Sec 1.11 Laws Statutes and 2.5 Additionality_IRS Certificate.pdf
  - Sec 1.12.1_Proof of title.pdf
  - Sec 1.13 Leakage Statement.pdf
  - Sec 1.13 Non-Permanence Risk.pdf
  - Sec 2.2 Quintanilla_Palena Paper.pdf
  - Sec 2.2_Degradation_DM.pdf
  - Sec 3 Baseline Procedure Document.pdf
  - Sec 3 Tool for Estimation of carbon stocks and change of carbon stocks of trees and shrubs.pdf
  - Sec 3_Supporting Data (Divya Mankikar's conflicted copy 2012-01-26).xls
  - Sec 3_Supporting Data.xls
  - Sec 1.1 to 1.4 Project Proponent and Other Participant Entities.pdf
  - Sec 1.5 First_Contract_Forestal Mininco.pdf
  - Sec 1.5 Project Start Date.pdf
  - Sec 1.7 Clarification of Small Scale Project Requirements.pdf
  - Sec 1.7 Estimated Ex-Ante Emissions Reductions.xlsx
  - Sec 1.8 and 4 Plantation Establishment and Monitoring Manual.pdf
  - Sec 1.8 Conservation Easement Draft.pdf
  - Sec 1.9 Map of Project Area Within Region X.pdf
  - Sec 1.11 Laws Statutes and 2.5 Additionality_ Urban Development Law.pdf
  - Sec 1.11 Laws Statutes and 2.5 Additionality_IRS Certificate.pdf
  - Sec 1.11 Laws Statutes_AO.docx

  - Sec 1.11_Compliance with CONAF_AO.pdf
  - Sec 1.12.1 Proof of title
  - Sec 1.12.1_Proof of title.pdf
  - Sec 1.13 Leakage Statement.pdf
  - Sec 1.13 Non-Permanence Risk.pdf
  - Sec 2.2 Quintanilla_Palena Paper.pdf
  - Sec 2.2_Degradation_DM.pdf
  - Sec 2.3 Completed Project Boundary Template.pdf
  - Sec 2.3 Procedures to demonstrate eligibility.pdf
  - Sec 2.3 Project Boundaries.docx
  - Sec 2.3_Relevant_GHG_Sources.doc
  - Sec 2.5 Additionality - Financial Barrier Table.xls
  - Sec 2.5 Additionality _Proof of Prior Consideration of Carbon Offsets Business.pdf
  - Sec 2.5 Additionality.pdf
- Received from client on 2012-02-07
  - Patagonia Sur ARR VCS Grouped Project Description.pdf
- Received from client on 2012-02-09
  - Sec 5 Env Impact - Estudio L+¡nea Base VC .pdf
  - Sec 5 Environmental Impact.docx
  - Sec 6 Comments from Stakeholders.doc
  - MACOSX
  - Sec 6 Stakeholder comments
  - Sec 1.9 Project Location_Regional Maps.kmz
  - Sec 2.3 Project Boundaries.kmz
  - Sec 4 Monitoring.doc
- Received from client on 2012-02-20
  - forms_V.California_Chile.xlsx
- Received from client on 2012-02-21
  - Verification Summary_PatSur_21Feb2012.pdf
  - ATT00001.htm
  - ATT00002.htm
  - ATT00003.htm
  - image.gif
  - Parameters Monitored_14Feb2011.xlsx
- Received from client on 2012-02-21
  - Sec 1.12.1 Proof of title.pdf
  - Copy of Sec 3_Supporting Data.xls
  - Patagonia Sur ARR VCS Grouped Project Description_2-23-2012.docx
  - Sec 1.8 and 4 Plantation Establishment and Monitoring Manual.pdf
  - Sec 1.9 Project Location_ Regional Maps.kmz
- Received from client on 2012-03-02
  - Patagonia Sur ARR VCS Grouped Project Description_2-23-2012.docx
  - Monitoring Report.pdf
- Received from client on 2012-03-16
  - Section 1.1. and 1.2 _Project Proponent and Other Entities Involved in the Project.pdf
  - 2012-03-16_Validation_Round_1_NCRs_final.xlsx
  - Patagonia Sur ARR VCS Grouped Project Description_3-16-2012.docx
  - Sec 1.7 Estimated Ex-Ante Emissions Reductions.xlsx
  - Sec 1.8 Conservation Easement Draft.pdf
  - Sec 1.12.1 Proof of title.pdf
  - Sec 1.13 External Risk calculation.xlsx
  - Sec 1.13 Non Permanence Risk_Version 3.2.pdf
  - Sec 3 Tool for Estimation of carbon stocks and change of carbon stocks of trees and shrubs_revised.pdf
  - Sec 3_Supporting Data1.xls

  - Sec.1.12.1_Proof of title_Survey.pdf
- Received from client on 2012-03-18
  - Forms_VC.xlsx
  - Sec 1.9 Project Location_ Regional Maps.kmz
  - TXT.rtf
  - VCS Monitoring Report .doc
  - 2012_03_16_Verification_Round_1_NCRs_CLs.xlsx
  - Carbon Study_Final Report.pdf
  - CONAF FIRE DATA.xls
- Received from client on 2012-04-18
  - Sec 3_Supporting Data.xls
  - 2012-4-18_Validation_Round_2_NCRs_CLs .xlsx
  - Cash Flow Statement.pdf
  - Holocene tephrochronology of the southernmost part (42°30'-45°S) of the Andean Southern Volcanic Zone.pdf
  - Mininco Invoice.pdf
  - Patagonia Sur ARR VCS Grouped Project Description_4-16-2012.docx
  - Sec 1.1 Ecoregions classification_Lavandero, Gastó y Rodrigo, Santiago, Chile, 1994..pdf
  - Sec 1.11 Laws Statutes.pdf
  - Sec 1.13 Non Permanence Risk_Version 3.2.doc
  - Sec 2.3 Valle California Satellite Image_1981.jpg
  - 3 Baseline Procedure Document_Revised.doc
- Received from client on 2012-04-21
  - 2012-4-18_Validation_Round_2_NCRs_CLs.xlsx
  - VCS Monitoring Report_4_20_2012 .doc
- Received from client on 2012-05-09
  - 1.13 Non Permanence Risk_Version 3.2.doc
  - ATT00001.htm
  - ATT00002.htm
  - ATT00003.htm
  - ATT00004.htm
  - Patagonia Sur ARR VCS Grouped Project Description_5-9-2012.docx
  - Sec 1.1 Ecoregions Classification_Lavandero Gastó y Rodrigo Santiago_English.pdf
  - Sec 1.8 Contract about an Agreement for the Development of a Sustainable and Restricted Real Estate Project.pdf
  - Sec 1.13 External Risk calculation.xlsx
- Received from client on 2012-05-18
  - 2012_04_20_Verification_Round_2_ncrS_cls.xlsx
- Received from client on 2012-05-22
  - Sec 1.1 and 1.2_Project Proponent and Other Entities Involved.pdf
- Received from client on 2011-05-23
  - Reforestation_Project_VC_final.xls
  - Sec 3_Supporting Data.xls
  - VCS Monitoring Report_4_20_2012 .doc
  - Patagonia Sur ARR VCS Grouped Project Description_5-9-2012.docx
- Received from client on 2012-05-25
  - Forms_Biomass_Calc_05_25_12.xlsx
  - Patagonia Sur ARR VCS Grouped Project Description_5-9-2012.docx
  - Patagonia Sur ARR VCS Grouped Project Description_5-25-2012.docx
  - Sec 1.1 Ecoregions Classification_Lavandero Gastó y Rodrigo Santiago_Annex 1_Map .pdf
  - Sec 3_Supporting Data.xls
  - VCS Monitoring Report_5_25_2012 .doc
- Received from client on 2012-05-31

  - Cash Flow for Validators_31 May.xls
  - Sec 1.13 Non Permanence Risk_31 May.doc
- Received from client on 2012-06-05
  - Patagonia Sur ARR VCS Grouped Project Description_6-5-2012.docx
  - Sec 1.7 Reforestation_Forecasting_Calculation.xls
  - Sec 3_Supporting Data.xls
- Received from client on 2012-06-06
  - Patagonia Sur ARR VCS Grouped Project Description_6-5-2012.docx
  - Patagonia Sur ARR VCS Grouped Project Description_Final.pdf
  - Sec 1.7 Reforestation_Forecasting_Calculation.xls
  - Sec 3_Supporting Data.xls

6 APPENDIX B

Patagonia Sur - VCS Validation Non-Conformity Report Summary - 18 June 2012

Item Number	VCS Standard 3.2 Requirements (01 February 2012)	Applicability to the Project (Y or N/A)	Requirement Met (Y or N)	Location in PD or Supporting Documents	NCR/CL/OFI	Response from Client	ESI Comments & NCR/CL/OFI	Response from Client	ESI Comments & NCR/CL/OFI	Response from Client	ESI Comments & NCR/CL/OFI	Response from Client	ESI Comments & NCR/CL/OFI	NCRs/CLs from 31 May 2012 Email	Response from Client	ESI Comments & NCR/CL/OFI	NCRs/CLs from 06 June 2012 Email	ESI Comments & NCR/CL/OFI	NCR/CL/OFI Satisfied (Y or N)
	2.2 Language																		
1	The operating language of the VCS Program is English. The project description, validation report, monitoring report, verification report and all other project documentation (including all and any appendices) required under the VCS Program shall be in English.	y	y	General	Certain documents have been provided to the verifier in Spanish. While some are translated to English, as required by VCS please ensure any and all documents, appendices, monitoring report, etc., that will be part of the final project package are in English. **Please note that not everything provided to the verifier is or should be considered an appendix.*	Patagonia Sur has gone through documents shared and ensured they are all in English.	It appears the final project documents are in English. Issue addressed.												Y
	3.4.1 General Requirements																		
2	3.4.2 Grouped projects shall have one or more clearly defined geographic areas within which project activity instances may be developed. Such geographic areas shall be defined using geodetic polygons as set out in Section 3.11 below.	y	y	Section 1.9	The geographic area for all project activity instances (current and future) is defined as Chile regions IX, X, XI and XIV. During the site visit, the client discussed potentially adding additional regions. If this is desired, please add to the PD and include in the KML files.	All of the geographic regions for the group project are detailed in the document in section 1.1., 1.2 and 1.9 and the required kmz file has been uploaded to the dropbox shared folder as Sec 1.9 Project Location_ Regional Maps	The PD has been revised to include Region XII. The latest KML file of the project we have was provided on 2/9/2012; the shapes of the areas do not seem to exactly match the project areas for the current instances in the new PD. Please provide an updated KML file.	The relevant maps have been copied into Section 2.3.	The map in the PD was incorrect, so the revised PD now incorporates a new map depicting shapes consistent with those provided in the previous KML file. Issue addressed.										Y
3	3.4.3 Determination of baseline scenario and demonstration of additionality are based upon the initial project activity instances. The initial project activity instances are those that are included in the project description at validation and shall include all project activity instances currently implemented on the issue date of the project description. The initial project activity instances may also include any planned instances of the project activity that have been planned and developed to a sufficient level of detail to enable their assessment at validation. Geographic areas with no initial project activity instances shall not be included in the project unless it can be demonstrated that such areas are subject to the same (or at least as conservative) baseline scenario and rationale for the demonstration of additionality as a geographic area that does include initial project activity instances.	y	y	PD section 2.4 and 2.5 and "Section 2.5 additionality.pdf"	Although the narrative in both the PD and supporting document "Section 2.5 additionality.pdf" provides a convincing argument for the baseline scenario and additionality of the current instances, it appears to focus on the current instances and does not sufficiently detail the geographic region defined for all future and current instances. Please provide additional discussion supporting that all areas within the geographic boundary share the same (or at least conservative) baseline scenario and rationale for the demonstration of additionality.	A description of the commonalities unifying the Regions into one Geographic Area is in a new document titled " ".	This appears to be an incomplete response. Please provide.	Clarification has been made in the PD document. Such affirmation is based on the classification on the document uploaded to the dropbox folder as "Sec 1.1 Ecoregions classification_Lavandero, Gastó y Rodrigo, Santiago, Chile, 1994.". Translation still pending.	The validator did not see any changes to Section 2.4 and 2.5 of the PD. However, result of NCR is pending review of translated supporting document.	The translated document was been uploaded under the title "Sec. Sec 1.1 Ecoregions Classification_Lavandero Gastó y Rodrigo Santiago_English.pdf". No changes were made to Section 2.4 and 2.5, but the common geographic region is addressed in Section 1.1. with the following statement. "According to the ecoregions classification proposed by Lavanderos, Gastó y Rodrigo, the five regions considered for future project activity instances belong to the temperate kingdom. (Lavanderos et al, 1994)[1]"	The translation of the document to english provides a description of the 4 types of In this domain, in Chile, there are four provinces: i) Humid Cool and Mesic Summer or Los Lagos ii) Humid Cool Summer or Valdivia iii) Humid Cold Summer or Alacalufe and iv) Humid Hot Summer or Pascua (Letter of Ecoregions in Chile). It is unclear how these relate to the provinces stated in the PD. Please clarify. Further, if this clarification can be made, this only speaks to the similarity of ecoregion and not the common baseline and additionality aspects of the proposed areas as required by the Standard. In the "additionality" document, please also provide a discussion of how the baseline and additionality aspects are similar in all the regions the project is proposing to include.	Per the 23 May 2012 email: "This paragraph has been added to "Patagonia Sur ARR VCS Grouped Project Description_5-9-2012" section 1.1" From Alejandro Orizola's email of 25 May 2012: "• The "attached documentation" reference will be corrected as it was related to information already included in the PD document. • A new annex to section 1.1. will be uploaded to dropbox folder including the map identified as Figure I. Is our understanding that such map along with the added text to section 1.1. of the PD Document should be enough to relate the geographical regions (as project instances) and the temperate eco regions. If a new map is required please let us know."	Per the 22 May 2012 Meeting Summary email from Caitlin: "For new instances, Divya to give an overall description of baseline and additionality and ensure eligibility criteria is stated clearly in the Grouped Project Eligibility Requirements Section" "Make sure the content of the translated document is related to the specific project instance region - map or language to relate areas to be provided by Alejandro" 31 May 2012- Alejandro provided the missing map; they added a general summary so Section 1.1, generally stating that though the baseline conditions may differ within the project area, no areas will be added as project instances unless they meet the eligibility criteria for baseline and additionality *- we need to understand the map language to see if it conflicts with the temperate areas.*	Map provided appears to depict "Tundra," which would not be classified as "Temperate." However, if the eligibility criteria limit new Project Instances to Temperate areas, then this should be okay.	The PD has been updated to include language in criteria #6 of Section 1.13 Eligibility Criteria, specifying that future instances will occur in Temperate climates.	OK - confirmed.			Y
4	3.4.5 The baseline scenario for a project activity shall be determined for each designated geographic area, in accordance with the methodology applied to the project. Where a single baseline scenario cannot be determined for a project activity over the entirety of a geographic area, the geographic area shall be redefined or divided such that a single baseline scenario can be determined for the revised geographic area or areas.	y	y	PD section 2.4 and 2.5 and "Section 2.5 additionality.pdf"	Please see NCR/CL #2 above and ensure this Section 3.4.5 is met for the project in relation to newly added areas.	The baseline scenario for future instances will be analyzed at the time of their Validation.	The PD has been revised to include Region XII to the project area, and the current project instance remains the same. The response is acceptable according to VCS Requirements. Issue addressed.		y										Y
5	3.4.6 additionality of the initial project activity instances shall be demonstrated for each designated geographic area, in accordance with the methodology applied to the project. Where the additionality of the initial project activity instances within a particular geographic area cannot be demonstrated for the entirety of that geographic area, the geographic area shall be redefined or divided such that the additionality of the instances occurring in the revised geographic area or areas can be demonstrated.	y	y	PD section 2.4 and 2.5 and "Section 2.5 additionality.pdf"	Please see NCR/CL #2 above and ensure this Section 3.4.6 is met for the project in relation to newly added areas.	The additionality for future instances will be analyzed at the time of their Validation.	This is acceptable according to VCS Requirements. Issue addressed.		y										Y
6	3.4.7 Where factors relevant to the determination of the baseline scenario or demonstration of additionality require assessment across a given area, the area shall be, at a minimum, the grouped project geographic area. Examples of such factors include, inter alia, common practice; laws, statutes, regulatory frameworks or policies relevant to demonstration of regulatory surplus; determination of regional grid emission factors; and historical deforestation and degradation rates.	y	y	PD section 2.4 and 2.5 and "Section 2.5 additionality.pdf"	Please see NCR/CL #2 above and ensure this Section 3.4.7 is met for the project in relation to newly added areas.	A statement was added to Section 1.11 Law Statutes declaring that the laws, regulations, and statutes apply equally to all regions within the geographic area of this project activity.	The latest version of "Section 1.11 Law Statutes" from the shared folder is dated 2/10/2012. A new version did not appear to be provided. If already provided please resend.	Statement was made in "Patagonia Sur ARR VCS Grouped Project Description_4-16-2012"	The validator did not locate statement in the revised PD either. However, this statement was identified at the bottom of the newly provided "Sec 1.11 Laws Statutes.pdf". Also pending review of Spanish document.	The following statement has been added to Section 1.11 of the PD: "SNP Patagonia Sur declares that all of the above-mentioned laws, rules and decrees, apply to the whole geographic region considered for the initial project activity as well as future project instances."	Addressed.								Y
	3.4.9 Eligibility Criteria																		
7	5) Have characteristics with respect to additionality that are consistent with the initial instances for the specified project activity and geographic area (eg, the new project activity instances have financial, technical and/or other parameters consistent with the initial instances, or face the same investment, technological and/or other barriers as the initial instances).	y	y	PD Sections 1.3, 2.4 and 2.5 and "Section 2.5 additionality.pdf"		As per Item No. 2, the future instances are part of the same geographic area, and their additionality will be analyzed at the time of their Validation.	The PD has been revised to include Region XII to the project area, and the current project instance remains the same. The response is acceptable according to VCS Requirements. Issue addressed.												Y
	3.4.12 Project Description for Grouped Projects																		
8	1) A delineation of the geographic area(s) within which all project activity instances shall occur. Such area(s) shall be defined by geodetic polygons as set out in Section 3.11 below.	y	y	PD Section 1.9	Please see NCR/CL #2 above and ensure this Section 3.4.12 1) is met for the project in relation to newly added areas.	The grouped project represents a single geographic area. All of the Regions included in this grouped project are detailed in the document in section 1.1., 1.2 and 1.9 and the required kmz file has been uploaded to the dropbox shared folder as Sec 1.9 Project Location_ Regional Maps	The PD has been revised to include Region XII. The latest KML file of the project we have was provided on 2/9/2012; the shapes of the areas do not seem to exactly match the project areas for the current instances in the new PD. Please provide an updated KML file.	Same as 2	The map in the PD was incorrect, so the revised PD now incorporates a new map depicting shapes consistent with those provided in the previous KML file. Issue addressed.										Y
9	2) One or more determinations of the baseline for the project activity in accordance with the requirements of the methodology applied to the project.	y	y	PD Section 1.9	Please see NCR/CL #2 above and ensure this Section 3.4.12 2) is met for the project in relation to newly added areas.	The newly added area is part of the same geographic area. Also please see comment for NCL/CL #4 above.	The PD has been revised to include Region XII to the project area, and the current project instance remains the same. The response is acceptable according to VCS Requirements. Issue addressed.												Y
10	3) One or more demonstrations of additionality for the project activity in accordance with the requirements of the methodology applied to the project.	y	y	PD Section 1.9	Please see NCR/CL #2 above and ensure this Section 3.4.12 3) is met for the project in relation to newly added areas.	The newly added area is part of the same geographic area. Also, please see Comment for NCR/CL #5 above.	This is acceptable according to VCS Requirements. Issue addressed.												Y
11	4) One or more sets of eligibility criteria for the inclusion of new project activity instances at subsequent verification events.	y	y	PD Section 1.9	Please see NCR/CL #2 above and ensure this Section 3.4.12 4) is met for the project in relation to newly added areas.	These are present in Section 1.9 and apply to the newly added Region.	The PD has been revised to include Region XII to the project area, and the current project instance remains the same. The response is acceptable according to VCS Requirements. Issue addressed.												Y
12	5) A description of the central GHG information system and controls associated with the project and its monitoring.	y	y	PD Section 1.9	Please see NCR/CL #2 above and ensure this Section 3.4.12 5) is met for the project in relation to newly added areas.	This is present in Section 1.3 and applies to the newly added Region.	The PD has been revised to include Region XII to the project area, and the current project instance remains the same. The response is acceptable according to VCS Requirements. Issue addressed.												Y
	3.11.1 PROJECT LOCATION shall be specified in the project description as follows.																		
13	2) Project location for grouped projects shall be specified using geodetic polygons to delineate the project's geographic area or areas (see Section 3.4 for further information on geographic areas for grouped projects) and provided in a KML file.	y	y	PD Section 1.9	Please see NCR/CL #2 above and ensure this Section 3.11.1 2) is met for the project in relation to newly added areas.	The grouped project represents a single geographic area. The exact spatial extent, and corresponding geodetic polygons will be made available at the time of their validation. All of the Regions included in this grouped project are detailed in the document in section 1.1., 1.2 and 1.9 and the required kmz file has been uploaded to the dropbox shared folder as Sec 1.9 Project Location_ Regional Maps	The PD has been revised to include Region XII. The latest KML file of the project we have was provided on 2/9/2012; the shapes of the areas do not seem to exactly match the project areas for the current instances in the new PD. Please provide an updated KML file.	Same as 2	The map in the PD was incorrect, so the revised PD now incorporates a new map depicting shapes consistent with those provided in the previous KML file. Issue addressed.										Y
14	3) Project location for AFOLU projects shall be specified using geodetic polygons to delineate the geographic area of each AFOLU project activity and provided in a KML file.	y	y	PD Section 1.9	Please see NCR/CL #2 above and ensure this Section 3.11.1 3) is met for the project in relation to newly added areas.	Please see Item No. 13	The PD has been revised to include Region XII. The latest KML file of the project we have was provided on 2/9/2012; the shapes of the areas do not seem to exactly match the project areas for the current instances in the new PD. Please provide an updated KML file.	Same as 2	The activities of each area are shown on the maps on Page 25 & 26 and the corresponding table in Section 2.3. These areas now match the KML file provided on 09 February 2012. Issue addressed.										Y
	3.12.1 Right of Use																		
15	4) A right of use arising by virtue of a statutory, property or contractual right in the land, vegetation or conservational or management process that generates GHG emission reductions and/or removals (where such right includes the right of use of such reductions or removals and the project proponent has not been divested of such right of use).	y	y	PD 1.12.1, Supporting document "Section 1.12.1_Proof of title.pdf"	As discussed with the project proponent, one title document was translated and provided on 24 February 2012 as an example, however the land titles for each property should be provided and (if possible) translated. Also, please provide any corresponding survey drawings, if available, so the verifier can confirm the project boundaries with the titles.	As detailed in Section 1.12.1 of the PD, for the current instance there is only one property, whose property title is the one uploaded and reviewed.	The validator understood from the phone conversation that there were several titles; however, it is clear that there is only one current instance, which is 998.62 hectares, confimed in the title and the survey provided. Issue addresed.												Y
	3.16.1 QUANTIFICATION OF GHG EMISSIONS REDUCTIONS AND REMOVALS																		

16	GHG emissions and/or removals shall be estimated for each GHG source, sink and/or reservoir relevant for the project (including leakage) and the baseline scenario.	y	y	Sec 3_Supporting Data (Divya Mankikar's conflicted copy 2012-01-26).xls & "Sec 3_Supporting Data.xls"	There are three versions of the spreadsheet provided - "Copy of Sec 3_Supporting Data.xls," "Sec 3_Supporting Data (Divya Mankikar's conflicted copy 2012-01-26).xls" & "Sec 3_Supporting Data.xls." Please clarify which spreadsheet is the latest version the verifier should be reviewing.	Sec 3_Supporting Data is the only version currently in DropBox and the correct version for review.	The two additional spreadsheets were removed from the DropBox. ESI has the following clarification questions: It would be helpful if there was an Index or Summary of Contents tab, detailing the contents of each of the tabs, as many of the headings are in Spanish, and it is unclear what each tab is representing overall. Why is F47 in "Calculation A shrub" divided by 86 and not 43? The spreadsheet references Canopy cover in "Calculation A shrub" and course woody debris. The validator did not tie these terms to the PD. Please descibe where accounting for these is explained in the PD. Please clarify what 0.7854 represents in the equation in Column L of "field data Trees" and why it is the same for both species. What is the difference between D32 and E32 in the "Results" tab? Please clarify why the crediting period is 80 years in the PD and 30 years in the "Results" tab.	1. We've added an Index to the first tab of the spreadsheet 2. F 47 in "Calculation A shrub" was divided by 86, because there are two parcels for shrubs in each transect. 3./4./6. This spreadsheet contains all of the data collected by INFOR, some of which is extraneous to the requirements of the CDM methodology. As neither coarse woody debris, canopy cover nor data related to snags is required this data is superfluous. The same is true for INFOR's Results tab as an equation from a previous version of the methodology was used there. The correct baseline results were recalculated in Calculation A Shrub and extrapolated on the Forecasting tab. 5. The table "Annual estimation of baseline net GHG removals by shrubs was deleted, because the correct information is in the tab Forecasting.	1. Index provided which helps clarify what the data represents. Issue addressed. 2. Because the transect cuts the sample plot in half, the total for shrub was divided by double the sample number. Issue addressed. 3. It is fine that these are shown in the spreadsheet. It is just unclear that the tab "summary by pools" implies "Coarse Wood Debris" as a pool. However, since it is not being included in the "Results" tab, issue addressed. 4. The response for this item was not sufficient. Column L contains biomass totals for trees, which is an included pool. What does the use of 0.7854 in the equation represent, and why is it the same for both species? 5. SHAWN - I could not go back and look at the origin of this question, as the files were corrupted on my computer. However, it does appear that whatever was shown was deleted. 6. No response was provided, but the validator assumes that this was also part of the inconsistent information deleted from the "Results" tab. Issue addressed.	Explanation for the use of 0.7854 and why it is the same: In regard to the formula (0,7854*(((E3/100)+(I3/100))/2)^2*G3*500) is the Smalian Formula for estimating trees log volume (m3) and its general expression is like: Volume(m3)=[(As^2+Ai^2)/2]*L where As =Superior section area (m2) Ai = Inferior section area (m2) L = log length (m) and Area =PI/4*[D]^2 with PI = 3.1415..... D =Diameter (m) PI/4=0.7854 in the specific column L of the excel sheet Diameters are in centimeters. Then we divided by 100 to take them to meters. Finally, we used the mean density of 500(krg/m3) to produce biomass data in Kilograms.	STILL REVIEWING	Per the 23 May 2012 email: "The spreadsheet is attached to this email as well as uploaded to DropBox under the title "Reforestation_Project_VC_final". In addition, we reviewed Stewart's questions regarding the request in the Methodology to biomass equations based in diameter, and a carbon calculation based on the factor 0.5 * the biomass total. Matias Rio is sending a response on this sub-topic later today." "Please refer to Column E on the Index tab of Sec 3 Supporting Data." "Please refer to the Summary Statistics tab of Sec 3 Supporting Data." "Nothofagus dombeyi is a similar tree as Nothofagus betuloides Please see this link: http://www.florachilena.cl/Niv_tax/Nom_Comcient.htm."		In the meeting, we indicated the following applies to the baseline; however, upon a more thorough re-reading AR-ACM0001, in our opinion this is only applicable in the monitoring phase (verification), so the baseline statistics and ex ante statistics should not be an issue at this point. In the methodology, we believe that age CAN be used as a basis for ex-ante projections only: o According to the methodology, diameter must be used for monitoring and accounting of ex post projections. Also, according to Section 2.2, Precision Requirements of AR-ACM0001 are "Maximum allowable relative margin of error of the mean for estimation of tree biomass is ± 10% at 90% confidence level." It appears that the precision has been run at a 95% confidence level (t –value of 1.96) for the baseline calcs. Although we cannot determine the confidence level for the monitoring (there are no embedded equations, only numbers), there may be an opportunity to re-run these with the 90% confidence level with the appropriate critical t value. Please ensure betuloides and dombeyi are consistently labeled throughout all project documentation (i.e., Data and Parameter tables between the PD and Monitoring Report).	We have chosen to leave the baseline calculations as is at the 95% confidence level. Matias and I have made sure that all references are made only to betuloides, which is the species we are planting.	Confirmed.			Y
	3.17 MONITORING																		
17	**3.17.1 Data and Parameters** Data and parameters used for the quantification of GHG emission reductions and/or removals shall be provided in accordance with the methodology.	y	y	PD Section 4	Please provide the source of the Guidance for "Ratio of biomass per unit area in land having a shrub crown of 1.0 and default above-ground biomass content in forest in the region /country where the A/R CDM project is located." Please explain the origin of the wood density information for *Nothofagus antarctica, Nothofagus pumilio* and *Nothofagus betuloides*. Also, when the verifier divided 660/1035, 580/930 and 550/910 (dry/green wood), we determined a density of 0.64, 0.62 and 0.60, respectively. Please explain how 0.66, 0.58 and 0.55 were obtained. Please clarify why Dj and Fj are only being monitored for certain and not all species. Please clarify the statement "No trees between the project boundaries so this measurement does not apply" in the CCtree_BSL, i Data Unit/Parameter.	1. The source of data is in the tool "Estimation of carbon stock and change in carbon stocks of trees and shrubs in A/R CDM project activities", on page 18. 2.Wood Density: MR used the equation: Basic density = Po/V; where Po: dry weight and V: Volume of timber satured in water. Therefore, the numbers referenced in the PD are the numbers from the link divided by 1,000. 3. MR changed the allometric function for Nothofagus pumilio, Nothofagus antarctica and Nothofagus betuloides from the Gayosos et al. allometric functions to that calculated by Alvaro Promis.	The source of the Guidance of the default value of 0.10 was confirmed in the CDM tool. Issue addressed. Please clarify why a default volume of 1,000 is used instead of the actual given volumes presented in the source depicting green wood, which the validator considers the equivalent to "Volume of timber saturated in water." Please refer to the verification checklist for additional questions regarding consistency between the PD and Monitoring Plan. The statement in the PD regarding the CCtree_BSL, i Data Unit/Parameter was clarified. Issue addressed.	We divided by 1,000 because we need to change the unit (660 (kg/m3) * 1/1,000 (t d.m/Kg)). Please see coments in sec 4.1 in the PD	Addressed.										Y
18	3.17.2 Quality management procedures to manage data and information shall be applied and established. Where applicable, procedures to account for uncertainty in data and parameters shall be applied in accordance with the requirements set out in the methodology.	y	y	n/a	Please refer to Items #42 & #43.	Added reference about the Guidelines in the beginning of Sec 4	The beginning of section 4 in the PD does not appear to have been revised from the previous version ("Patagonia Sur ARR VCS Grouped Project Description_2-23-2012.docx"). Please demonstrate where the changes were made or revise the PD to address this and the related NCR's.	Added reference about the Guidelines in the beginning of sec 4.	Reference was noted in the beginning of Section 4. Issue addressed.										Y
	Monitoring Plan																		
19	3.17.3 The project proponent shall establish a GHG information system for obtaining, recording, compiling and analyzing data and information important for quantifying and reporting GHG emissions and/or removals relevant for the project (including leakage) and baseline scenario.	y	y	PD Section 4.3; Supporting Document "Sec 1.3 GHG Information Management System"	Please provide the supporting document "Sec 1.3 GHG Information Management System," as it does not appear to be included in the information previously provided to the validator/verifier. If this is specifically referencing Section 1.3 of the PD, then please clarify the first sentence of Section 4.3, as it is somewhat confusing and appears to indicate the GHG Information is found in a supporting document.	PD Edited to reference section 1.3	The PD was revised, and the software program Tortoise will be utilized for managing data, which will be stored in a secure and retrievable manner for at least two years after the end of the crediting period. Issue addressed.		y										Y
20	3.17.5 Where measurement and monitoring equipment is used, the project proponent shall ensure the equipment is calibrated according to the equipment's specifications and/or relevant national or international standards.	y	y	PD Section 4.2	Please ensure in the PD that all equipment will be properly calibrated (digital calipers, GPS, etc.), where applicable.	In section 4.2 of the PD, we added the the information requested.	Though mentioned in the NCR response, no changes regarding calibration of equipment was found in the PD. The validator did note the revised langauge regarding calibration in the Monitoring Report. Please demonstrate where the mentioned changes occurred, or revise the PD accordingly.	In section 4.2 of the PD, we added the the information requested.	Section 4.1 of PD states "b) Training courses will be held for all relevant personnel on all data collection and analysis procedures (to manage and calibrate the various measuring instruments (caliper, diametric tape, hypsometer, compass, GPS, etc)." Issue addressed.										Y
	RECORDS AND INFORMATION																		
21	**3.18.1 Records Relating to the Project** The project proponent shall ensure that all documents and records are kept in a secure and retrievable manner for at least two years after the end of the project crediting period.	y	y	PD Section 1.3	Please include a statement in the PD data and documents maintained by the Tortoise system will be kept in a secure and retrievable manner for at least two years after the end of the project crediting period.	Statement included in Section 1.3	The PD was revised to include the statement, which will be further confirmed in future verifications. Issue addressed.		y										Y
	Information for the Validation/Verification Body																		
22	3.18.2 For validation, the project proponent shall make available to the validation/verification body the project description, evidence of right to use and any requested supporting information and data needed to support statements and data in the project description and evidence of right to use.	y	y	PD Section 1.12.1; Supporting Document "Sec 1.12.1_Proof of title.pdf"; Section 1.4; "Section 1.1. and 1.2 _Project Proponent and Other Entities Involved in the Project.pdf"; "Sec 2.5 Additionality _Proof of Prior Consideration of Carbon Offsets Business.pdf"	It does not appear that "Sec 1.12.1_Proof of title.pdf" fully explains the evidence of right of use. Please provide and reference additional documentation that evidences ownership, title, right of use, contracts, agreements, etc.	Survey of the property uploaded as Sec.1.12.1_Proof of title_Survey".	The provided survey drawing reflects the current project instance's area correctly and matches the description in the title report. The title indicates the property is owned by "Sociedad Agrícola y Forestal Melimoyu Limitada." However, this naming convention does not appear to match the mentioned affiliated company name of "Sociedad Agrícola y Forestal SNP Limitada." Please clarify. Also, the project proponent is SNP Patagonia Sur, but the supporting documents entitled "Section 1.1. and 1.2 _Project Proponent and Other Entities Involved in the Project.pdf" and "Sec 2.5 Additionality _Proof of Prior Consideration of Carbon Offsets Business.pdf" detail the management agreement to be with Patagonia Sur Management Company, LLC. The entity names should match between the PD and legal documents. Please explain.	Clarification has been made in the PD document. Check section 1.3 and 1.4 of "Patagonia Sur ARR VCS Grouped Project Description_4-16-2012".	PD states "SNP Patagonia Sur is an imaginary name under which a number of legal entities are included." The project proponent must have legal evidence of "right of use," not just state they have it. Please provide. The newly added paragraphs to Sections 1.3 & 1.4 contain some misspellings and grammatical confusion. Please revise.	Sections 1.3 and 1.4 have been revised. We have simplified the Project Proponent so that it now only references Sociedad Agricola y Forestal SNP Limitada ("SNP Patagonia Sur"). Further explanation is provided in Section 1.4.	The document referenced in the PD "Section 1.1. to 1.4 _Project Proponent and Other Entities Involved in the Project" could not be located in the new or old files. A document titled "Section 1.1. and 1.2 _Project Proponent and Other Entities Involved in the Project.pdf" was provided 3-16-12 and appears to describe the relationship, but its format is difficult to follow. Possibly a walkthrough by the project proponent over the phone would address the issue.		Per the 22 May 2012 EMAIL, "Conservation Easement - is the Sec 1.8 document sufficient? It is signed but the easement is not signed. Caitlin and Shawn to discuss internally and possibly get clarification from VCS." Shawn spoke to Ben Block on 24 May 2012; Shawn's email summary reads as "Just heads up that I spoke w Ben block at VCS and he confirms that an easement needs to be in place, and that the contract is likely insufficient (he understandably couldn't say absolutely without reading it). Will finish reviewing her responses in flight." We need new Risk Assessment accounting for this...	Please add the words "Management Company" in the newly added paragraph under Section 1.4 in the PD, as this is the name used in supporting documents Sec 1.1 and 1.2_Project Project. Also, remove "Sociedad" from the PD for the Project Proponent anywhere referenced, to ensure it matches the name provided in the supporting documents.	"Management Company" has been added, and "Sociedad" removed.	Ok. Confirmed.			Y
	3.19.1 PROJECT DESCRIPTION																		
23	7) Evidence of right to use and a demonstration that net GHG emission reductions or removals generated by the project will not be used for compliance with an emission trading program or to meet binding limits on GHG emissions.	y	y	PD Section 1.12.1; Supporting Document "Sec 1.12.1_Proof of title.pdf"	See Item #22.	Changes made in section 1.1 aim to clearly identify that the project proponent is a different entity than the owner of the land, however, both are related as subsidiaries of the same holding company, Patagonia Sur Management LLC. See "Section 1.1. and 1.2 _Project Proponent and Other Entities Involved in the Project.pdf" for the incorporation documents of Sociedad Agrícola y Forestal Melimoyu Ltda and "Sec 2.5 Additionality _Proof of Prior Consideration of Carbon Offsets Business.pdf" for the incorporation documents of Sociedad Agrícola y Forestal Melimoyu Ltda.	Is "section 1.1" in the response a misprint? I didn't see any changes to that Section. The names of the entities on the supporting document does not match either of the names in the PD (word-for-word), which is a legal issue. Can you please clarify?	See answer item 22 above	See above	Sections 1.3 and 1.4 have been revised. We have simplified the Project Proponent so that it now only references Sociedad Agricola y Forestal SNP Limitada ("SNP Patagonia Sur"). Further explanation is provided in Section 1.4.	see above		We need new Risk Assessment accounting for this...	Please add the words "Management Company" in the newly added paragraph under Section 1.4 in the PD, as this is the name used in supporting documents Sec 1.1 and 1.2_Project Project. Also, remove "Sociedad" from the PD for the Project Proponent anywhere referenced, to ensure it matches the name provided in the supporting documents.	"Management Company" has been added, and "Sociedad" removed.	Ok. Confirmed.			Y
Item Number	**VCS AFOLU Requirements Version 3.2 (01 Feb 2012)**	**Applicability to the Project (Y or N/A)**	**Requirement Met (Y or N)**	**Location in PD or Supporting Documents**	**NCR/CL/OFI**	**Response from Client**		**NCR/CL/OFI**	**NCR/CL/OFI Satisfied (Y or N)**										
	3.1 GENERAL REQUIREMENTS																		
24	3.1.2 Implementation of the project activities shall not lead to the violation of any applicable law, regardless of whether or not the law is enforced.	y	y	PD Section 1.11	Please include a statement in the PD that the implementation of the project activities shall not lead to the violation of any applicable law, regardless of whether or not the law is enforced. Please provide a summary in English of the high level information provided in the laws, previously provided in Spanish.	Change made to section 1.11	The latest version of "Section 1.11 Law Statutes" from the shared folder is dated 2/10/2012. A new version did not appear to be provided. If already provided, please resend.	DONE	The statement was added to the Supporting Document "Sec 1.11 Laws Statutes.pdf." Issue addressed.										Y
25	3.1.4 Project proponents shall identify potential negative environmental and socio-economic impacts and shall take steps to mitigate them. Additional standards such as the Climate, Community & Biodiversity Standards (CCBS) or Forest Stewardship Council (FSC) certification may be applied to demonstrate social and environmental benefits beyond GHG emissions reductions or removals. VCUs may be tagged with additional standards and certifications on the VCS project database where both the VCS and another standard are applied.	y	y	n/a	Please identify potential negative environmental and socio-economic impacts, and if applicable, demonstrate steps to mitigate them.	Patagonia Sur was not able to identify any negative environmental or socio-economic impacts.	This is an assertion that will be verified throughout the lifetime of the project. Issue addressed.		y										Y
26	3.1.5 Project activities that convert native ecosystems to generate GHG credits are not eligible under the VCS Program. Evidence shall be provided in the project description that any ARR, ALM or PRC project areas were not cleared of native ecosystems to create GHG credits (eg, evidence indicating that clearing occurred due to natural disasters such as hurricanes or floods). Such proof is not required where such clearing or conversion took place at least 10 years prior to the proposed project start date. The onus is upon the project proponent to demonstrate this, failing which the project shall not be eligible.	y	y	n/a	Please provide a statement in the PD demonstrating that the project area has not been converted from native ecosystems within 10 years prior to the project start date.	Relevant sentence was added to Section 1.10	The relevant statement was added to the PD and the assertion is that the land has not been forested for 70 years prior due to wildfire, which was confirmed during the site visit. Issue addressed.		y										Y
	3.2 PROJECT START DATE																		
27	3.2.1 As set out in the VCS Standard, the project start date of an AFOLU project shall be the date on which activities that lead to the generation of GHG emission reductions or removals are implemented. Such activities may include preparing land for seeding, planting, changing agricultural or forestry practices, or implementing management or protection plans.	y	y	PD Section 1.5	The signing of the contract for the supply of native plants does not fall into one of the categories for defining start date described in VCS AFLOU Requirements Version 3.2 Section 3.2.1. Please provide justification for this date or change the start date to reflect one of the categories described.	The invoice of purchase of native trees has been provided as evidence of that the trees were paid for in May. As the planting process begins with purchasing the trees, Patagonia Sur is using this invoice to mark the start date.	Please provide the planting invoice referenced in the section 1.5 of the PD.	A Mininco Invoice has been uploaded to DropBox folder 4 5 & 6 under the title "Mininco Invoice." This provides proof of purchase of the trees for planting on April 30, 2010. The start date in the PD has been changed accordingly.	The invoice provided demonstrates that trees were purchased on 30 April 2010. As there is typically very minimal lag time between a purchase of vegetation and intallation (to avoid mortality), this confirms the start of project activities (also confirmed during site visit). Issue addressed.										Y

	3.3 PROJECT CREDITING PERIOD																		
28	3.3.2 For ARR or IFM extension of rotation age or low-productive to high-productive projects with harvesting, the length of the project crediting period shall be set to include at least one complete harvest/cutting cycle. In the case of selectively cut IFM projects, where trees are individually selected for harvest, the harvest/cutting cycle is the allowable re-entry period into the harvest area as determined by legal and regulatory requirements, and common practice.	y	y	PD section 1.7	Per the phone conversation on 24 February 2012, the Project Developer confirmed there was no harvesting in the project scenario. Please specifically state this in the PD.	Sec 1.6: Sentence was added confirming that no harvest will occur in this project scenario.	The relevant statement was added to the PD. Issue addressed.		y										Y
	3.4 PROJECT LOCATION																		
29	3.4.1 The project location shall be specified in the project description in terms of its project area. The spatial extent of the project shall be clearly specified to facilitate accurate monitoring, reporting and verification of GHG emission reductions and removals and to demonstrate that the project meets the eligibility criteria of the relevant project category. The project location description shall include the following information:	y	y	general	Please ensure all newly added project areas are included in the PD in accordance with the requirements of AFOLU 3.4.1.	Please see Item No. 13	The PD has been revised to include Region XII to the project area, and the current project instance remains the same. The response is acceptable according to VCS Requirements. Issue addressed.		y										Y
30	3.4.2 The project proponent shall demonstrate control over the entire project area with proof of title with respect to one or more rights of use accorded to the project proponent as set out in the VCS Standard, noting the following:	y	y	PD Section 1.3 and "Sec 1.12.1 Proof of title.pdf" & "Sec 2.5 Additionality _Proof of Prior Consideration of Carbon Offsets Business.pdf"	Legal documentation affiliating SNP Patagonia Sur with Sociedad Agrícola y Forestal SNP Ltda appears to be found in the document entitled "Sec 2.5 Additionality _Proof of Prior Consideration of Carbon Offsets Business.pdf." Please clarify if this document is mis-named. If so, please provide the "Sec 2.5 Additionality _Proof of Prior Consideration of Carbon Offsets Business.pdf" (See Item #46).	Document already uploaded to dropbox shared folder. Also see comments on Item No. 23 above	See 23 above	DONE	see above	Sections 1.3 and 1.4 have been revised. We have simplified the Project Proponent so that it now only references Sociedad Agricola y Forestal SNP Limitada ("SNP Patagonia Sur"). Further explanation is provided in Section 1.4.	see 23 above			Please add the words "Management Company" in the newly added paragraph under Section 1.4 in the PD, as this is the name used in supporting documents Sec 1.1 and 1.2_Project Project. Also, remove "Sociedad" from the PD for the Project Proponent anywhere referenced, to ensure it matches the name provided in the supporting documents.	"Management Company" has been added, and "Sociedad" removed.	Ok. Confirmed.			Y
31	2) Where the project intends to add instances (see specification for instances in the VCS Standard) of the project activity (eg, additional polygons/parcels), the project shall follow the requirements for grouped projects set out in the VCS Standard and below in Section 3.7.	y	y	n/a	During the site visit, the client discussed potentially adding additional regions. Please clarify if the project intends to add future instances after this verification cycle and how that will be in accordance with this section of the AFOLU requirements.	See comment on number 2 above.	See 2 above	DONE	Per 2 above, issue addressed.										Y
32	3.5.1 The potential for leakage shall be identified, and projects are encouraged to include leakage management zones as part of the overall project design. Leakage management zones can minimize the displacement of land use activities to areas outside the project area by maintaining the production of goods and services, such as agricultural products, within areas under the control of the project proponent or by addressing the socio-economic factors that drive land use change.	y	y	PD Section 1.13; Supporting Document "Sec 1.13 Leakage Statement"	Please clarify if any other types of leakage were considered besides cattle (I.e., increases in fertilization at the nursery, etc.).	Leakage considered was due to the baseline scenario and the supply chain of the plants. Mininco did not confirm any fertilization at the nursery.	Issue addressed.		y										Y
	3.7 NON-PERMANENCE RISK																		
33	3.7.1 Projects with tree harvesting shall demonstrate that the permanence of their carbon stock is maintained and shall put in place management systems to ensure the carbon against which VCUs are issued is not lost during a final cut with no subsequent replanting or regeneration.	y	y	n/a	During a 24 February 2012 phone call, the Project Proponent clarified that no harvesting will ever occur during the project's lifetime, which is perpetual. Please include a statement to this effect in the PD.	Sec 1.6: Sentence was added confirming that no harvest will occur in this project scenario.	The relevant statement was added to the PD. Issue addressed.		y										Y
34	3.7.3 Projects shall prepare a non-permanence risk report in accordance with VCS document AFOLU Non-Permanence Risk Tool at both validation and verification. In the case of projects that are not validated and verified simultaneously, having their initial risk assessments validated at the time of VCS project validation will assist VCU buyers and sellers by providing a more accurate early indication of the number of VCUs projects are expected to generate. The non-permanence risk report shall be prepared using the VCS Non-Permanence Risk Report Template, which may be included as an annex to the project description or monitoring report, as applicable, or provided as a stand-alone document.	y	y	PD Section 1.13; "Sec 1.13 Non-Permanence Risk.pdf"	Please complete the risk analysis in accordance with the newest Version 3.2.	An updated risk analysis in accordance with Version 3.2 is provided in the newly uploaded Document titled " Sec 1.13 Non Permanence Risk Analysis_Version 3.2"	The updated risk analysis was provided. Issue addressed.		y										Y
35	3.7.7 Where an event occurs that is likely to qualify as a loss event (see VCS document Program Definitions for definition of loss event) and VCUs have been previously issued, the following applies:	y	y	n/a	Please clarify if any loss event has occurred since the project's inception.	No less event has occurred as this applies to after Verification has been completed.	The validator concurs with this assertion. Issue addressed.		y										Y
	3.8 GROUPED PROJECTS																		
36	3.8.2 AFOLU non-permanence risk analyses, where required, shall be assessed for each geographic area specified in the project description (for requirements related to geographic areas of grouped projects see the VCS Standard). Where risks are relevant to only a portion of each geographic area, the geographic area shall be further divided such that a single total risk rating can be determined for each geographic area. Where a project is divided into more than one geographic area for the purpose of risk analysis, the project's monitoring and verification reports shall list the total risk rating for each area and the corresponding net change in the project's carbon stocks in the same area, and the risk rating for each area applies only to the GHG emissions reductions generated by project activity instances within the area.	y	y	PD Section 1.13; Supporting Document "Sec 1.13 Non-Permanence Risk"	It does not appear the Risk Assessment was conducted for each separate geographic area. Please clarify why not.	Please see Item No. 13	The PD has been revised to include Region XII to the project area, and the current project instance remains the same and is contained within 1 geographic area. The response is acceptable according to VCS Requirements. Issue addressed.		y										Y
Item Number	**AR-ACM0001-Consolidated afforestation and reforestation baseline and monitoring methodology AR-ACM0001 Afforestation and reforestation of degraded land (Version 05.2.0) (25 November 2011)**	**Applicability to the Project (Y or N/A)**	**Requirement Met (Y or N)**	**Location in PD or Supporting Documents**	**NCR/CL/OFI**	**Response from Client**		**NCR/CL/OFI**	**NCR/CL/OFI Satisfied (Y or N)**										
	4. Baseline net GHG removals by sinks																		
37	**See Equation 1 on Page 5**	y	y	PD Section 3.1, Equation 1 and "Sec 3 Baseline Procedure Document.pdf" Section 4; and "Sec 3 Tool to determine carbon stocks and changes in trees and shrubs."	Please clarify why the shrub component of Equation 1 has been excluded from the PD and "Sec 3 Baseline Procedure Document.pdf."	The equation was copied mistakenly, but shrub baseline removal was taken as evidence in the PD "Table 5 Ex-Ante Calculation of Baseline Removals...."	The equation was corrected in the PD to include the shrub component. Please also correct in "Sec 3 Baseline Procedure Document.pdf."	The amendment has been made to the "Sec 3_Baseline Procedure_revised" document, and uploaded to DropBox folder Sec 1 2 & 3.	The equation was also corrected in the supporting document. Issue addressed.										Y
	4.1 Carbon stock in living trees and shrubs at the start of the project activity																		
38	Carbon stock in living trees and shrubs at the start of the project activity, is estimated as provided in the tool Estimation of carbon stocks and change in carbon stocks of trees and shrubs in A/R CDM project activities.	y	y	"Sec 3 Tool to determine carbon stocks and changes in trees and shrubs_revised.pdf" & "Sec 3 Supporting Data.xls"	Please correct the reference of Section 4.1 of "Sec 3 Tool to determine carbon stocks and changes in trees and shrubs" from "*Supplementary* Data" to "*Supporting* Data." Please correct the name of the referenced tool to match the file provided to the verifier.	Change made and document re-uploaded as "Sec 3 Tool to determine carbon stocks and changes in trees and shrubs_revised"	Both consistency related changes were made. Issue addressed.		y										Y
	4.2 Steady state under the baseline conditions																		
39	The baseline net GHG removals by sinks, if greater than zero, shall be estimated using the approach provided in Section 4.1 until steady state is reached under the baseline conditions. Under steady state:	y	y	PD 3.1 (4.2); "Sec 3 Tool to determine carbon stocks and changes in trees and shrubs." & Sec 3 Supporting Data	Please explain where Equation 30 is calculated in the "Sec 3 Supporting Data" Excel file.	Steady state has been stated on the tab named "Calculation A Shrub". As INFOR estimated a growth rate of 0.01m per year, this growth is considered near zero and insignificant and therefore equivalent of steady state.	Steady-state calculations were confirmed in the "Sec 3 Supporting Data" file, where noted. Issue addressed. In the "Calculation A shrub" tab of the "Sec 3_Supporting Data.xls," cell J10 indicates the growth rate of 0.01m per year has been utilized in the calculations. Issue addressed.		y										Y
	5.1 Estimation of changes in the carbon stocks																		
40	**See Equation 4 Page 7**	y	y	PD Section 3.2 (5.1); "Sec 3 Supporting Data"	*Clarification:* Where did the information from Column K originate?	Column K comes from the calculations for Sec 1.7. These originated from extrapolating the allometric equations provided by Prof. Alvaro Promis. Please see supporting document "Carbon Study_Final Report".	This NCR should have been more specific by stating "Where did the information from Column K of the "Forecasting" tab of "Sec 3_Supporting Data.xls" originate; regardless, it appears the project developer understood the location of the Column K. Please label the column for future clarification. Please clarify where the extrapolated information in the report is located. Are the results from Column K calculated in another portion of the spreadsheet that can be validated?	This calculation was created using Alvaro Promis' allometric equations for the growth of our trees over 80 years.	Need to check equations. Please label Column K.	Column K has been labeled as "Cumulative anthropogenic GHG removals t CO2-e "	STILL REVIEWING			In the meeting, we indicated the following applies to the baseline; however, upon a more thorough re-reading AR-ACM0001, in our opinion this is only applicable in the monitoring phase (verification), so the baseline statistics and ex ante statistics should not be an issue at this point. In the methodology, we believe that age CAN be used as a basis for ex-ante projections only: o According to the methodology, diameter must be used for monitoring and accounting of ex post projections. Also, according to Section 2.2, Precision Requirements of AR-ACM0001 are "Maximum allowable relative margin of error of the mean for estimation of tree biomass is ± 10% at 90% confidence level." It appears that the precision has been run at a 95% confidence level (t –value of 1.96) for the baseline calcs. Although we cannot determine the confidence level for the monitoring (there are no embedded equations, only numbers), there may be an opportunity to re-run these with the 90% confidence level with the appropriate critical t value. Please clarify if DBH or DRC is being used for the allometric equations. It still appears the coefficients from the equations as shown in Columns J, L & N of "Reforestation Project VC final" do not match what is shown in the PD Data tables. Which spreadsheet is relevant to this?	We have chosen to leave the baseline calculations as is at the 95% confidence level. The following paragraph was added to the PD: "Patagonia Sur has the only known scientific study of the growth and carbon sequestration of the three species of Beech tree mentioned until now. This study done by Dr. Alvaro Promis was based on Diameter at Breast Height (DBH). The growth curve derived suggests that our plantation will achieve the standard Breast Height of 1.3 meters between five to six years from planting. Therefore, Patagonia Sur is monitoring Diameter at Root Collar (DRC) until that time. In the absence of the relevant equation using DRC, we are replacing DRC for DBH until the plants grow to breast height, and using it in combination with the factor Height to improve the accuracy of the calculation. Patagonia will claim Verified Carbon units after the trees have reached standard Breast Height." To clear up any confusion, the equations used were added to the PD Section 1.7 after the forecasting table. In addition, refences for each equation were added to the "Reforestation Project VC final" spreadsheet.	Ok. Confirmed. The equations are still unclear.	For ex-ante calculations, in the equations in section 1.7 please list the additional equation that converts the ln function to a power form as indicated in the Promis paper. We confirmed you are applying this correctly in the spreadsheet but the PD does not show where the correction factor is to be applied. For ex-post calculations, we confirmed that the equations for each species for estimating total above ground biomass are being applied correctly. However, there is a typo in each in section 4.1 ("BA" needs to be changed to "AB"). Additionally, we are not clear on where the second equation ("Biomasa (kg)") for each species is being derived from. Please clarify.	Section 1.7 of the PD has been revised to include the power forms and correction factors, consistent with the Promis paper. The equations have been corrected, and the incorrect equation reference has been removed. The validator has confirmed that the carbon sums from Equation 4 of the methodology have been accurately applied. Issue addressed.	y

41	**See Equation 5 Page 7**	Y	Y	PD Section 3.2 (5.1); "Sec 3 Supporting Data"	Clarification: How were all the pools summed to get the total that was used for the yearly delta-C number?	We summed the estimation of baseline net GHG removals by shrubs with the delta- 0.01 (where 0.01 cm 1/year, was calculated by INFOR in the field through destructive sampling of shrubs, and tree ring analysis - see point 46 of the Sec 3 Tool for Estimation of carbon stock and change of carbon stock of trees and shrubs).	The information in Point 46 (Equation 32) matches the spreadsheet calculations (Column J of the "Forecasting" tab). Issue addressed. Calculations pending above NCRs/CLs.		Y										Y
	III. MONITORING METHODOLOGY																			
	2.3 Data requirements under the methodology																			
42	**See Table 3 Page 10**	Y	Y	PD Sections 4.1 & 4.2	Please refer to items #18 & #20.	Please see item No. 18	See 18 and 20	Addressed.	Reference was noted in the beginning of Section 4. Issue addressed.											Y
	1. Conservative approach and uncertainties																			
43	While applying this methodology the PPs shall ensure that Guidelines on conservative choice and application of default data in estimation of the net anthropogenic GHG removals by sinks' are followed for addressing conservativeness and uncertainty.	Y	Y	n/a	Please ensure the "Guidelines on conservative choice and application of default data estimation of the net anthropogenic GHG removals by sinks' are followed for addressing conservativeness and uncertainty. Please include a reference to these Guidelines in the PD, so this requirement can be verified.	Added reference about the Guidelines in the beginning of Sec 4	See 18	Added reference about the Guidelines in the beginning of Sec 4	The guidelines on conservative choice have been referenced.	Please identify the equation in the Guidelines on Conservative Choice that applies to accounting for uncertainty. We were only able to locate language in reference to the selection of default data.	Comment from validator withdrawn. Addressed.									Y
44	In choosing key parameters or making important assumptions based on information that is not specific to the project circumstances, such as in use of default data, PPs should select values that will lead to an accurate estimation of net GHG removals by sinks, taking into account uncertainties. If uncertainty is significant, PPs should choose data such that it tends to under-estimate, rather than over-estimate, net GHG removals by sinks.	Y	Y	n/a	Please include a reference in the PD for how uncertainties will be accounted for in the project.	Added reference about the Guidelines in the beginning of Sec 4	See 18	Added reference about the Guidelines in the beginning of Sec 4	The added reference is not sufficient to satisfy the requirements of VCS. Accounting for uncertainty involves using a standard statistical equation to incorporate uncertainty into the net GHG benefit. Please provide this equation in the PD in accordance with the VCS requirements and the Guidelines on Conservative Choice.	Please identify the equation in the Guidelines on Conservative Choice that applies to accounting for uncertainty. We were only able to locate language in reference to the selection of default data.	Comment from validator withdrawn. Addressed.									Y
Item Number	**A/R Methodological tool "Combined tool to identify the baseline scenario and demonstrate additionality in A/R CDM project activities" (Version 01) (30 October 2007)**	**Applicability to the Project (Y or N/A)**	**Requirement Met (Y or N)**	**Location in PD or Supporting Documents**	**NCR/CL/OFI**	**Response from Client**		**NCR/CL/OFI**	**NCR/CL/OFI Satisfied (Y or N)**											
	Applicability conditions																			
	The tool is applicable under the following conditions:																			
45	Forestation of the land within the proposed project boundary performed with or without being registered as the A/R CDM project activity shall not lead to violation of any applicable law even if the law is not enforced.	Y	Y	Section 1.11	TBD based on response from item # 24.	Sentence was added to 1.11 to make this clear.	See 24	DONE	The statement was added to the Supporting Document "Sec 1.11 Laws Statutes.pdf." Issue addressed.											Y
46	This tool is not applicable to small - scale afforestation and reforestation project activities.	Y	Y	"Sec 1.7 Clarification of Small Scale Project Requirements.pdf"	The email from Carolyn Ching of VCS did not seem definitive on the project not qualifying as small-scale. If possible, can another email from Ms. Ching be provided that is more clear on her position?	New email from VCS clarifying this was uploaded under title "Small Scale Categorization Clarification"	VCS's email guidance of 08 March 2012 was sufficient to answer the small-scale question. Since the Project is not utilizing a small scale methodology (only a small-scale tool) , this issue is addressed.		Y											Y
	II. PROCEDURE																			
	STEP 0. Preliminary screening based on the starting date of the A/R project activity																			
47	Provide evidence that the incentive from the planned sale of CERs was seriously considered in the decision to proceed with the project activity. This evidence shall be based on (preferably official, legal and/or binding corporate) documentation that was available to third parties at, or prior to, the start of the project activity.	Y	Y	PD Sections 2.4 & 2.5; "Sec 2.5 Additionality.pdf" & "Sec 2.5 Additionality _Proof of Prior Consideration of Carbon Offsets Business.pdf"	Please provide evidence that the incentive from the planned VCUs was seriously considered in the decision to proceed with the project activity. This evidence does not appear to be located in "Sec 2.5 Additionality _Proof of Prior Consideration of Carbon Offsets Business.pdf." In addition, Step 0, Section a & b reference a shared folder containing "Base Line Contract Infor," which the validator could not locate. Please provide.	Document under Section 2.5 as "Proof of Prior Consideration of Carbon Offset Business_.pdf" is a copy and a translation of the incorporation documents of the Project proponent. In its clause third, letter b, among its objectives is expressed that is to "carry out all transactions and operations on "Certified Emission Reductions of Greenhouse Gases" or "carbon credits" or other negotiable instruments or certificates related to the environment, whether such operations or transactions are carried out in the "carbon market", outside of it, or other formal or informal markets".	The documents is as stated, and the information in the 3rd clause, letter b is appropriate to prove that the planned VCUs was seriously considered in the decision to proceed with the project activity. The additional clarification was not provided. It appears to the validator that, though it is an outdated reference, the issue has been satisfied with the previous clarification. Issue addressed.		Y											Y
Item Number	**GUIDELINES ON CONSERVATIVE CHOICE AND APPLICATION OF DEFAULT DATA IN ESTIMATION OF THE NET ANTHROPOGENIC GHG REMOVALS BY SINKS, Version 2, 16 October 2009**	**Applicability to the Project (Y or N/A)**	**Requirement Met (Y or N)**	**Location in PD or Supporting Documents**	**NCR/CL/OFI**	**Response from Client**		**NCR/CL/OFI**	**NCR/CL/OFI Satisfied (Y or N)**											
	Sources of Default Data																			
48	When using default data to estimate the net anthropogenic GHG removals by sinks, the following guidance should be applied when selecting sources of data:	Y	Y	n/a	Please refer to item #42.	Please see item No. 18	See items 18, 20, and 42.		Y											Y
Item Number	**Procedures to demonstrate the eligibility of lands for afforestation and reforestation CDM project activities (Version 1). Required in 1.1 of Methodology.**	**Applicability to the Project (Y or N/A)**	**Requirement Met (Y or N)**	**Location in PD or Supporting Documents**	**NCR/CL/OFI**	**Response from Client**		**NCR/CL/OFI**	**NCR/CL/OFI Satisfied (Y or N)**											
49	1. Project participants shall provide evidence that the land within the planned project boundary is eligible for an A/R CDM project activity by following the steps outlined below.	Y	Y	PD Section 3, Page 24; "Section 2.2 Degradation" & "Sec 2.2 Quintanilla_Palena Paper.pdf"	Although the Quintanilla Paper referred to degrading conditions near the project area, please provide evidence specific to the project area that meets the requirements outlined in this Procedure.		Does not appear to be responded to. Please address.	An aerial satellite image taken by the Chilean Air Force Surveying division in 1981, with the Rosales boundaries superimposed in black. It is evident from the photo that the areas are deforested, consistent with the assertion made in the Quintanilla paper.	The satellite image purported to be from 1981 correlates the project area as unforested. Issue addressed.											Y
Item Number	**VCS AFOLU Non-Permanence Risk Tool, Version 3.1, 01 February 2012**	**Applicability to the Project (Y or N/A)**	**Requirement Met (Y or N)**	**Location in PD or Supporting Documents**	**NCR/CL/OFI**	**Response from Client**		**NCR/CL/OFI**	**NCR/CL/OFI Satisfied (Y or N)**											
	Table 2 Financial Viability																			
49	Project cash flow breakeven point is less than 6 years from the current risk assessment	Y	n	"Sec 1.13 Non-Permanence Risk_Version 3.2.pdf"	Please provide a cash-flow analysis so the verifier may confirm the project breakeven point is less than 4 years from the current risk assessment.	Patagonia Sur has paid for all of the required inputs. The only factor remaining is the cost of validation and verification of future instances.	Although this assertion may be true, the validator needs to see an actual cash-flow analysis to confirm. Please provide.	See document uploaded to DropBox under title "Cash Flow Statement".	Please clarify how the losses from 2010-2011 carry over to the future years.	None provided	Comment clarification was provided by email by SSE on 8 May 2012 stating: "For the second point, it appears there is a negative revenue generated in the first two years, and this is not accounted for going forward (i.e., 2010 is 5 -160,822 and 2011 is 5 -234,396, so 5 - 395,118 should be accounted for in 2012, should it not?). Also, even though there appears to be positive revenue from 2012 going forward, we still need to see the project cost analysis extended out for the duration of the project to ensure all potential future costs are accounted for. I realize this can be a sensitive item, so please note that this will be kept confidential by ESI (as is the case with all of the components of the project, but just wanted to reiterate)."	Discussion w client.	Addressed.								Y
50	Project has secured 80% or more of funding needed to cover the total cash out before the project reaches breakeven	Y	n	"Sec 1.13 Non-Permanence Risk_Version 3.2.pdf"	Please provide a cash-flow analysis so the verifier may confirm the project has secured 80% or more of funding needed to cover the total cash out before the project reaches breakeven.	Patagonia Sur has paid for all of the required inputs. The only factor remaining is the cost of validation and verification of future instances.	Although this assertion may be true, the validator needs to see an actual cash-flow analysis to confirm. Please provide.	See document uploaded to DropBox under title "Cash Flow Statement".	see 49 above	see 49 above	Addressed.									Y
51	Mitigation: Project has available as collable financial resources at least 50% of total cash out before project reaches breakeven	Y	n	"Sec 1.13 Non-Permanence Risk_Version 3.2.pdf"	Please provide a cash-flow analysis so the verifier may confirm the project has available as collable financial resources at least 50% of total cash out before project reaches breakeven.	Patagonia Sur has paid for all of the required inputs. The only factor remaining is the cost of validation and verification of future instances.	Although this assertion may be true, the validator needs to see an actual cash-flow analysis to confirm. Please provide.	See document uploaded to DropBox under title "Cash Flow Statement".	see 49 above	see 49 above	Addressed.									Y
	Table 3 Opportunity Cost																			
52	NPV from the most profitable alternative land use activity is expected to be at least 100% more than that associated with project activities; or where baseline activities are subsistence-driven, net positive community impacts are not demonstrated	Y	n	"Sec 1.13 Non-Permanence Risk_Version 3.2.pdf"	Please provide a score for one of these options as applicable to the project.	An OECD reference has been added to the Non-Permanence Risk_Version 3.2 report	Although this assertion may be true, the validator needs to see an actual cash-flow analysis to confirm. Please provide.	See document uploaded to DropBox under title "Cash Flow Statement".	see 49 above	see 49 above	Addressed.									Y
	NPV from the most profitable alternative land use activity is expected to be between 50% and up to100% more than from project activities	Y	n	"Sec 1.13 Non-Permanence Risk_Version 3.2.pdf"																
	NPV from the most profitable alternative land use activity is expected to be between 20% and up to 50% more than from project activities	Y	n	"Sec 1.13 Non-Permanence Risk_Version 3.2.pdf"																
	NPV from the most profitable alternative land use activity is expected to be between 20% more than and up to 20% less than from project activities; or where baseline activities are subsistence-driven, net positive community impacts are demonstrated	Y	n	"Sec 1.13 Non-Permanence Risk_Version 3.2.pdf"																
53	NPV from project activities is expected to be between 20% and up to 50% more profitable than the most profitable alternative land use activity	Y	n	"Sec 1.13 Non-Permanence Risk_Version 3.2.pdf"	Please provide a cash-flow analysis so the verifier may confirm the NPV from project activities is expected to be between 20% and up to 50% more profitable than the most profitable alternative land use activity. Also, the text from Page 2 is inconsistent with the table from Page 4. Please clarify and make consistent.	An OECD reference has been added to the Non-Permanence Risk_Version 3.2 report	Although this assertion may be true, the validator needs to see an actual cash-flow analysis to confirm. Please provide.	See document uploaded to DropBox under title "Cash Flow Statement".	see 49 above	see 49 above										Y

Item Number		Applicability to the Project (Y or N/A)	Requirement Met (Y or N)	Location in PD or Supporting Documents	NCR/CL/OFI	Response from Client		NCR/CL/OFI	NCR/CL/OFI Satisfied (Y or N)										
54	Mitigation: Project is protected by legally binding commitment (see Section 2.2.4) to continue management practices that protect the credited carbon stocks over at least 100 years	y	n	"Sec 1.8 Conservation Easement Draft.pdf"	Please provide the executed conservation easement, and for clarification, please describe where the protection timeline (infinite) is located in the easement.	The latest draft version of the voluntary easement (conservation easement) is uploaded to the dropbox shared folder. The protection timeline is described in section 5 of the document.	The Fifth section defines the perpetual timeline, but the easement is a draft, and the risk requirement states " Project *is* protected by legally binding commitment." Therefore, the easement must be executed for the Mitigation to apply in the risk analysis. Please address.	The Conservation easement is not finalized to the point of signature, and a draft version has been provided. However SNP Patagonia Sur, through its affiliate company Sociedad Agrícola y Forestal SNP Limitada has signed on to a legally binding agreement in which it commits to establish the conservation easement on its Valle California properties when those legal processes are completed. This agreement is added the dropbox folder under the name "Sec 1.8 Contract about and Agreement for the Development of a Sustainable and Restricted Real Estate Project", and in its clause 4.1 establishes the easement promise. It is worth mentioning that the other party in the agreement is the Fundación SNP Patagonia Sur (Patagonia Sur Foundation) and commits to create another non profit entity (to act as a Land Trust), sign off to the easement, and then sell the dominant land and assign this agreement to the newly created land trust.	Agreement not located. Shawn - did you find this?	The agreement is in folder Section 1 2 & 3, as well as attached here.	Addressed.	Meeting with client.	As legally binding commitment is not yet implemented, the project proponent provided a revised risk report removing the score for mitigation. Addressed.						Y
	Table 4 Project Longevity																		
55	With legal agreement or requirement to continue the management practice	y	n	"Sec 1.8 Conservation Easement Draft.pdf"	See Item #54.	See comment on numer 54 above	See 54	Same response as for 54.	See 54 above	The agreement is in folder Section 1 2 & 3, as well as attached here.		Meeting with client.	As legally binding commitment is not yet implemented, the project proponent provided a revised risk report removing the score for mitigation. Addressed.						Y
	External Risks																		
	Table 6: Land Tenure																		
56	In more than 5% of the project area, there exist disputes over land tenure or ownership	y	y	"Sec 1.13 Non-Permanence Risk_Version 3.2.pdf"	This is TBD until titles are reviewed	There is no dispute over land tenure or ownership.	Upon review of the title documentation, the validator and site visit confirm the title contains no disputes. Issue addressed.		y										Y
57	There exist disputes over access/use rights (or overlapping rights)	y	y	"Sec 1.13 Non-Permanence Risk_Version 3.2.pdf"	This is TBD until titles are reviewed	There is no dispute over land tenure or ownership.	Upon review of the title documentation, the validator and site visit confirm the title contains no disputes. Issue addressed.		y										Y
58	Mitigation: Project area is protected by legally binding commitment (eg, a conservation easement or protected area) to continue management practices that protect carbon stocks over the length of the project crediting period	y	n	"Sec 1.8 Conservation Easement Draft.pdf"	See above NCR.	See comment on numer 54 above	See 54	Same response as for 54.	See 54 above	The agreement is in folder Section 1 2 & 3, as well as attached here.	The agreement does not state a comitment to continue management practices that protect carbon stocks over the length of the crediting period.	Meeting with client.	As legally binding commitment is not yet implemented, the project proponent provided a revised risk report removing the score for mitigation. Addressed.						Y
	Table 7: Community Engagement																		
59	Less than 50 percent of households living within the project area who are reliant on the project area, have been consulted	y	y	"Sec 1.13 Non-Permanence Risk_Version 3.2.pdf"	Please double-check the scoring for this section. It seems inaccurate. Specifically, if the two top items are non-existent, then there should be no scores assigned for mitigation.	Added statement explaining that no one but Patagonia Sur is reliant on this land, but that Patagonia Sur also creates jobs through the project activities.	The validator generally agrees with the assertions of the revised risk assessment. A credit for mitigation should not be accounted for if the local communities have not been engaged. However, the score would still result in 0, so this issue is addressed.		y										Y
	Less than 20 percent of households living within 20 km of the project boundary outside the project area, and who are reliant on the project area, have been consulted	y	y	"Sec 1.13 Non-Permanence Risk_Version 3.2.pdf"															Y
	Mitigation: The project generates net positive impacts on the social and economic well-being of the local communities who derive livelihoods from the project area	y	y	"Sec 1.13 Non-Permanence Risk_Version 3.2.pdf"															Y
	Table 8: Political Risk																		
60	Governance score of 0.82 or higher	y	y	"Sec 1.13 Non-Permanence Risk_Version 3.2.pdf" and "http://info.worldbank.org/governance/wgi/sc_chart.asp"	Please clarify how the WGI scores were located and averaged. The verifier did not arrive at the same numbers.	Mistake in formula found. Effect on risk is same, but total score is 1.17. Support can be found in excel sheet " Non Permanence Risk Calculation)	The recently provided file was entitled "Sec 1.13 External Risk calculation.xlsx." This contained scores from 2005-2009. As the VCS Non-Permanence Risk Tool requires the WGI score to be "averaged over the most recent five years of available data," please revise the calculation to be based on scores between 2006-2010.	Computation has been updating using the 2006-2010 scores.	Please provide the updated supporting file "Sec 1.13 External Risk calculation.xlsx."	The revised supporting file has been added to DropBox and attached here.	There were a few errors in the spreadsheet (one duplication error for "voice and Accountability" in 2008 and once cell was not included in the average for "government effectiveness"), however even when these were addressed the values were only inconsequentially different. Requirement addressed.								Y
61	Mitigation: Country is implementing REDD+ Readiness or other activities, as set out in this Section 2.3.3.	y	y	"Sec 1.13 Non-Permanence Risk_Version 3.2.pdf"	Although not pertinent to the final scoring (as the score cannot be less than zero), please provide a reference for Chile's participation in REDD + Readiness since it is mentioned in the tool.	Refence provided in revised Non-Perm risk document.	The validator could not locate revised reference. Please clarify where this is located.	REDD reference has been added on page 6.	According to the reference, "Those that have signed a Participation Agreement but have not formally requested the Readiness Preparation Proposal (R-PP) formulation grant by submitting the standard request form specifying how the funds would be used: four (namely Bolivia, Chile, Papua New Guinea and Paraguay)." Does this count?	Revised non-permenance risk assessment	The risk assessment now states "Chile has signed a Participatory Agreement with the World Bank Forest Carbon Partnership Facilities and requested funds for a Readiness Preparation Proposal" which has been confirmed. Requirement addressed.								Y
	Natural Risks																		
62	*See Page 15*	y	y	"Sec 1.13 Non-Permanence Risk_Version 3.2.pdf"	Please provide references (research, etc.) to back-up the claims made in the Natural Risks section.	References have been provided in the revised Non-Permanence Risk document.	The validator could not locate revised references for extereme weather or the document/source for the volcanic activity study for geologic risk. Please provide.	The evidence of extreme weather is based on a study of droughts and environmental threats and "Holocene tephrochronology of the southernmost part (42°30'-45°S) of the Andean Southern Volcanic Zone" are in the Sections 4 5 & 6 DropBox folder.	The validator generally agrees with the assertions of the Natural Risks section. Pest Outbreak is stated to be given a conservative rating of 1, but this in not shown in the score table. Please revise.	The Non Permanence risk supporting document was revised. The PD reference remains the same because it already had the correct total number.	The risk assessment has now been adjusted to show a score of 1 for "pest outbreak". Requirement addressed.								Y
Item Number	**Draft Guidelines on conditions under which increase in GHG emissions related to displacement of pre-project grazing activities in A/R CDM project activity is insignificant (Version 1, 04 December 2009)**	**Applicability to the Project (Y or N/A)**	**Requirement Met (Y or N)**	**Location in PD or Supporting Documents**	**NCR/CL/OFI**	**Response from Client**		**NCR/CL/OFI**	**NCR/CL/OFI Satisfied (Y or N)**										
	III. PROCEDURE																		
63	(ii) Existing grasslands with the carrying capacity that allows for accommodation of the displaced animals during the entire period of displacement; and/or	y	y	PD Section 3.3; "Sec 1.13 Leakage Statement"; "Sec 6 Stakeholder Comments"	Please provide evidence or statements from the families attesting to the animals being moved to existing grasslands with the carrying capacity that allows for accommodation of the displaced animals during the entire period of displacement.	Such statements have been provided by the families in the document "Sec 6 Stakeholder Comments".	The statements from many of the landowners indicate they will not be clearing forests on their newly acquired lands, which generally shows displacement of cattle with not lead to increased GHG emissions. Issue addressed.		y										Y
64	(v) Slaughterhouses.	y	y	PD Section 3.3; "Sec 1.13 Leakage Statement"	Please provide evidence or statements from the families attesting to the animals being moved to slaughterhouses.	Further evidence was deemed superfluous, as evidence has already been given that laeakage is negligible.	As only one of these items was necessary to prove displacement will not lead to increased GHG, issue addressed.		y										Y
65	General (see comments to the right)	y	y								• Please update the Table of Contents to reflect all your changes.			Please revise Table of Contents in PD and Monitoring Report.	This has been revised.		The table is still not accurate but this is likely due to the fact that it is a tracked changes version. Will be confirmed in final untracked PD. Additionally, please make certain the title of the project is consistent between the top of the title page and the blue box labeled title (the prior states "Valle California" while the other states "California Valley".	The PD has been corrected. Issue addressed.	Y
66	General (see comments to the right)	y	y								• Please change the date on the PD cover page and file name to reflect the correct version/date.			Please revise date of PD and Monitoring Report.	This has been revised.	Ok – confirmed for the PD. Monitoring report to be confirmed during verification.			Y
67	General (see comments to the right)	y	y								• We contacted VCS (Ben Block) who confirmed our original statement that the conservation easement (or similarly detailed document) needs to be executed in order to get the mitigation credit. The contract provided does not sufficiently demonstrate that the project is protected now by a legally binding commitment to either protect the credited carbon stocks over the length of the project period or over at least 100 years. If this is something you would like to discuss directly with VCS, we welcome their additional guidance.	From Alejandro Orizola's email of 25 May 2012: • Sadly we are still not ready with the signature of the conservation easement. We hoe to complete all related tasks within the next 30-40 days. To this date we have only been able to close on the easement promise (included in the dropbox as "Sec 1.8 Contract about an Agreement for the Development of a Sustainable and Restricted Real Estate Project") between the company and the NGO to act as Land Trust, and 2 written commitments to acquire parcels in VC subject to the signature of easement. Taking into consideration VCS response and what is included in the "AFOLU Non-Permanence Risk Tool: VCS Version 3", we dont have any way to address right now the internal risk score."	As legally binding commitment is not yet implemented, the project proponent provided a revised risk report removing the score for mitigation. Addressed.						Y
68	General (see comments to the right)	y	y								• Has Matias provided the information addressing the use of the biomass calculation versus the carbon calculation from Pages 42-43 of the PD? Your email reply indicated "In addition, we reviewed Stewart's questions regarding the request in the Methodology to biomass equations based in diameter, and a carbon calculation based on the factor 0.5 * the biomass total. Matias Rio is sending a response on this sub-topic later today." We could not find this information from Matias. Please provide or direct us to this information.	happy to change the equations to base Biomass calculations on Diameter, and Carbon calculations on 50% of the Biomass. This yields a slightly lower number of tons than by using the Carbon Equation derived for us by Promis. We're happy to do this for this Verification, because the difference is between for example .002 and .003 tons. However, can we use the Carbon equation as it is more accurate than the global average default value in the methodology in the future?" From Matias Rio's email of 25 May 2012: "Ø I uploaded to the dropbox folder a new version of the monitoring report, called "VCS Monitoring Report_5_25_2012". I changed in section 5 of the Monitoring Report the biomass calculation, I used now an equation (from Promis study) based in diameter and tree height, also I used the formula that appears in the guidance for carbon calculation. The equation was been changed in section 4 in the PDD and in section 3 in the Monitoring Report. Furthermore was uploading to the dropbox folder a spreadsheet with the biomass calculations,	Addressed.						Y
69	General (see comments to the right)	y	y								• We are still reviewing calculations and statistics, however stemming from the question above we do have a question on the biomass calcs as the formulas listed on pages 42 and 43 of the PDD and pages 12 and 13 of the monitoring reports do not appear to match the Reforestation Project VC Final spreadsheet in Columns J, L, N, which if in error, would be critical to amend.	From Divya's email 25 May 2012: "The purpose of the Reforestation Project VC Final spreadsheet is to forecast the sequestration over the 80-year time period, and thus the equation is based on AGE. The purpose of the equations in the PD and Monitoring Report are to detail ex-ante and ex-post how the actual sequestration will be/was calculated, and thus is based on DIAMETER. It's not clear to us how to forecast based on Diameter."	Section 1.7 of the PD has been revised to include the power forms and correction factors, consistent with the Promis paper. The equations have been corrected, and the incorrect equation reference has been removed. The validator has confirmed that the carbon sums from Equation 4 of the methodology have been accurately applied. The validator confirmed the Promis equations based on age were sufficient and conservative for the project. Issue addressed.						Y

70	General (see comments to the right)	Y		Y							• Section 1.1 of the PD now states "as it will demonstrated in this document (and attached documentation)." Please include this information in an appendix to the report as it is critical. There is still the issue of the Lavandeira paper missing the Figure that relates the project areas to the zones documented in the paper (4th bullet point of Caitlin's Tuesday email). As stated before we need this to confirm the temperate footprint for all future project areas/zones.	From Alejandro Orizola's email of 21 May 2012: " • The "attached documentation" reference will be corrected as it was related to information already included in the PD document. • A new annex to section 1.1. will be uploaded to dropbox folder including the map identified as Figure I. In our understanding that such map along with the added text to section 1.1. of the PD Document should be enough to relate the geographical regions (ie. project instances) and the temperate eco regions. If a new map is required please let us know."	Provided. Addressed.							Y