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Verification Assessment Report for:

Weyerhaeuser Uruguay S.A.
in
Treinta y Tres and Cerro Largo, Uruguay

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Draft Report Date:	August 19, 2013
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Lead Auditor:	William Arreaga
Audit Team Member(s):	Ariel Zorrilla
Senior Internal Reviewer	Campbell Moore
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Project Proponent Contact:	Juan Martínez Galán
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WEYERHAEUSER VCS VERIF 13

Document Prepared By Rainforest Alliance

Project Title	"Weyerhaeuser Uruguay" Forest Plantations on degraded grasslands under extensive grazing
Version	03
Report ID	RA-VER-VCS-018091

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Work Carried Out By	<i>Ariel Zorrilla</i> <i>William Arreaga</i>

Summary:
The verification process started on May 31, 2013 when the project proponent submitted the Monitoring Report 2013 and supporting documents such as the calculation spread sheets and the risk assessment of non-permanence. The field visit took place on July 01-05, 2013. The audit team visited the plantation projects, interviewed key stakeholders, staff and other related experts, and also reviewed the PD, and supporting documents. The purpose of the visit was to determine the conformance of the project with respect to the VCS Version 3 standard, the validated Monitoring Plan and the validated PD. The scope of the verification was to assess the conformance of Weyerhaeuser Uruguay S.A. afforestation project (18,191 hectares) in Treinta y Tres and Cerro Largo, Uruguay, against the Verified Carbon Standard. The audit team submitted to the project proponent a draft report on August 6, 2013 in which no non-conformances were reported. Following the revision of the report by the project proponent, a draft final report was created where the Rainforest Alliance auditor has found that with reasonable level of assurance, the project is in conformance with the VCS v3 standard and verified that the project has resulted in net GHG benefits (removals) of 2,915,843 tCO₂e; also, the buffer of 10% was approved based on the new risk assessment of non-permanence. VCU's to be issued after the buffer deduction are 2,624,258. For a complete summary of the audit process please refer to section 2 of this report and section 5 for complete verification field audit findings.

Table of Contents

1. INTRODUCTION	5
1.1 Objective	5
1.2 Scope and Criteria	5
1.3 Level of assurance	5
1.4 Summary Project Description	5
2. VALIDATION PROCESS, FINDINGS AND CONCLUSION	7
2.1 Validation Process	7
2.1.1 Audit Team	7
2.1.2 Description of the Audit Process	7
2.1.3 Review of Documents	8
2.1.4 Interviews	8
2.2 Validation Findings	9
2.2.1 Gap Validation	9
2.2.2 Methodology Deviations	9
2.2.3 Project Description Deviations	9
Identify, discuss and justify conclusions regarding any project description deviations.	9
2.2.4 New Project Activity Instances	9
2.3 Validation Conclusion	10
3. VERIFICATION PROCESS	10
3.1 Method and Criteria	10
3.2 Audit Team	10
3.3 Review of Documents	11
3.4 Interviews	11
3.5 Description of the Audit Process and Site Inspections	12
3.6 Resolution of Material Discrepancy	12
4. VERIFICATION FINDINGS	12
4.1 Project Implementation Status	12
4.1.1 Project title, Purposes and Objectives	12
4.1.2 Stratification of Baseline and Project Areas	12
4.1.3 Ownership/Proof of Title/Right of Use	13
4.1.4 Double counting and whether the project participated in another emission trading programme	13
4.1.5 Conformance with PDD Monitoring Protocol	13
4.1.6 Observation of local laws and regulations	15
4.1.7 VCS AFOLU Requirements Section 3.1.5: Negative environmental and socio-economic impacts	15
4.2 Accuracy of GHG Emission Reduction or Removal Calculations	15
4.2.1 Calculation of emissions in the baseline scenario (ex-post estimate) following identified methodology and validated PDD	15
4.2.2 Calculation of emissions from project activities (ex-post estimate) following identified methodology and validated PDD	16
4.2.3 Calculation of emissions reductions or avoided emissions due to the project (ex-post estimate) following identified methodology and validated PDD	16
4.2.4 Calculation of emissions from leakage (ex-post estimate) following identified methodology and validated PDD	17
4.2.5 Assessment of uncertainty following identified methodology and validated PDD	17
4.2.6 Appropriate use of default values following identified methodology and validated PDD	17
4.2.7 The assumptions made for calculating GHG emission reductions and/or removals	17
4.2.8 Calculation of net VCUs to be issued (ex-post estimate) following identified methodology and validated PDD	17
4.3 Quality of Evidence to Determine GHG Emission Reductions or Removals	17
4.3.1 Verification of inventory equipment used to calculate emissions reduction and/or removals	18
4.3.2 Verification of use of GPS and remote sensing analysis following identified methodology and validated PDD	18
4.3.3 Implementation of sampling plan described in the PDD	18

4.4 Management and Operational System	18
4.4.1 Monitoring roles and responsibilities identified	19
4.4.2 Inventory quality management systems (including both field and remote sensing as applicable)	19
4.4.3 Data transcription quality management systems	19
4.4.4 Data management and archival systems.....	19
Non-permanence Risk Assessment.....	21
4.3.1 VCS AFOLU Non-Permanence Risk Tool Section 2.2.4.4: Projects with tree harvesting	21
4.3.2 VCS AFOLU Non-Permanence Risk Tool Section 2.1.1: Risk analysis.....	21
4.3.3 VCS AFOLU Non-Permanence Risk Tool Section 2.5.1 – 2.5.3: Overall Project Risk Calculation	23
5. VERIFICATION CONCLUSION AND AUDIT OVERVIEW	23
5.1 Audit Conclusions.....	24
5.2 Nonconformance evaluation	24
5.3 Observations	24
5.4 Actions taken by the Project Proponent address NCRs (including any resolution of material discrepancy).....	24

1. INTRODUCTION

Rainforest Alliance certification and auditing services are managed and implemented within its RA-Cert Division. All related personnel responsible for audit design, evaluation, and certification/verification/validation decisions are under the purview of the RA-Cert Division, hereafter referred to as Rainforest Alliance or RA. Rainforest Alliance is an ANSI ISO 14065:2007 accredited validation and verification body; additionally, Rainforest Alliance is a member of the Climate, Community, and Biodiversity Alliance (CCBA) standards, and an approved verification body with a number of other forest carbon project standards. For a complete list of the services provided by the Rainforest Alliance, see http://www.rainforest-alliance.org/climate.cfm?id=international_standards.

Dispute resolution: If Rainforest Alliance clients encounter organizations or individuals having concerns or comments about Rainforest Alliance and our services, these parties are strongly encouraged to contact the local Rainforest Alliance regional office or the RA-Cert Division headquarters directly. Formal complaints or concerns should be sent in writing.

1.1 Objective

The purpose of this report is to document the conformance of “Weyerhaeuser Uruguay” Forest Plantations on degraded grasslands under extensive grazing with the requirements of the Verified Carbon Standard (VCS). The project was developed by Weyerhaeuser Uruguay S.A., hereafter referred to as “Project Proponent”. The report presents the findings of qualified Rainforest Alliance auditors who have evaluated the Project Proponent’s systems and performance against the applicable standard(s).

1.2 Scope and Criteria

Scope: The scope of the audit is to assess the conformance of “Weyerhaeuser Uruguay” Forest Plantations on degraded grasslands under extensive grazing Afforestation project in Treinta y Tres and Cerro Largo, Uruguay against the Verified Carbon Standard. The objectives of this audit included an assessment of the project’s conformance with the standard criteria. In addition, the audit assessed the project with respect to the baseline scenarios presented in the project design document. The project covers an area of 18,191 hectares. The land is privately owned. The information supporting the GHG assertion is historic in nature. The project has a lifetime of 100 years, and has calculated a GHG reduction and/or removal of 2,915,843 tCO₂e over the course of the monitoring period.

Standard criteria: Criteria from the following documents were used to assess this project:

- Verified Carbon Standard Program Guide Version 3.4;
- Verified Carbon Standard Version 3.3;
- Verified Carbon Standard Agriculture, Forestry and Other Land Use (AFOLU) Requirements Version 3.3;
- Verified Carbon Standard AFOLU Non-Permanence Risk Tool Version 3.2;
- Verified Carbon Standard Program Updates (please see VCS website for the latest updates); and as applicable,
- The VCS approved methodology/modules used by the project.

Materiality: All GHG sinks, sources and/or reservoirs (SSRs) and GHG emissions equal to or greater than 1% of the total GHG assertion. This project is a VCS “large” project.

1.3 Level of assurance

The assessment was conducted to provide a reasonable level of assurance of conformance against the defined audit criteria and materiality thresholds within the audit scope. Based on the audit findings, a positive evaluation statement reasonably assures that the project GHG assertion is materially correct and is a fair representation of the GHG data and information.

1.4 Summary Project Description

From the PD Version 1.1:

“The project will comprise a total of 18,191 ha of land previously under extensive grazing by beef cattle, on which forest plantations for obtaining high-value, long-lived timber products and for sequestering large amounts of carbon dioxide from the atmosphere will be established.

Forests will be based mainly on *Eucalyptus grandis* and to a lesser extent *Eucalyptus dunnii* and *Pinus taeda* plantations in 16 and 21-year rotations (the former for Eucalyptus and the second for Pinus), managed with pruning (to a height of 9 and 6 m respectively); one thinning operation in Eucalyptus at the age of 11 and two thinnings operations in Pinus at the age of 12 and 16, to obtain knot-free, high-diameter logs suitable for saw-milling and veneering. Plantation will be completed by year 7 of project and forests will be replanted after clear-cut harvest. Practices will be compatible with PEFC standard for sustainable forest management. Planted forests will remove carbon dioxide

from the atmosphere and store it in different carbon pools (living above-ground and below-ground biomass, soil, litter, non-tree vegetation, dead wood and harvested wood products). Monitoring will cover carbon stock changes for living above-ground, litter and dead wood pools. Below ground biomass will be estimated indirectly based on above-ground biomass measurements. Non-tree vegetation and harvested wood products will not be accounted as per the methodology applied. The potential non-permanence of stored carbon will be considered by the non-permanence risk analysis and buffer determination, and by the fact that a significant fraction of the sequestered carbon will be stored in long-lived products which will not be accounted.

The baseline study determined that continuation of extensive grazing is the most likely use of the land. Additionality is demonstrated through the fact that the expected internal rate of return of the proposed project activity without considering carbon finance is lower than the benchmark internal rate of return for this type of investment in Uruguay. In addition, barriers analysis and common practice analysis showed that afforestation in the area of the proposed project activity is not likely to occur without carbon financing.”

The project start date is February 22, 2006 and the project crediting period will be of 100 years (2006-2106).

2. VALIDATION PROCESS, FINDINGS AND CONCLUSION

Note: If at the time of verification, the audit team has also undertaken a gap validation of the project, or has validated a new methodology and/or project description deviation, and/or inclusion of a new project activity instance in a grouped project, the relevant validation sections below should be completed in detail. In absence of these activities, the validated PDD must still be reviewed in detail to ensure validated project activities have continued without significant changes. Any non-conformances or observations identified during the field audit are noted in this section, and specific NCR and OBS tables are included in section 5 of this report for each identified non-conformance and observations. All findings related to audit team review of additional evidence submitted by the Project Proponent following the issuance of the Draft Audit Report by Rainforest Alliance, is included within section 5 of this report.

2.1 Validation Process

2.1.1 Audit Team

Overview of roles and responsibilities:

Auditor(s)	Responsibilities							
	Lead	Desk Review	On-site visit	Climate Specialist	Biodiversity Specialist	Social Specialist	Report	Senior Internal Review
Ariel Zorrilla	☐	☐	☒	☐	☒	☒	☒	☐
William Arreaga	☒	☒	☒	☒	☐	☒	☒	☐
Adolfo Lemus	☐	☐	☐	☐	☐	☐	☐	☒

Auditor qualifications:

Auditor(s)	Qualifications
Ariel Zorrilla, Rainforest Alliance/SmartWood Program Representative in Argentina <i>Audit team member</i> Contact info: azorrilla.consultant@ra.org	Agronomic Engineer. Rainforest Alliance/SmartWood Program's Representative for Argentina. Previous participation in formal FSC forest certification courses, chain of custody, environmental auditing ISO 14.001, and carbon verification auditing. FSC certification auditing experience in most of the South American countries.
William Arreaga, Rainforest Alliance/Smartwood Program Verification Coordinator Services Mesoamerica <i>Lead auditor</i> Contact info: warreaga@ra.org skype @ warreaga	Guatemalan; forester from San Carlos de Guatemala University, and M.Sc. from CATIE, Turrialba, Costa Rica. He is also involved in a MBA program on Financial Administration in Guatemala. William serves as a lead auditor for FSC Forest Management, and Chain-of-Custody. He has developed two biomass allometric equations in natural forests and plantations in Guatemala. Moreover, he had received formal training in Environmental Services at Winrock International; as well as he had developed a great experience with Carbon issues by his participation in the field for four CCB validations in Mexico, Nicaragua, Costa Rica and Panama; VCS validations in Guatemala, Honduras, Panama, Mexico, Uruguay, Ecuador, and USA; CarbonFix verifications in Panama. He had received formal training as carbon validator in Vermont, and as lead auditor against ISO 14001 in Guatemala. Nowadays, he is the Verification Services Coordinator in Rainforest Alliance Mesoamerica Region.

2.1.2 Description of the Audit Process

Location/Facility	Date(s)	Length of Audit	Auditor(s)
Carbosur office, Montevideo	13 nov 2012	One day	A.Zorrilla / W.Arreaga

Weyerhaeuser Uruguay office, Melo	14-15 nov 2012	One day	A.Zorrilla / W.Arreaga
Plantations projects (farms): Olimar, Macachin, El Pirincho 2, Laurel, La Pitanga, Misto	14-15 nov 2012	One day	A.Zorrilla / W.Arreaga
Weyerhaeuser Uruguay office, Montevideo	16 nov 2012	One day	A.Zorrilla / W.Arreaga

2.1.3 Review of Documents

The following documents were viewed as a part of the field audit:

Ref	Title, Author(s), Version, Date	Electronic Filename
1	Documentación Legal	Documentación Legal (file)
2	Weyerhaeuser Uruguay, Non-permanence risk report, 2012	06-Non-Permanence risk report-Weyerhaeuser Uruguay.doc
3	Weyerhaeuser Uruguay, PD Weyerhaeuser Uruguay v1.1, 2012	PD Weyerhaeuser Uruguay v1.1.pdf
4	Weyerhaeuser Uruguay, Stocks de carbon, 2012	Stock de Carbono Weyerhaeuser con Dunnii.xls
5	INIA, Serie Técnica No. 152, 2005	Serie Técnica 152
6	CV Isabel Loza, 2012	6. CV Isabel LozaBalbuena.pdf
7	Weyerhaeuser Uruguay, Query SOC, 2012	RE query SOC (email)
8	Weyerhaeuser Uruguay, Datos inventario de predios, 2012	Datos de inventario predios del este.xls
9	Weyerhaeuser Uruguay, Datos eucalyptus, 2012	E grandis vs E. dunnii.xls
10	Weyerhaeuser Uruguay, SAG grandis model 6 years, 2012	SAG grandis 6 años.xls
11	Weyerhaeuser Uruguay, SAG grandis model 5 years, 2012	SAG grandis 5 años.xls
12	Weyerhaeuser Uruguay, SAG grandis model 4 years, 2012	SAG grandis 4 años.xls
13	Weyerhaeuser Uruguay, Non-permanence risk report, 2012	06-Non-Permanence risk report-Weyerhaeuser Uruguay.pdf
14	CV Juan Martínez Galán, 2012	CV Juan Martinez Galan.pdf
15	Weyerhaeuser Uruguay, Modelo contrato de pastoreo, 2012	Modelo Contrato de Pastoreo a utilizar a partir del 16Nov2012.dlc
16	Doldan <i>et al</i> , Alternativas de plantaciones uruguayas para pulpa Kraft, 2012	Alternativas de plantaciones uruguayas para pulpa Kraft.pdf
17	Weyerhaeuser Uruguay, KML points, 2012	KML Wey.kml
18	Weyerhaeuser Uruguay, Estimation benchmark, 2012	Estimation benchmark-Weyerhaeuser Uruguay.xls
19	Weyerhaeuser Uruguay, Cashflow, 2012	Cashflow- Weyerhaeuser Uruguay.xls
20	Weyerhaeuser Uruguay, Financial viability, 2012	Financial viability and Opportunity cost-Weyer.xls
21	Weyerhaeuser Uruguay, Simulation SISPINUS 4, 2012	Simulation SISPINUS 4 años.rtf
22	Weyerhaeuser Uruguay, Simulation SISPINUS 5, 2012	Simulation SISPINUS 5 años.rtf
23	Weyerhaeuser Uruguay, Simulation SISPINUS 6, 2012	Simulation SISPINUS 6 años.rtf

2.1.4 Interviews

The following is a list of the people interviewed as part of the audit. The interviewees included those people directly, and in some cases indirectly, involved and/or affected by the project activities.

Audit Date	Name	Title
13-16 nov 2012	Isabel Loza Balbuena	Analista de Negocios isabel.loza@weyerhaeuser.com
13-16 nov 2012	Juan Martínez Galán	Gerente de Proyectos y Nuevos Negocios juan.martinez@weyerhaeuser.com
13-16 nov 2012	Andrés Normey	Carbosur Technical Expert andres.normey@carbosur.com.uy
13-16 nov 2012	Alvaro Pérez del Castillo	Carbosur Executive Director alvaro.perez@carbosur.com.uy
13-16 nov 2012	Agustin Inthamoussu	Carbosur General Manager agustin.inthamoussu@carbosur.com.uy

13 nov 2012	Pedro Soust	General Forestry Agency. General Director. psoust@mgap.gub.uy
Nov 16, 2012	Luis Sancho	Forestry Specialist. PROBIO. Proyecto URU/10/G31 probio@dinama.gub.uy
Nov 16, 2012	Mariana Kasprzyk	Ministry of Housing, Land Planning and Environment mkasprzyk@cambioclimatico.gub.uy
Nov 16, 2012	Diego Mora	Forestry producers society of Uruguay diego.mora@spf.com.uy
Nov 17 – 18, 2012	Joaquín Castro	Certificación e incendios forestales, Weyerhaeuser Uruguay
Nov 17 – 18, 2012	Martín Uruga	Jefe de Inventarios Forestales, Weyerhaeuser Uruguay
Nov 17 – 18, 2012	Gustavo Notijane	Supervisor de Inventarios Forestales, Weyerhaeuser Uruguay

2.2 Validation Findings

2.2.1 Gap Validation

Identify, discuss and justify conclusions regarding the additional project description (and any supporting documents) produced in accordance with the VCS rules on participation under approved GHG programs.

Findings from Verification Field Audit			
The project has not added additional project description in its PDD nor in supporting documents. Therefore the validated PD is still accurate and reflects the current situation.			
Conformance	Yes ☒	No ☐	N/A ☐
NCR/OBS	No NCRs or OBS were raised		

2.2.2 Methodology Deviations

Identify, discuss and justify conclusions regarding any methodology deviations applied to the project. Note this includes any applicable deviations from the methodology as well as deviations in monitoring report from the validated monitoring plan.

Findings from Verification Field Audit			
The project was validated against the methodology “AR-ACM0001 Afforestation and Reforestation on degraded land (version 5.2.0) however after the registration of the project occurred on 18 th January 2013, the PP realized that CDM had updated the methodology. A merge of different methodologies happened and the methodology “AR-ACM0003 Afforestation and reforestation of lands except wetlands” replaced AR-ACM0001. No methodology deviations occurred as defined by the VCSA. The Weyerhaeuser Uruguay S.A. project used the AR-ACM0001 methodology for the monitoring period.			
Conformance	Yes ☒	No ☐	N/A ☐
NCR/OBS	No NCRs or OBS were raised		

2.2.3 Project Description Deviations

Identify, discuss and justify conclusions regarding any project description deviations.

Findings from Verification Field Audit			
The most recent version of the PD is from 29 October 2012 (Version 1.2), therefore there are no current project description deviations relevant to this verification audit.			
Conformance	Yes ☒	No ☐	N/A ☐
NCR/OBS	No NCRs or OBS were raised		

2.2.4 New Project Activity Instances

For grouped projects, identify, discuss and justify conclusions regarding the following:

- Number of new project activity instances included in the project at this monitoring/verification event.
- Quality and completeness of evidence, data and documentation of new project activity instances
- Eligibility of new project activity instances
- Sampling process for validation of new project activity instances

Findings from Verification Field Audit
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The project is not a grouped project.			
Conformance	Yes ☐	No ☐	N/A ☒
NCR/OBS	No NCRs or OBS were raised		

2.3 Validation Conclusion

Clearly state whether the project conforms with the validation criteria for projects, as set out in VCS Version 3, and include any qualifications or limitations. This section should include a brief description of any changes from the validated PDD, and a review of project continued conformance with the validated PDD.

Findings from Verification Field Audit			
The PD has not changed since the validation visit. During the verification visit, the auditor observed no significant changes occurred from the validated PD.			
Conformance	Yes ☒	No ☐	N/A ☐
NCR/OBS	No NCRs or OBS were raised		

3. VERIFICATION PROCESS

3.1 Method and Criteria

Describe the method and criteria, including the sampling plan, used for undertaking the verification.

3.2 Audit Team

Overview of roles and responsibilities:

Auditor(s)	Responsibilities							
	Lead	Desk Review	On-site visit	Climate Specialist	Biodiversity Specialist	Social Specialist	Report	Senior Internal Review
William Arreaga	☒	☒	☒	☒	☐	☒	☒	☐
Ariel Zorrilla	☐	☐	☒	☐	☒	☒	☒	☐
Campbell Moore	☐	☐	☐	☐	☐	☐	☐	☒

Auditor qualifications:

Auditor(s)	Qualifications
Ariel Zorrilla, Rainforest Alliance Representative in Argentina <i>Audit team member</i> Contact info: azorrilla.consultant@ra.org	Agronomic Engineer. Rainforest Alliance/SmartWood Program's Representative for Argentina. Previous participation in formal FSC forest certification courses, chain of custody, environmental auditing ISO 14.001, and carbon verification auditing. FSC certification auditing experience in most of the South American countries.
William Arreaga, Rainforest Alliance Senior Associate, Verification Services Mesoamerica <i>Lead auditor</i> Contact info: warreaga@ra.org skype @ warreaga	Guatemalan; Forestry Engineer from San Carlos de Guatemala University, and M.Sc. from CATIE, Turrialba, Costa Rica. He is also involved in a MBA program on Financial Administration in Guatemala. William serves as a lead auditor for FSC Forest Management, and Chain-of-Custody. He has developed two biomass allometric equations in natural forests and plantations in Guatemala. He had received formal training in Environmental Services at Winrock International; as well as he had developed a great experience with Carbon issues by his participation in the field for four CCB validations in Mexico, Nicaragua, Costa Rica and Panama; VCS validations in Guatemala, Honduras, Panama, Mexico, Uruguay, Ecuador, and USA; CarbonFix verifications in Panama. He had received formal training as carbon validator in Vermont, and as lead auditor against ISO 14001 in Guatemala. Nowadays, he is the Senior Associate, Verification Services in Rainforest Alliance Mesoamerica Region.
Campbell Moore	Campbell is a tropical forestry and REDD+ expert with professional experience in Africa and

Rainforest Alliance Carbon Specialist Washington, DC. USA Report Reviewer and Approver Contact info: cmoore@ra.org	Southeast Asia. He is Carbon Expert with Rainforest Alliance where he conducts audits against six forest carbon standards, supervises methodology assessments, and acts as technical expert on carbon for RA-Cert globally. Campbell has experience on both the technical and policy sides of REDD+. Previous professional experience includes consulting work for GIZ Philippines performing carbon stock assessments of different forest types including agroforestry and plantation systems, as well as work centered on reforestation in Sri Lanka for the Environmental Leadership and Training Initiative. He additionally has worked for Climate Focus on LULUCF policy issues. Campbell received his Master of Forestry from the Yale University School of Forestry and Environmental Studies. This period included a variety of forestry projects including developing a management plan for Connecticut forest preserve, planning timber sales in a New England hardwood forest, and designing and modeling carbon sequestration potential of agroforestry systems for the Nature Conservancy's Global Climate Team. Prior to his time at Yale, Campbell worked in The Gambia for over two years as a Peace Corps Volunteer designing and implementing a wide variety of forestry, agroforestry, and agricultural projects. In addition to his Master of Forestry degree, he holds a M.A. in Environmental Studies from St. Mary's College. Campbell is fluent in Pulaar and has experience with Spanish.
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3.3 Review of Documents

The following documents were viewed as a part of the field audit:

Ref	Title, Author(s), Version, Date	Electronic Filename
1	Monitoring report version I, Weyerhaeuser Uruguay S.A., May 2013	MONITORING REPORT WEYERHAEUSER URUGUAY S A 31-05-2013.pdf
2	Carbon stock calculation spreadsheet, Weyerhaeuser Uruguay S.A., May 2013	Carbon Stock Calculation Weyerhaeuser 5062013.xls
3	Non-Permanence risk report, Weyerhaeuser Uruguay S.A., August 2013	Non-Permanence Risk Report-Weyerhaeuser Uruguay 13082013
4	Instructivo para el cálculo de stock de biomasa, Weyerhaeuser Uruguay S.A., May 2013	Instructivo Calculo Stock de Biomasa Proyecto Weyerhaeuser Uruguay.pdf
5	PD Weyerhaeuser Uruguay v1.3, Weyerhaeuser Uruguay S.A.	PD Weyerhaeuser Uruguay v1.3 con cambios post verification
6	Geographic coordinates of PSP, Weyerhaeuser Uruguay S.A., May 2013	Geographical coordinates of PSP.xls
7	Permanent sample plots, Weyerhaeuser Uruguay S.A., May 2013	Permanent Sample Plots.kml
8	Project boundaries, Weyerhaeuser Uruguay S.A., May 2013	Project boundaries Weyerhaeuser verification.kml

3.4 Interviews

The following is a list of the people interviewed as part of the audit. The interviewees included those people directly, and in some cases indirectly, involved and/or affected by the project activities.

Audit Date	Name	Title
July 1-5, 2013	Isabel Loza Balbuena	Analista de Negocios isabel.loza@weyerhaeuser.com
July 1-5, 2013	Juan Martínez Galán	Gerente de Proyectos y Nuevos Negocios juan.martinez@weyerhaeuser.com
July 1-5, 2013	Marin Ferreira	Supervisor de área
July 1-5, 2013	Leonardo Cabillon	Supervisor de área
July 1-5, 2013	Franco Granada	Supervisor de área
July 1-5, 2013	Jusara Di filipi	Contratista forestal (Campara S.A.)
July 1-5, 2013	Jefferson Cuña	Contratista forestal (Campara S.A.)

July 1-5, 2013	Joaquín Castro	Coordinador de seguridad, ambiente e incendio
July 1-5, 2013	Agustin Inthamoussu	Carbosur General Manager agustin.inthamoussu@carbosur.com.uy
July 1-5, 2013	Inés Aguerre	Proyectos Forestales Carbosur Ines.aguerre@carbosur.com.uy
July 1-5, 2013	Guillermo Morás	Statistical expert, Facultad de Agronomía/Departamento Forestal, Universidad de la República

3.5 Description of the Audit Process and Site Inspections

Location/Facility	Date(s)	Length of Audit	Auditor(s)
Carbosur office, Montevideo	1, 5 July 2013	One day	A.Zorrilla / W.Arreaga
Weyerhaeuser Uruguay office, Melo	2 July 2013	One day	A.Zorrilla / W.Arreaga
Plantations projects (farms): Candiles 1, Olimar, Casas, Gallo, Macachin, Palexa, Palleros, Quebrachal 1, Cerro Malo.	2-4 July 2013	Three days	A.Zorrilla / W.Arreaga
Weyerhaeuser Uruguay office, Montevideo	1, 5 July 2013	One day	A.Zorrilla / W.Arreaga

3.6 Resolution of Material Discrepancy

Based on the desk review of the Monitoring Report, validated PD, Non-Permanence Risk Report, supporting documentation, and the observations made during the field audit, the audit team did not identify material errors or discrepancies during the verification. As a result, no process of resolution was necessary.

4. VERIFICATION FINDINGS

4.1 Project Implementation Status

Identify, discuss and justify conclusions with respect to the following:

- Implementation status of the project activity(s), including any material discrepancies between the project and the project description.
- Implementation status of the monitoring plan and the completeness of monitoring, including any material discrepancies between the project and the project description.
- Any remaining issues from previous validation or verification.

4.1.1 Project title, Purposes and Objectives

Identify any changes in the project title, purpose or objectives since the project validation or the last verification.

Findings from Verification Field Audit			
The Weyerhaeuser Uruguay S.A. project started seven years ago when the first activities were registered (land preparation and actual establishment of the first areas). In late 2012, the final plantations were established. Being so, the total area validated was fully planted by the date of the verification. The project has experienced no changes in the project title or objectives since the validation took place. Additionally, the monitoring was implemented as described in the Monitoring Plan in the validated PD with the exception of the deviations described in Section 4.1.5 and 4.2.3 of this report.			
Conformance	Yes ☒	No ☐	N/A ☐
NCR/OBS	No NCRs or OBS were raised		

4.1.2 Stratification of Baseline and Project Areas

Identify any changes in baseline or project area stratification. Review application of stratification in GHG calculations.

Findings from Verification Field Audit
According to the validated PDD, it is assumed that changes in carbon stock of above-ground and below-ground biomass of non-tree vegetation, and also in litter and dead wood may be conservatively assumed to be zero for all strata in the baseline scenario based on IPCC guidance that areas that have been under the same continuous land use for at least 20 years before the project start date can assume to

have baseline GHG removals of zero (for cattle pastures). Therefore, stratification of the baseline is not necessary. The project area was actually divided into 45 strata based on a combination among three main factors: region, age class and species planted. The monitoring event was done without changes regarding the number of strata. No subdivisions or mergers of strata occurred.

Conformance	Yes ☒	No ☐	N/A ☐
NCR/OBS	No NCRs or OBS were raised		

4.1.3 Ownership/Proof of Title/Right of Use

Identify any changes in project area land ownership/demonstration of right of use as identified in the validated PDD.

Findings from Verification Field Audit			
The land ownership and carbon right of use has experienced no changes, the PP is the sole owner of the land and has the right of use of the GHG benefits generated in the plantation project. The audit team confirmed this through interviews with the PP and employees.			
Conformance	Yes ☐	No ☐	N/A ☒
NCR/OBS	No NCRs or OBS were raised		

4.1.4 Double counting and whether the project participated in another emission trading programme

Identify if the project has participated in other emission trading programmes.

Findings from Verification Field Audit			
The audit team confirmed that the Weyerhaeuser Uruguay S.A. plantation project is not participating in another emission trading programme. Other common voluntary and regulatory carbon standards were consultant via internet research to confirm that the project is not registered with another program, including CDM, CarbonFix Standard, Plan Vivo. This link was consulted for CDM http://cdm.unfccc.int/Projects/projsearch.html			
Conformance	Yes ☒	No ☐	N/A ☐
NCR/OBS	No NCRs or OBS were raised		

4.1.5 Conformance with PDD Monitoring Protocol

Evaluate project activity conformance with the validated PDD Monitoring Plan. Review each step outlined within the monitoring plan in the findings box below.

Findings from Verification Field Audit	
On PD Chapter 4 the PP addressed the Monitoring through three complementary sections: 1.1. Data and parameters available at validation 1.2. Data and parameters monitored 1.3. Description of the monitoring plan The main findings related to these sections are explained below.	
PDD Required Monitoring Procedures	Findings
Data and parameters available at validation	All data and parameters were actually available at validation. During the verification event, the PP showed how they were used accordingly.
Data and parameters monitored	With some exceptions, the data and parameters defined in the PD to be monitored were actually measured in the fields during the monitoring event 2013. Exceptions relate to data and parameters to estimate litter and dead wood. This is reported in the monitoring report as a monitoring plan deviation. The audit team witnessed the re measurement of 27 permanent sample plots (which represents around 10% of the total plots). Here, parameters such as Area of sample plot (A), Diameter at breast height (DBH), and height (H) were evaluated. Regarding dbh and h, the audit team used the same equipment to re measure the trees. A total number of 199 trees were measured in height during the verification on-site visit, 87 of them have a previous height value measured by Campara Consultores in the monitoring event in 2013. There was only one tree that resulted with the exact height value in the monitoring event and in the verification on-site visit. The rest 86 height values showed differences between both measurements: 34 trees were higher and the other 52 were shorter than in the past. From those 52 trees, 21 had a difference of more than 1 meter. The PP addressed this issue during the field audit and complemented the accuracy of the data by running statistic tools through specialized software (InfoStat) managed by experts. The audit team discussed the differences with Guillermo Moras, MSc. (professor at the Universidad de la República) as the main statistic expert; the audit

	team considered valid this consultation since he has never been involved with the proponent or the developer. The results were analysed in the document called "Estudio de comparación de Alturas". The general conclusions of the report are: • The sample size (measured by the Rainforest Alliance team) was suitable for the study • There are no significant differences between the confidence intervals of the averages (between RA and Campara measurements) , regardless the level of analysis • There are no significant statistical differences between mean values (between RA and Campara measurements) regardless of the instrument used • The data measured in the period February to April 2013 (made by Campara) can be taken as valid based on the analysis done. All in all, in spite of the differences found in height measurements between the audit team and the monitoring event, the original data was maintained for the carbon stock calculation due to the appropriateness of it, there is no significant statistical differences. Regarding dbh, the audit team did not find significant measurement differences. Moreover, all the dbh measurements were been compared on the ground against the field sheets. No inconsistencies were found. Specific QA/QC procedures were implemented by the PP during the monitoring event, and also reviewed by the audit team during the field visit.
Description of the monitoring plan: 1. Sampling design and stratification	The monitoring report remarks the objectives and scope of the event and also explains in general the steps taken and main activities: gathering information, performing calculations and making estimations of GHG emissions and removals. The sampling design is explained in detail, most importantly the criteria taken to stratify the project area into 45 strata, the size of the sample plot, the number of sample plots, the distribution of the plots, and finally the precision level expected to extrapolate the results. The sampling design and stratification was approved during the validation process. The audit team confirmed that all the approved criteria was implemented during the monitoring event, for instance: - Size and shape of the plot was verified in most of the plots. In multiple plots the audit team actually measured the radius to make sure all the trees were being included in the plot. - Geographical (and physical) location of the plot was verified using a GPS unit and comparing with the coordinate indicated in the monitoring field sheet. - Distribution of the plots within strata was verified in maps and monitoring field sheets. In all the cases, no inconsistencies were found.
2. Data collection	A total of 209 permanent sample plots were finally established. The validated PD Monitoring plan originally included 158 plots. However, the audit team feels comfortable with this deviation from the specified quantity of plots in the PD as a greater number of plots enables greater accuracy. It was evident that the PP decided to manage the standard error and other statistic parameters by making sure that at least two plots were established within the same strata. The audit team was provided with the actual monitoring field sheets when witnessing the re-measuring of the 27 plots visited in the verification site visit. Data collection was then reviewed in order to confirm the information was captured correctly, for instance region, stratum number, species, plantation year, area and number of plots per stratum. The monitoring report shows a summary with this information. Also, the audit team confirmed that the methodology procedures and the IPCC Good Practice Guidance for LULUCF (2003) – as stated in the PD- was actually implemented. Litter and dead wood was not measured neither by the PP during monitoring event (April 2013), nor by the audit team during the verification event (July 2013) given that the PP opted to use default values for these carbon pool, suggested by the

		methodology.	
3. Managing data collection		The PP designed the terms of reference and based on that, hired a field inventory firm (monitoring crew). Other Quality assurance/Quality control procedures were established and applied. The main objective of these procedures is to check for data consistency, correctness and completeness, and also identifying errors and omissions, and finally control the uncertainties related with the monitoring in general. Standard Operation Procedures for measuring, managing and analysing information were also used during the monitoring event 2013. Specific procedures to detect or avoid transcription errors were also implemented. Finally, when the QA/QC procedures detected some errors, the PP implemented corrective actions; the audit team received evidence of this, for example the spreadsheet used to re measure the plots in order to establish the accuracy of measuring by the monitoring crew.	
Other		Other emission or removal sources were also taken into account in the monitoring report, for instance leakage and project emissions (use of fire during land preparation). The audit team confirmed in the fields that no leakage source existed and that fire is not used. The proponent used the tool "Estimation of the increase in GHG emissions attributable to displacement of pre-project agricultural activities in A/R CDM project activity" during the validation to demonstrate that leakage was reasonably expected to be insignificant and is therefore neither monitored or measured.	
Conformance	Yes ☒	No ☐	N/A ☐
NCR/OBS	No NCRs or OBS were raised		

4.1.6 Observation of local laws and regulations

Identify any relevant local laws and regulations and confirm project compliance with all applicable laws and regulations.

Findings from Verification Field Audit			
Section 1.11 of the PD describes all the local laws and regulations pertaining to the project including demonstration of compliance with the law or regulation. At the time of the 2013 verification audit, it appears that the project is in compliance with all applicable laws. This was confirmed through interviews with local stakeholders and employees.			
Conformance	Yes ☒	No ☐	N/A ☐
NCR/OBS	No NCRs or OBS were raised		

4.1.7 VCS AFOLU Requirements Section 3.1.5: Negative environmental and socio-economic impacts

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.

Findings from Field Audit			
Section 5 of the PD addresses the Environmental Impact. Here, the PP analyses the potential environmental impacts of the plantation project: climate change mitigation, biodiversity preservation, hydrological cycle, use of chemicals, forest fires, and socioeconomic impacts. As a general conclusion, the PP states that there are no significant negative impacts detected as a result of project activities. During the field visit the audit team could verify that months after the validation, these potential impacts had been under control by the PP. The PP implements best practices of management for the project (certified by PEFC and by DINAMA Uruguay) as confirmed by the audit team. Based on auditor observation, a few months after the validation visit, the audit team agrees that no negative environmental and socio-economic impacts had happened and/or are under control, and that the monitoring report accurately represents the on the ground situation.			
Conformance	Yes ☒	No ☐	N/A ☐
NCR/OBS	No NCRs or OBS were raised		

4.2 Accuracy of GHG Emission Reduction or Removal Calculations

4.2.1 Calculation of emissions in the baseline scenario (ex-post estimate) following identified methodology and validated PDD

Review relevant methodological equation logic for the calculation of baseline emissions as required for the relevant monitoring years. Note that the baseline calculations from some AFOLU projects must be re-validated every 10 years.

Findings from Verification Field Audit			
As it was demonstrated during the validation process, the baseline emissions can be neglected and therefore considered as zero. The monitoring report addresses this on Section 4.1. The main reason is that the project is established on degraded lands covered by pastures, and that without human intervention, it is unlikely to revert to a non-degraded state and is likely to continue under cattle production. The audit team observed this scenario during the verification field visit.			
Conformance	Yes ☒	No ☐	N/A ☐
NCR/OBS	No NCRs or OBS were raised		

4.2.2 Calculation of emissions from project activities (ex-post estimate) following identified methodology and validated PDD

Review relevant methodological equation logic for the calculation of emissions for project activities as required for the relevant monitoring years. Note that emissions may be considered de minimis; refer to the validated PDD for project specific requirements in relation to project activity emissions.

Findings from Verification Field Audit			
During the land preparation, fire was not used at all; hence emissions from project activities can be neglected. This is determined by using the appropriate tool "Estimation of non-CO2 GHG emissions resulting from burning of biomass attributable to an A/R CDM project activity". During the field visit the verification team ratified this.			
Conformance	Yes ☒	No ☐	N/A ☐
NCR/OBS	No NCRs or OBS were raised		

4.2.3 Calculation of emissions reductions or avoided emissions due to the project (ex-post estimate) following identified methodology and validated PDD

Review relevant methodological equation logic for the calculation of avoided emissions or removals from project activities as required for the relevant monitoring years.

Findings from Verification Field Audit			
The 2013 monitoring report uses the appropriate equation from the methodology to calculate changes in carbon stocks. The determination of changes in tree biomass was based on the measurement of 209 permanent sample plots, instead of using information of only 158 plots defined in the monitoring plan; as such this is considered in the monitoring report as a deviation of the monitoring plan. The aboveground biomass corresponds to tree biomass only, no shrubs are considered in the calculation. Sampling methods are described in the monitoring plan and were confirmed in the field to be adequately followed. DBH and height were used to estimate the volume per tree, from which the biomass and carbon content were calculated. For ex-post estimation the volume equation used was demonstrated to be, both: used in the national forestry inventory of Uruguay, and had been used in the commercial forestry sector for more than 10 years. The tree shape factor (taper corrective value) used was 0.5, which was approved in the validation and is not subject to monitoring. A public document is used as a reference for the volume equation*, and the volume equation is considered common knowledge across global forestry expertise. Wood density of tree species was approved at validation and has not changed at this time. Further, the wood density is from appropriate sources including a comparable IPCC default value as well as values derived from published university documents. The biomass expansion factor (BEF) used for planted species was approved at validation, is not subject to monitoring, and is considered appropriate by the audit team. Root-to-shoot ration were appropriately estimated for both species. The procedure for calculating root to shoot ratio is derived from the recommended source in the approved CDM methodology which was used to develop this project. Soil organic carbon in areas planted with <i>Pinus taeda</i> was estimated by using the "Tool for estimation of change in soil organic carbon stocks due to the implementation of A/R CDM project activities" as recommended by the AR-ACM0001 methodology. Finally, estimations of carbon stocks in litter and dead wood was done considering default values of 4% and 8% of the total of aboveground biomass estimation. These values are derived from the tool "Estimation of carbon stocks and change in carbon stocks in dead wood and litter in A/R CDM project activities". This measurement contradicts the original validated monitoring plan in which it was stated that these carbon pools would be measured. However, the audit team approves this deviation from the validated monitoring plan given that it remains in conformance with the methodology. Total biomass is summed and converted to the carbon fraction using a valid factor (0.5) approved in the validated PD and based on IPCC default values. Review of the methodology confirms that this is appropriate default value. The monitoring report shows a summary of the estimations while a spreadsheet was designed and submitted for revision. A sample of PSPs have been evaluated in the excel spreadsheets and it has been confirmed in this sample that the appropriate equation, factor for determining belowground biomass, and all equations have been appropriately calculated. The PP estimated a carbon credit's vintage to see when exactly the plantations have remove carbon dioxide from the atmosphere, this was done based on the current annual increment for each species/genus and per year since 2006 to 2012. In total, nearly 3 million tons of CO2 equivalent had been sequestered since the project start date. *https://www.oas.org/dsd/publications/Unit/oea20s/ch08.htm			
Conformance	Yes ☒	No ☐	N/A ☐

NCR/OBS	No NCRs or OBS were raised
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4.2.4 Calculation of emissions from leakage (ex-post estimate) following identified methodology and validated PDD

Review relevant methodological equation logic for the calculation of emissions from leakage as required for the relevant monitoring years. Note that emissions may be considered de minimis for some projects; refer to the validated PDD for project specific requirements in relation to project activity emissions.

Findings from Verification Field Audit			
As it was demonstrated in the validation visit, there is no displacement of cattle, fuelwood production or agricultural activities from the project area to other areas. In other words, leakage does not apply.			
Conformance	Yes ☒	No ☐	N/A ☐
NCR/OBS	No NCRs or OBS were raised		

4.2.5 Assessment of uncertainty following identified methodology and validated PDD

Review methodological requirements for uncertainty calculations and confirm calculations are in conformance with all methodological requirements related to uncertainty calculations.

Findings from Verification Field Audit			
Uncertainties were undertaken by the PP by using the appropriate guidelines according to the methodology. Uncertainty resulted in a general 3.64% which is considered accepted by the methodology. The audit team reviewed the accuracy of the calculations of uncertainty.			
Conformance	Yes ☒	No ☐	N/A ☐
NCR/OBS	No NCRs or OBS were raised		

4.2.6 Appropriate use of default values following identified methodology and validated PDD

Review default values used for GHG calculations and confirm conformance with required values identified in the validated PDD and applicable methodology.

Findings from Verification Field Audit			
Default values utilized in the 2013 monitoring report include those identified in the CDM methodology as well as those identified in the PD. The PP lists all data and parameters available at validation. These default values include for instance the carbon fraction of woody biomass as well as the annual gain in soil organic carbon estimated in the methodology.			
Conformance	Yes ☒	No ☐	N/A ☐
NCR/OBS	No NCRs or OBS were raised		

4.2.7 The assumptions made for calculating GHG emission reductions and/or removals

Identify assumptions made when calculating GHG emission reductions and/or removals, and confirm assumptions are in conformance with those in the validated PDD. Assumptions should be clearly and transparently described within the monitoring report, and supported with verifiable evidence.

Findings from Verification Field Audit			
Some assumptions were made in the PD and were evaluated for conformance during the validation audit. The primary significant assumption pertaining to the verification is that carbon stocks in litter and dead wood was not actually measured in the permanent sample plots, but instead default values were used. Source and appropriateness of those values with the methodology requirements were verified by the audit team, no inconsistencies were found.			
Conformance	Yes ☒	No ☐	N/A ☐
NCR/OBS	No NCRs or OBS were raised		

4.2.8 Calculation of net VCUs to be issued (ex-post estimate) following identified methodology and validated PDD

Findings from Verification Field Audit			
The Non-Permanence risk report 2013 includes the calculation of total VCUs. Here, the PP subtract leakage from change in carbon stocks to obtain the net GHG benefits, and then subtract 10% (risk) to obtain the GHG credits issued (VCUs). The audit team reviewed the calculations to confirm that the methodology was followed.			
Conformance	Yes ☒	No ☐	N/A ☐
NCR/OBS	No NCRs or OBS were raised		

4.3 Quality of Evidence to Determine GHG Emission Reductions or Removals

Identify, discuss and justify conclusions regarding the sufficiency of quantity and appropriateness of quality of the evidence, the reliability of the evidence, and the source and nature of the evidence (external or internal, oral or documented) for the determination of GHG emission reductions or removals.

4.3.1 Verification of inventory equipment used to calculate emissions reduction and/or removals

Identify the inventory techniques used to calculate project emission reductions and removals. Confirm techniques conform with those identified in the validated monitoring plan outlined within the validated PDD. Note that most PDD's include Standard Operating Procedures (SOPs) for forest inventory that detail the inventory design and process.

Findings from Verification Field Audit			
Basically the PP used the dbh tape to measure diameter and a clinometer to measure the tree heights. Diameter and heights and other default values were used to estimate the volume of each tree, then this was extrapolated to the sample plot and the strata. The PP designed specific SOPs called "Términos de referencia para propuesta de servicios en primer inventario de reservorios de carbono Proyecto Weyerhaeuser Uruguay, S.A. bajo el Verified Carbon Standard". This document was used to hire a specialized company which was the main responsible party for implementing the forestry inventory through the establishment and measurement of 209 permanent sample plots, verifying at all levels, the accuracy of the data and parameters used. The audit team interviewed the monitoring crew and witnessed the remeasurement of all the subsample of plots (27 in total), in general no inconsistencies were found.			
Conformance	Yes ☒	No ☐	N/A ☐
NCR/OBS	No NCRs or OBS were raised		

4.3.2 Verification of use of GPS and remote sensing analysis following identified methodology and validated PDD

Identify any GPS and/or remote sensing analysis conducted as part of the development of the monitoring report. Confirm all remote sensing analysis and georeferencing was conducted in conformance with the identified methodology and validated PDD.

Findings from Verification Field Audit			
Remote sensing did not play a part in the monitoring used for this verification audit. However, the use of a GPS device is imperative in the monitoring events as it is suggested in the SOPs. Shapefiles of the location of plots and also the project boundary were facilitated to the monitoring crew, therefore during the monitoring the geographical information was uploaded to the device as reference. Training to use the GPS is given in order to provide the monitoring crew members with the tools to make decisions in the fields. Complementarily to the remeasurement of 27 plots, the audit team also checked the accuracy of some of the lands called "melgas". No significant differences were found.			
Conformance	Yes ☒	No ☐	N/A ☐
NCR/OBS	No NCRs or OBS were raised		

4.3.3 Implementation of sampling plan described in the PDD

Identify any requirements within the validated PDD that describe the sampling plan and confirm conformance with the sampling plan requirements. Confirm adequate sampling intensity was completed based on calculated project area variability.

Findings from Verification Field Audit			
The sampling plan considered the establishment and measurement of 158 plots, however the PP decided to increase the number to 209 in total distributed in the project boundary, and making sure all the strata have at least two plots so the analysis can be done accurately.			
Conformance	Yes ☒	No ☐	N/A ☐
NCR/OBS	No NCRs or OBS were raised		

4.4 Management and Operational System

Identify, discuss and justify conclusions regarding the suitability of the management system for monitoring and reporting (ie, organisational structure, responsibilities, competencies, non-conformance handling, internal audits and management review).

Findings from Verification Field Audit			
The PP designed the monitoring plan and based on this, the internal protocols to implement the plan. It is evident that all the key workers are fully involved in the monitoring events including training, measuring, archiving and reporting. QA/QC procedures are considered strict at identifying, reviewing and handling inconsistencies found. Some of the field workers participated in the remeasurement of the plots; all of them showed understanding and commitment to comply with the validated monitoring plan. The company hired to actually implement the monitoring (monitoring crew) also showed understanding and high professional profile.			
Conformance	Yes ☒	No ☐	N/A ☐
NCR/OBS	No NCRs or OBS were raised		

4.4.1 Monitoring roles and responsibilities identified

Identify any changes in the monitoring roles and responsibilities from the validated PDD. Confirm project staff competency for conducting applicable tasks as designated.

Findings from Verification Field Audit			
The monitoring report shows a section called "Operational and management structure" in which the PP explains how the monitoring event was coordinated. Basically, there are two main actors playing different roles in the monitoring event: one, the project proponent with professional experts (forestry engineers, GIS), and two, the contractor. In summary, the entity applying the monitoring plan is Weyerhaeuser Uruguay S.A. (one staff member was identified as the focal point of the monitoring event). The entity applying measuring events in 2013 is Campara Consultores. The latest company was not defined in the validated monitoring plan, but only Weyerhaeuser Uruguay S.A. as the main entity responsible of implementing the plan. In order to provide transparency among other factors, the PP decided to subcontract to Campara Consultores through an open application process. Also, the PP is technically advised by Carbosur S.A. a company based in Montevideo with enough experience to conduct monitoring events in A/R projects. The audit team confirmed competency of all people involved in the monitoring.			
Conformance	Yes ☒	No ☐	N/A ☐
NCR/OBS	No NCRs or OBS were raised		

4.4.2 Inventory quality management systems (including both field and remote sensing as applicable)

Identify quality management systems (QMS) required by the project methodology and/or described within the validated PDD. Confirm project has implemented QMS effectively, and inventory accuracy thresholds if applicable are met.

Findings from Verification Field Audit			
According to the PD, the QMS would consist basically on "...procedures prescribed under national forest inventory. In the absence of these, QA/QC procedures from published handbooks, or from the IPCC GPG LULUCF 2003, are applied." In addition, the PP developed internal SOPs for monitoring events. The audit team reviewed the internal procedures and checked the implementation in the fields. The monitoring plan/report defines QA/QC procedures to be implemented at collecting, managing and archiving data and parameters that come from the measurement of the plots. Calibration of equipment, training, quality checking of field measurements, use of statistical tools. A review of the 2013 monitoring report shows that the proponent identifies 51 PSPs that were subject to quality auditing (control plots). The quality audit revealed no differences according to the protocols. During the field verification visit the audit team witnessed the implementation of quality control, no inconsistencies were found.			
Conformance	Yes ☒	No ☐	N/A ☐
NCR/OBS	No NCRs or OBS were raised		

4.4.3 Data transcription quality management systems

Identify data management systems required by the project methodology and/or described within the validated PDD. Confirm project has implemented data management systems, and data transcription from field inventory to electronic records is accurate. Audit team should complete a sample of data transcription accuracy from original field data sheets.

Findings from Verification Field Audit			
The monitoring report includes a list of activities to cross check the data in order to provide transparency and accuracy to the carbon calculations. The following are examples of QA/QC procedures implemented during the transcription, managing and archiving the data and field sheets: - Establish procedures for eliminating inconsistent or erroneous field data. - Perform random checks of field measurements in order to detect measurement errors or systematic biases, for instance hire independent workers for transferring field data to digital media; double check 10% of sampling measurements with an independent party team (measuring dbh and height of five trees outside the PSP). - Assign different people from the monitoring crew to identify and avoid transcription errors from field sheets to spreadsheets. - Procedures to keep all records safe, traceable and replicable. All the 27 plots remeasured were reviewed in the fields by the audit team along with the monitoring crew. A desk review was necessary to confirm that no significant differences were found. Differences were identified and corrected immediately, therefore the carbon calculations were updated.			
Conformance	Yes ☒	No ☐	N/A ☐
NCR/OBS	No NCRs or OBS were raised		

4.4.4 Data management and archival systems

Identify data management and archival systems required by the project methodology and/or described within the validated PDD. Confirm project has implemented data archival systems and can demonstrate effective retrieval of archived data for the period of time defined within the validated PDD (note the VCS requires at a minimum the storage of all relevant data for 2 years following the end of the project crediting period).

Findings from Verification Field Audit			
The PP explained that all the records related with the validation and verification of the plantation project is managed by key staff personnel only. Copies are storage in safe places both physical and electronic documents in the central office of the PP at Montevideo. The PP is aware that the storage of all relevant data will finish at least two years following the end of the project crediting period.			
Conformance	Yes ☒	No ☐	N/A ☐
NCR/OBS	No NCRs or OBS were raised		

Non-permanence Risk Assessment

Note: Risk factors are determined through a qualitative analysis conducted, following the guidance of the VCS AFOLU Non-Permanence Risk Tool. As stated in Section 1.1.3 "Project proponents shall clearly document and substantiate the risk analysis covering each risk factor applicable to the project. During the analysis, the validation/verification body shall evaluate the risk assessment undertaken by the project proponent and assess all data, rationales, assumptions, justifications and documentation provided by the project proponent to support the non-permanence risk rating."

4.3.1 VCS AFOLU Non-Permanence Risk Tool Section 2.2.4.4: Projects with tree harvesting

For ARR and IFM projects with harvesting, project longevity may include the length of time the activities that maintain carbon stocks will continue, either through the continuation of the project activity or by replanting or re-growth of the trees after the last harvest in the project crediting period. Such commitment to continue the management practice, or to replant or allow re-growth shall be demonstrated through evidence such as certification of sustainable forest management under Forest Stewardship Council (FSC), Programme for the Endorsement of Forest Certification (PEFC) or other internationally recognized schemes, or contractual agreements for timber supply beyond the last harvest in the project crediting period. Re-growth may be considered only where project areas, after harvesting, will be managed for regeneration (naturally or with assistance), maintaining the current species mix and allowing trees to re-grow to an age equivalent to at least the age at which trees were harvested, as demonstrated in management plans.

Findings from Review on Field Audit			
The ARR project was designed to experience partial harvesting (thinnings) or final cuts when the commercial cycle comes to an end (eucalyptus year 16, and pinus year 21). Moreover, the project longevity was defined to be of 120 years while the crediting period consists of 100 years. Certification of sustainable forest management under PEFC has been granted already.			
Conformance	Yes ☒	No ☐	N/A ☐
NCR/OBS	No NCRs or OBS were raised		

4.3.2 VCS AFOLU Non-Permanence Risk Tool Section 2.1.1: Risk analysis

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.

The potential transient and permanent losses in carbon stocks shall be assessed over a period of 100 years from the start of the current monitoring period, unless otherwise specified in Sections 2.2 to 2.4 of the VCS AFOLU Non-Permanence Risk Tool, to determine the appropriate risk rating.

Risk Factor	Self Assessment Risk Rating	Findings (including description of any mitigation activities as required per VCS AFOLU Non-Permanence Risk Tool Section 2.1.2.2)	NCR/OBS
Internal Risks (VCS AFOLU Non-Permanence Risk Tool Section 2.2):			
Project Management: Shall be assessed using Table 1 of VCS AFOLU Risk Tool.	-4	- The species planted are not native to Uruguay, however the conditions are similar. - Physical boundaries surround all the project lands already. Audit team confirmed this at visiting the farms. - The project is permanently supervised by local experts, field workers and also is technically supported by local partners. - Management team maintains a continuous presence over the project site. - Mitigation: Management team includes professional personnel and partners with more than 5 years of experience in AFOLU projects. - Mitigation: There is a general forest	No NCRs or OBS were raised

		management plan but also the organization functions as member of national initiatives to improve the plantation management in Uruguay.	
Financial viability: Shall be assessed using Table 2 of VCS AFOLU Risk Tool.	1	- The project cash flow breakeven point, where annual income consistently exceeds annual outgoings occurs in Year 17. The audit team discussed key details with the PP regarding the cash in and cash out used to create the cash flow in which is demonstrated where the breakeven point is reached. - More than 80% of the funds before the project reaches the breakeven point, is secured. The calculations are explicit in the spreadsheet.	No OBS or NCRs were raised
Opportunity cost: Shall be assessed using Table 3 of the VCS AFOLU Risk Tool.	0	- NPV from project activities is expected to be at least 50% more profitable than the most profitable alternative land use activity.	No OBS or NCRs were raised
Project longevity: Shall be assessed using Table 4 of the VCS AFOLU Risk Tool.	0	- The PP defined that the project longevity is 120 years. The company has a formal commitment to achieve PEFC certification but also voluntarily continue with the plantation project even after the crediting period ends.	No NCRs or OBS were raised
Total Internal Risk: Shall be calculated using Table 5 of the VCS Risk Tool.	0	The PP calculated the total internal risk properly.	No NCRs or OBS were raised
External risks (VCS AFOLU Non-Permanence Risk Tool Section 2.3):			
Land and resource tenure: Shall be assessed using Table 6 of the VCS Risk Tool.	0	- All land within the project boundaries is fully and legally owned by Weyerhaeuser Uruguay. The PP implements strict land acquisition policies. The audit team did not find existing or prior conflicts to any land owned. All resource and use rights of the land and the plantations also lie with the PP.	No NCRs or OBS were raised
Community engagement: Shall be assessed using Table 7 of the VCS Risk Tool.	0	- Local population are not reliant on the project area; the audit team confirmed during the field visit that people do not live within the project boundary; hence they are not reliant on the project.	No NCRs or OBS were raised
Political risk: Shall be assessed using Table 8 of the VCS Risk Tool.	0	- The PP estimated as 0.75 the governance score according to WBI. - Mitigation: Uruguay has an established Designated National Authority under the CDM and has one registered CDM Afforestation/Reforestation project.	No NCRs or OBS were raised
Total external risks: Shall be calculated using Table 9 of the VCS Risk Tool.	0	The PP calculated the total external risk properly.	No NCRs or OBS were raised
Natural Risks (VCS AFOLU Non-Permanence Risk Tool Section 2.4):			
Natural risks: Shall be assessed using Table 10 of the VCS Risk Tool.	2	- The PP has determined natural risk due to fire events, pest and disease outbreaks and also extreme weather. The verification team confirmed this through interviews with employees. - All the natural risks were evaluated over a period of 0 to more than 100 years.	No NCRs or OBS were raised

4.3.3 VCS AFOLU Non-Permanence Risk Tool Section 2.5.1 – 2.5.3: Overall Project Risk Calculation

Note: As per VCS AFOLU Non-Permanence Risk Tool 2.5.2, the minimum risk rating shall be 10, regardless of the risk rating calculated using Table 11. Furthermore, where overall risk rating is greater than 60, project risk is deemed unacceptably high and the project fails the entire risk analysis (see VCS AFOLU Non-Permanence Risk Tool 2.5.3). For additional information on project risk assessment failure see VCS AFOLU Non-Permanence Risk Tool 2.1.

To determine the number of buffer credits that shall be deposited in the AFOLU pooled buffer account, the overall risk rating shall be converted to a percentage (e.g., an overall risk rating of 35 converts to 35%). This percentage shall be multiplied by the net change in the project's carbon stocks (stated in the verification report), as set out in the VCS document Registration and Issuance Process. Where a project is divided into more than one geographic area for the purpose of risk analysis, the overall risk rating percentage for each area shall be multiplied by the net change in the project's carbon stocks (stated in the verification report) in such geographic area.

Risk Factor	Self Assessment Risk Rating	Findings	NCR/OBS
Overall non-permanence risk rating as determined using Table 11 of the VCS Risk Tool.	10%	The total score was actually 2% or risk of non-permanence, however as it is required by VCS standard, the minimum buffer is 10%. The PP has interpreted this topic correctly in the risk assessment.	No NCRs or OBS were raised

5. VERIFICATION CONCLUSION AND AUDIT OVERVIEW

Based on Project's conformance with audit criteria, the auditor makes the following recommendation:		
Final Report Conclusions		
☒	Verification approved: No NCRs issued	
☐	Verification not approved: Conformance with NCR(s) required	
Draft Final Report Conclusions		
☒	Verification approved: No NCRs issued	The Project Proponent has 7 days from the date of this report to submit any comments related to the factual accuracy of the report or the correctness of decisions reached. The auditors will not review any new material submitted at this time.
☐	Verification not approved: Conformance with NCR(s) required	
Draft Report Conclusions		
☒	Verification approved: No NCRs issued	The Project Proponent has 30 days from the date of this report to revise documentation and provide any additional evidence necessary to close the open non-conformances (NCRs). If new material is submitted the auditor will review the material and add updated findings to this report and close NCRs appropriately. If no new material is received before the 30 day deadline, or the new material was insufficient to close all open NCRs the report will be finalised with the NCRs open, and validation and/or verification will not be achieved. If all NCRs are successfully addressed, the report will be finalised and proceed towards issuance of a assessment statement.
☐	Verification not approved: Conformance with NCR(s) required	

5.1 Audit Conclusions

See Section I above for the verification objectives, scope, criteria, and level of assurance.

After reviewing all the documents submitted by the project proponent and discussions, the Rainforest Alliance found the evidence sufficient to verify that the project proponent has implemented the monitoring activities according to the validated PD and also the validated Monitoring Plan. As a result, the project was found to be in conformance with the VCS Version 3 standard and also that the net GHG benefits (removals) caused by the project can be estimated with a reasonable level of assurance, as of 2,915,843 tCO₂e.

Verified Emission Reductions and/or Removals:

Following the review of the monitoring report and supporting documents, the audit team has concluded with a reasonable level of assurance that the project is in full conformance with the VCS standard requirements, validated project design document, and approved VCS methodology. Below is a description of the verified emission reductions as reviewed and approved by the audit team.

Reporting Period: From February 22st, 2006 to April 7st, 2013

The following table includes the emission reductions and/or removals evaluated and approved during the verification audit:

GHG Emission Reductions or Removals	tCO ₂ e
Baseline Emissions	0
Project Emissions	0
Leakage	0
Uncertainty Deduction (if applicable)	0
Net GHG emission reductions or removals	2,915,843
Total calculated buffer contribution	291,585
Total VCUs to be issued	2,624,258

	Total GHG Emission Reductions and Removals by year and by forest age (t CO ₂)							
Planted Year	2006	2007	2008	2009	2010	2011	2012	
Age	1	2	3	4	5	6	7	TOTAL
Planted 2006	398	4.753	19.217	35.415	84.402	120.313	102.454	366.953
Planted 2007	0	1.940	23.131	92.010	167.738	365.660	528.674	1.179.152
Planted 2008	0	0	2.795	30.627	114.192	230.821	497.915	876.350
Planted 2009	0	0	0	2.323	24.077	85.244	185.309	296.953
Planted 2010	0	0	0	0	3.017	35.843	141.634	180.494
Planted 2011	0	0	0	0	0	1.128	14.379	15.507
Planted 2012	0	0	0	0	0	0	434	434
TOTAL (t CO₂)	398	6.694	45.143	160.376	393.425	839.009	1.470.797	2.915.843
	0,0%	0,2%	1,5%	5,5%	13,5%	28,8%	50,5%	100,0%

5.2 Nonconformance evaluation

Note: A non-conformance is defined in this report as a deficiency, discrepancy or misrepresentation that in all probability materially affects carbon credit claims. Each NCR is brief and refers to a more detailed finding in the appendices.

NCRs identified in the Draft Report must be closed through submission of additional evidence by the Project Proponents before Rainforest Alliance can submit an unqualified statement of conformance to the GHG program. Findings from additional evidence reviewed after the issuance of the draft report are presented in the NCR tables below.

No NCRs were raised

5.3 Observations

Note: Observations are issued for areas that the auditor sees the potential for improvement in implementing standard requirements or in the quality system; observations may lead to direct non-conformances if not addressed. Unlike NCRs, observations are not formally closed. Findings from the field audit related to observations are discussed in Appendix A below.

No OBS were raised

5.4 Actions taken by the Project Proponent address NCRs (including any resolution of material discrepancy)

Action Taken by Project Proponent following the issuance of the Draft Report			Date
Additional documents submitted to audit team (additional documents listed below)	☒ Yes ☐ No ☐ N/A		August, 2013
Additional stakeholder consultation conducted (evidence described below)	☐ Yes ☒ No ☐ N/A		
Additional clarification provided	☒ Yes ☐ No ☐ N/A		August, 2013
Documents revised (document revision description noted below)	☒ Yes ☐ No ☐ N/A		August, 2013
GHG calculation revised (evidence described below)	☒ Yes ☐ No ☐ N/A		August, 2013

Although no NCRs were identified during the field audit and subsequent document review, the proponent submitted additional documentation after the field audit. This documentation all related to minor editing that was informally requested by Rainforest Alliance to correct non-material errors in the project documentation (for example, version numbers of documents, etc.). There was a miscommunication that occurred in the field audit in which the proponent indicated that they would be quantifying carbon sequestration from shrubs in the baseline and project scenario. However, after the field audit, and before the final issuance of the verification report, the proponent decided to omit carbon quantification of shrubs (this is permitted by the methodology). As a result, additional documentation was submitted to the audit team. Again, this was not in response to an NCR.

Included in the actions taken by the Project Proponent to address NCRs and other corrections was the submission of the following revised files:

Ref	Title, Author(s), Version, Date	Electronic Filename
1a.	Monitoring report version I, Weyerhaeuser Uruguay S.A., August 2013.	Monitoring Report Weyerhaeuser Uruguay S.A 13082013.pdf
2a.	Non-Permanence risk report, Weyerhaeuser Uruguay, S.A., August 2013	Non-Permanence Risk Report-Weyerhaeuser Uruguay 13082013.pdf
3a.	Carbon stock calculations, Weyerhaeuser Uruguay, S.A., August 2013	Carbon Stock Weyerhaeuser 13082013.xls
4a.	Database of tree heights, Weyerhaeuser Uruguay, S.A., August 2013	Datos crudos ALTURAS para GMoras.xls
5a.	Tree height comparison, Weyerhaeuser Uruguay, S.A., August 2013	ESTUDIO DE COMPARACION DE ALTURAS SM.pdf
6a.	Statistical analysis, Weyerhaeuser Uruguay, S.A., August 2013	Análisis estadístico modelo alturas.idb2
7a.	Tree height comparison, Weyerhaeuser Uruguay, S.A., August 2013	Comparación modelos de altura Weyerhaeuser.xls
8a.	Tree height model comparison, Weyerhaeuser Uruguay, S.A., August 2013	Comparacion Modelos de Alturas.pdf
9a.	Monitoring report version 3, Weyerhaeuser Uruguay S.A., September 2013	Monitoring report Weyerhaeuser Uruguay S.A Version 3-1409013.pdf.