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CCX Carbon Verification Audit Report for:

Masisa S.A.
in
Chile and Argentina

Report finalized:	March 31, 2009
Audit dates:	August 4-13 and September 6-12, 2008
Audit team:	Luis Otero
Audit standard:	<i>CCX Rulebook 2008 Commercial Forestry Sector (Chapter 8) Exchange Offsets (Chapter 9)</i> <i>Afforestation, Forest Management, Long-lived Wood Products</i>
Certificate code(s):	RA- CCX-TBD
Certificate issued:	TBD
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1 INTRODUCTION

The purpose of this report is to document conformance with the requirements of Chicago Climate Exchange (CCX) carbon standards by Masisa S.A., hereafter referred to as "Project Proponent." The report presents the findings of qualified Rainforest Alliance program auditors who have evaluated Project Proponent systems and performance against the applicable standard(s). Section 2 below provides the audit conclusions. Rainforest Alliance carbon evaluation reports are kept confidential in conformance with CCX requirements.

The Rainforest Alliance's SmartWood program was founded in 1989 to certify forestry practices conforming to Forest Stewardship Council (FSC) standards and now focuses on providing a variety of forest auditing services. The Rainforest Alliance SmartWood program is a founding member of the Climate, Community, and Biodiversity Alliance (CCBA) validation standard, an accredited verifier with the Chicago Climate Change (CCX) standard, a verifier with the Plan Vivo (PV) standard, and a pending accredited verifier with the Voluntary Carbon Standard (VCS).

Dispute resolution: If Rainforest Alliance clients encounter organizations or individuals having concerns or comments about Rainforest Alliance / SmartWood and our services, these parties are strongly encouraged to contact the SmartWood program headquarters directly. Formal complaints or concerns should be sent in writing and may be simultaneously sent to CCX.

2 AUDIT CONCLUSIONS

2.1 Verification Statement and Auditor Recommendation

Project name: Verification of carbon stock of MASISA S.A.

Level of assurance: Reasonable

Standard criteria: *CCX Rulebook 2008 Commercial Forestry Sector (Chapter 8)*

Greenhouse gases: CO₂, CH₄, N₂O

Objective: Conformance with CCX 2008 requirements and program methodologies.

Materiality: 5% total aboveground live tree carbon storage

Historic Data:

The first evaluation of MASISA's carbon stock was made in 2007. It included field audits in Chile, Argentina, Brazil and Venezuela. The annual reductions of MASISA as of 2006 totaled 3,636,333 tons of CO₂.

Summary of Carbon Stock Verification Data

COUNTRY	NET CHANGE (tons CO ₂ e) 2003 – 2006, ADJUSTED FOR INVENTORY ERROR & DISTURBANCES	TOTAL AMOUNT STORAGE (tons CO ₂ e) 2007, UNADJUSTED	NET CHANGE (tons CO ₂ e) 2006-2007 ADJUSTED FOR INVENTORY ERROR & DISTURBANCES
Chile	2,317,551	13,980,912	172,139.4
Argentina	1,147,648	3,290,271	208,028.7
Brazil	(102,781)	2,153,504	-189,289.4
Venezuela	273,915	1,609,665	92,545.2
Total CO₂ reductions (tons)	3,636,333	21,034,354	283,423.7

COUNTRY	OWNED AREA IN CARBON PROJECT, 2007 (ha)	INVENTORY PERCENTAGE, 2007	INVENTORY ERROR (%), 2007
Chile	85,687	45%	10%
Argentina	35,244	45%	10%
Brazil	16,709	43%	7%
Venezuela	26,981	25%	5%
Total	164,620	45%	

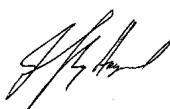
COUNTRY	FIRE DISTURBANCES (CO ₂ e tons)	CLIMATE DISTURBANCES (WIND, ICE, DROUGHT) (CO ₂ e tons)	HARVESTS AND THINNINGS (CO ₂ e tons)	TOTAL DISTURBANCES (CO ₂ e tons, % of total CO ₂ e storage), 2007
Chile	1,801	-	2,394	684,456.2
Argentina	242	-	533	72,354.0
Brazil	0	-	655	84,416.4
Venezuela	20	-	-	1,193.0
Total	2,063		3,583	842,419.6

Reporting period: January 1 through December 31, 2007

To CCX Board:

Rainforest Alliance verification audits of carbon forestry projects follow best practices for evaluation of greenhouse gases, which are closely in accordance with ISO 14064 standards. The verification reported upon herein was performed against the CCX standards using field forestry protocols based on Intergovernmental Panel on Climate Change (IPCC) guidance. Rainforest Alliance verified the total carbon net change during the reporting period of **283,423.8** metric tons of CO₂e to a reasonable level of assurance, without limitation or qualification.

Signature Jeffrey Hayward



Date

March 23, 2009

Based on an evaluation of the project proponent's management systems and performance in the field across the defined audit scope, the Rainforest Alliance verification audit team concludes that project proponent has:

- Demonstrated unqualified compliance/conformance with the standard
- Not demonstrated unqualified compliance/conformance with the standard.

Note that all audit conclusions are subject to independent review by the Chicago Climate Exchange prior to issuance of carbon financial instruments (CFIs).

2.2 Corrective Action Requests (CARs)

Note: A CAR describes actions or improvements required because of nonconformities of the company found during the audits. The CARs include deadlines for compliance. The CARs issued during evaluations and re-evaluations must be closed before a verification is issued.

NONE

2.3 Observations

Note: The observations are issued for those areas in which the auditor considers that there may be improvements in the implementation of the required standard or in the quality system. Observations that are not confronted may result in nonconformities.

#	Observation	Standard #
01/08	The permanent parcels of the forest inventory in Argentina should be marked on site using a system that ensures localization. All trees must be numbered and their DAP measuring points marked on the wood.	5
02/08	An evaluation must be made to quantify the growth losses caused by ants (<i>Atta sp.</i>) on the La Selva property in Virasoro, Argentina.	7
03/08	Adjustments must be made to the maps in Chile, particularly in the zones where there are species and areas allocated to conservation.	10

2.4 Notes for Successive Audit

None.

3 AUDIT PROCESS

3.1 Audit Team

Auditor(s)	Qualifications
Luis Otero	Professor at Universidad Austral de Chile, Centro de Estudios Ambientales-CEAM; Forestry Engineer, with MSc degree in Environmental Studies from the Universidad Católica de Chile; and FSC forest auditor studies in Sweden, with experience as a forest auditor to standards of the FSC (Forest Stewardship Council).

3.2 Description of the Desk Audit Methodology

The general methodology is based on the evaluation report prepared in 2007. It consists of the following steps:

1. The carbon reduction model presented by the Company was reviewed on the basis of information on each stand of trees and their parameters of age, species and total volume.
2. The use and methodology of forest inventories were analyzed as well as the stratification and intensity of sampling and type of inventory parcels. The information from simulators was compared to the information from inventories.
3. The forest management models and changes in them were analyzed as well as the methodology to determine and classify sites and the use and operation of simulators.
4. Problems were analyzed regarding losses caused by catastrophes such as fire and pests. Sales and purchases of properties were also analyzed.
5. Calculations were reviewed on the carbon reductions and the use of conversions of biomass to carbon. A minimum of 45% of the final calculations were reviewed to determine if there were any errors.

Documents Reviewed in the Audit

Date	Title and version
2007	<ul style="list-style-type: none">▪ Volumen of forest crown cover. Forest Inventory Argentina 2007.
2006	<ul style="list-style-type: none">• 9 Simulation 2006, 14 pages. Document on Eucalyptus Mangement. Density of the <i>Pinus</i> wood in Chile.• Edaphic characterization of forest sites. FASA. 3 pages.

- J. Glade: Models on growth and production for *Eucalyptus grandis* and *Pinus elliottii-taeda*. Argentina, 5 pages. File: Modelo Credimiento FASA.
- 2006
- Management of *Eucalyptus grandis* Forest Plantations in Argentina. File: DOC_MANEJO_Eucalipto.
- 2007
- Summary of Forest Inventory Manual. Chile. MASISA. 17 pages, File: Resumen_Manual_Mensura_21 Mayo 07.
 - Monterey Pine simulator (Chile). 14 pages.

3.3 Description of the Audit Methodology

The audit methodology consisted of choosing a number of properties and tree stands in Chile and Argentina at random. The annual site audits of Brazil and Venezuela were left for 2009.

A quantity of stands was chosen on each property at random where the information was verified on the volume of inventories and on other stands, also chosen at random. The map information and localization of the forests were confirmed.

9 properties were analyzed in Chile in all, encompassing a large part of the distribution of the Company's resources between Chillán and Temuco. The information on inventories and measurement parcels on 31 stands on these properties was verified. The mapping was verified for a total of 126 stands.

8 properties were analyzed in Argentina, located from the far north in Posadas to the south in Concordia. The information was confirmed for the inventory parcels on 18 stands on these properties and the mapping was confirmed for a total of 114 stands or map units.

The area of forests considered in the audit totalled 13,922 hectares, equal to 11% of the forest area owned by the Company in Chile and Argentina. The site audit used a guideline that included information on inventory and maps in which the office information taken from inventories and simulators was compared to the observations made at the site (see Appendix 1, property and stands verified).

The main inventory variables were: type of inventory parcels and site marking of permanent parcels, species, year of plantation, stand area, site indicator, estimated volume per parcel and simulator, type of management and map update. The localization of stands, age and type of forest (species) were included in the mapping verification.

Sites visited

Date	Site Location	Audit Activities
08.04.2008	Chile. Los Corrales property in Carahue, Monterey pine plantations of different ages. Stands visited: 109,108,107,207	Site verification of inventory information and base obtained from the simulator as compared to site observations. Using the inventory variables and map: species, year of plantation, stand area, site indicator, estimated volume, type of management and year the map was updated. The establishment and marking of permanent parcels were analyzed.
08.05.2008	Chile.Los Corrales Parcel 1, Carahue. Stands visited: 101,102	Idem above
	Chile. Huamaqui property, Monterey pine plantations, diverse ages. Stands visited: 201,205,207,203,103	Idem above
	Chile. Huamaqui Shore Property in Carahue, Monterey pine plantations, diverse ages. Stands visited: 105	Idem above
	Chile. Atahualpa property in Carahue. Stands: 103,101	Idem above
08.11.2008	Chile. San Antonio property in Huamaqui. Stands visited: 105,108,201	Idem above
	Chile. El Durazno property, Chillán County. Stands visited: 217,713,203,801,408,1101	Verification of inventory information, in particular the maps.
08.12.2008	Chile. El Tollo property, Quirihue County. Stands visited: 419,420,509,316,102,319	Idem above
08.13.2008	Chile. Quiriquiño property, Quirihue County. Stands visited: 110,114	Site visit and analytical meeting, review of findings and questions on inventory methodology.
	Closing meeting	Closing meeting and review of the site visit, analysis of findings, questions on methodological aspects.
09.06.2008	Argentina . La Selva property, Posadas sector. <i>Pinus taeda</i> Forests. Stands visited: 0316,421,	Site verification of inventory and simulator information as compared to site observations using the following variables: species, year of plantation, stand area, site indicator, estimated volume, type of management and map update.
	Argentina. Carambola Property, Posadas Sector. <i>Pinus elliotti</i> and <i>Pinus taeda</i> Forests. Stands visited: 183,446	Idem above
09.07.2008	Argentina. La Blanca property, Posadas sector, <i>Pinus elliotti</i> and <i>Pinus taeda</i> forests. Stands visited: 8819,318,5	Idem above

09.08.2008	Argentina. Tres Cerros property, Paso Los Libres sector, <i>Eucalyptus grandis</i> forests. Stands visited: 9840	Idem above
	Argentina. La Yunta property, Paso Los Libres sector. <i>Pinus taeda</i> and <i>Eucalyptus grandis</i> forests. Stands visited 0008, 9903, 0011	Idem above
09.09.2008	Argentina. San Juan II property, Concordia Sector. <i>Pinus taeda</i> and <i>Eucalyptus grandis</i> forests. Stands visited: 9991,9920	Idem above
09.10.2008	Argentina. El Pampero property, Concordia Sector, <i>Eucalyptus grandis</i> forest. Tree stands visited: 0034,0405	Idem above
09.11.2008	Argentina. La Potota property, Concordia Sector, <i>Eucalyptus grandis</i> forests. Stands visited: 0006,0012	Idem above
09.12.2008	Argentina. Meeting in the Company's offices in Concordia.	Closing meeting and review of the site visit, analysis of findings, questions on methodological aspects.

3.4 Persons consulted during the Audit

Date	Name and position
August 4, 5, & 11, 2008	Jaime Sanchez, Assistant Planning Manager
August 4, 5, 11 & 12, 2008	Victor Guerrero, Inventory Officer
August 12 & 13, 2008	Carlos Urrutia, Inventory Officer, Chillan Area
September 6, 7 & 8, 2008	Martín Spriegel, Supervisor, Paso Los Libres Sector
September 9, 10 & 11, 2008	Jorge Glades, Forest inventory advisor
September 9, 10 & 11, 2008	Carlos Romero, Supervisor, Concordia Sector
September 12, 2008	Fernando Dalatea, Equity Chief

APPENDICES

Appendix A: PROJECT PROPONENT CONTACT AND SCOPE

1. Contacts

Project name:	2008 Audit to verify carbon stock of MASISA S.A.
Project proponent:	MASISA S.A.
Type of organization:	Private company
Contact person, Title:	Francisca Tondreau, Assistant Sustainable Development Manager
Address:	Apoquindo 3650, 10th floor, Las Condes, Santiago, Chile
Tel/Fax/Email:	56/ 02 7078623. Francisca.Tondreau@masisa.cpm
Billing contact (if applicable):	
Project carbon owner (if applicable):	N/A
Type of organization:	
Contact person, Title:	
Address:	
Tel/Fax/Email:	
Project aggregator (if applicable):	N/A
Contact person, Title:	
Address:	
Tel/Fax/Email:	
Project subaggregator, (if applicable):	N/A

2. Verification Scope

2.1 Change in scope:

Has the project changed since the previous evaluation in scope of activities, spatial area, and/or temporal period that, in all probability, will materially impact GHG credits?

Note: If the project has materially changed, the scope of the audit will need to be adjusted appropriately and the CCX will need to be contacted.

Yes No

If yes, briefly review the changes:

Scope details:

Spatial scope	Describe
Narrative justification of project spatial area (include discussion of financial vs. operational control) in words of proponent:	<p>The company owns forests in four countries: Chile, Argentina, Brazil and Venezuela. During the 2007 Audit, an agreement was made with CCX to conduct a site audit of the forest in Chile and Argentina during 2008 and a site audit of those in Brazil and Venezuela during 2009.</p> <p>However, this audit covers the information on all of MASISA's properties in such four countries.</p>

Project location names:	Forests in Chile	Forests in Argentina
Project geographic boundaries for each location:	The forests are located from the 8th to 10th Regions.	The forests are located in the provinces of Corrientes and Entre Rios
Project size (ha):	They cover an area of 85,687 hectares	The forests cover an area of 35,244 hectares
Dominant tree species:	<i>Pinus radiata</i> and <i>Eucalyptus nitens</i>	<i>Pinus taeda</i> , <i>Pinus elliotti</i> and <i>Eucalyptus grandis</i>
Dominant tree age:	12 years	8 years

Temporal scope	Describe
Narrative justification of project timeline, including (a) start date, (b) conclusion date, (c) credit period, and (d) baseline	The verification was made in two phases, in Chile from August 4 to 13 and in Argentina from September 6 to 12. The credit period corresponds to captures from 2007. The captures in the period 2003-2006 were analyzed in the 2007 Evaluation.

Project location names:	Forests in Chile	Forests in Argentina
Project length:	5 days in all	7 days in all
Project credit period:	2007	2007

Appendix B: AUDIT FINDINGS I: ELIGIBILITY

1 CCX Standard Eligibility

MANAGEMENT AND LONG-LIVED WOOD PRODUCT METHODOLOGIES	Conformance
1.1 Proof of carbon right ownership via legislative right, local common law, or contractual arrangement If no, describe:	Yes <input checked="" type="checkbox"/> No <input type="checkbox"/>
1.2 Credit sought for tree growth above prior year If no, describe:	Yes <input checked="" type="checkbox"/> No <input type="checkbox"/>
1.3 All owners' commercial forest properties outside of project must be ATFS, FSC, or PEFC/SFI certified for forest management practices to partially minimize internal leakage. If no, describe:	Yes <input checked="" type="checkbox"/> No <input type="checkbox"/>
1.4 Contract with aggregators that land will be maintained in forested condition at least 15 years from date of enrollment to partially maintain permanence. If no, describe:	Yes <input checked="" type="checkbox"/> No <input type="checkbox"/>
1.5 Carbon projections between inventories use approved growth models If no, describe:	Yes <input checked="" type="checkbox"/> No <input type="checkbox"/>
1.6 Written commitment not to double-count credits (particularly regarding mandatory national GHG targets) If no, describe:	Yes <input checked="" type="checkbox"/> No <input type="checkbox"/>
1.7 Project additionality above legal requirements If no, describe:	Yes <input checked="" type="checkbox"/> No <input type="checkbox"/>
1.8 (Optional) Offsets for carbon stored in long-lived wood products in use and landfills after 100 years derived using U.S. DOE 1605b look-up tables and harvest data. If no, describe:	Yes <input type="checkbox"/> No <input type="checkbox"/>

Appendix C: AUDIT FINDINGS II: CCX VERIFICATION CHECKLIST (MANAGED FOREST/COMMERCIAL FORESTRY)

1. Certification for sustainable forest management by CCX-approved standard on entity-wide commercially managed lands.	
<p>Findings: The company is certified in Chile, Argentina, Brazil and Venezuela according to the Forest Stewardship Council (FSC) standards. The FSC certification code is SGS-FM/COC-003256 for Argentina, SGS-FM/COC-0667 for Chile and SW-FM/COC-001531 for Brazil.</p>	<p>Yes <input checked="" type="checkbox"/> No <input type="checkbox"/> N/A <input type="checkbox"/></p>
CAR/OBS #:	
2. Determine if net changes in carbon stocks are done in accordance with quantification proposal approved by CCX Forestry Committee.	
<p>Findings: The company has followed all calculation procedures established by CCX for conversion of solid volume to tons using the average wood density obtained for the different countries (0.43 for Chile; 0.38 for Argentina; 0.33 for Brazil; and 0.43 for Venezuela).</p> <p>The factor of 0.5 was used to estimate the C and 3.67 to calculate CO₂. The reductions in the period 2006-2007 totaled 283,423.7 tons of CO₂.</p>	<p>Yes <input checked="" type="checkbox"/> No <input type="checkbox"/> N/A <input type="checkbox"/></p>
CAR/OBS #:	
3. Determine that records of harvest are properly documented.	
<p>Findings: All harvests are documented and mapped annually so they are excluded from inventories. 2,394 hectares were harvested in Chile, 533 hectares in Argentina and 655 hectares in Brazil. There were no harvests in Venezuela in 2007 on the only property owned by the Company there (Guayamure).</p>	<p>Yes <input checked="" type="checkbox"/> No <input type="checkbox"/> N/A <input type="checkbox"/></p>
CAR/OBS #:	
4. Determine that changes to management practices are properly documented	
<p>Findings: The company has clearly established management models. There are intensive management systems in Chile that range from model E1, consisting of 2 thinnings and 3 prunings, to unmanaged forests. There are three management systems in Argentina, ranging from intensive, which includes 3 thinnings and 2 prunings, to unmanaged forests. There are also three models in place in Brazil: intensive (3 prunings and 2 thinnings) and moderate management (1 pruning and 2 thinnings). The forests in Venezuela have not been intervened.</p>	<p>Yes <input checked="" type="checkbox"/> No <input type="checkbox"/> N/A <input type="checkbox"/></p>
5. Confirm reports are in compliance with general principles	

Findings: The company complies with the general principles on ownership, quality of inventory systems, management standards and the principles of the reduction calculation system. However, there are some problems in determining sampling procedures and permanent inventory parcels in Argentina. The permanent parcels cannot be located on the La Potota property, stand 06, and the Yunta property, stand 9903, because of insufficient site marking since adequate stakes were not used.	Yes <input checked="" type="checkbox"/> No <input type="checkbox"/> N/A <input type="checkbox"/>
OBS #: 01/08	
The permanent parcels for forest inventory could be marked on site using a system that ensures localization. The center should be marked by an immovable stake. All trees could be numbered and the measuring points marked on the wood.	

6. Determine if land disposition / acquisition is properly documented	
Findings: The company keeps records of all its purchases and sales. There were no changes in equity in any of the countries in 2007 nor were properties or forests bought or sold. All forests owned by the company are appropriately documented.	Yes <input checked="" type="checkbox"/> No <input type="checkbox"/> N/A <input type="checkbox"/>

7. Damage caused by pest, fire, and weather is properly documented	
Findings: The company keeps complete records of fires (2,063 hectares in 2007), but there are no records of damages caused by weather phenomena. Nonetheless, ant damage (by <i>Atta sp.</i>) was found in stand 0316 on the La Selva Property in the north of Argentina, where there are no parcels that adequately evaluate the damage and the loss in growth.	Yes <input checked="" type="checkbox"/> No <input type="checkbox"/> N/A <input type="checkbox"/>
OBS #: 02/08	
The company should establish parcels or another system to evaluate the damage caused by the ants to the growth of the trees on the La Selva property.	

8. Confirm identity of owner of forest parcel	
Findings: All forests and stands visited are owned by the Company and were verified according to the existing map and inventories. The company possesses a total of 164,620 hectares of which 85,687 correspond to properties in Chile, 35,244 hectares to properties in Argentina, 16,709 hectares to properties in Brazil and 26,981 hectares to properties in Venezuela.	Yes <input checked="" type="checkbox"/> No <input type="checkbox"/> N/A <input type="checkbox"/>
CAR/OBS #:	

9. Check for legal evidence of entity's ownership	
Findings: The company has all titles of ownership of its properties. No properties were taken into account except those owned exclusively by the Company. The validity of the ownership of the properties audited in Chile and Argentina was verified (a total of 18 properties).	Yes <input checked="" type="checkbox"/> No <input type="checkbox"/> N/A <input type="checkbox"/>

CAR/OBS #:

10. Check documentation to confirm existence of forests

Findings: The random sample of 17 properties and 49 stands in Chile is exactly in line with what was seen at the site. The information on inventories, properties and their areas is also coherent. A small forest for the protection of native species does not appear on the map of stand 303 of the El Durazno Property. There is a small area of 0.5 hectares marked as protection on stand 205 on the Huamaqui Property, but there are no plantations on the site.

Yes No
N/A

OBS #: 03/08

The map of Chile should be updated, particularly in the zones where there are species and areas allocated to conservation.

11. Confirm entity has legal evidence of offset rights

Findings: The company has the right to all offsets and no sales have been made to third parties.

Yes No
N/A

CAR/OBS #:

12. Confirm Entity is using proper CCX approved quantification method.

Findings: The technique or model used by MASISA was approved by CCX on August 24, 2007.

Yes No
N/A

CAR/OBS #:

13. Confirm sales contract retaining carbon rights from purchaser

Findings: There are no forest sales contracts.

Yes No
N/A

CAR/OBS #:

14. Continuance of project activities consistent with CCX approved project proposal and associated documents; including documentation of management and land ownership changes, management staff and titles; organizational chart; defined roles, responsibilities, and authorities regarding forest carbon and CCX verification.

Conformance with Criterion

Findings: The company keeps complete information on its management systems, inventories, growth models, land ownership, organization, staff and responsibility for carbon reductions.

Yes No
N/A

CAR/OBS #:

Appendix D: AUDIT FINDINGS IV: CARBON QUANTIFICATION

Carbon Calculations

For all tables below, clearly indicate if the carbon quantity data was derived from a model, by placing an asterisk (*) next to the data.

1.1 Carbon by Country/Estates

Location: Chile
 Forest cover type: *Pinus Radiata, Eucalyptus (nitens and globulus)*
 Forest age: 12 years for Pine and 8 years for Eucalyptus
 Total area (has): 86,682
 Sampling intensity: Adult Forest > 17 years, 1 every 2 hectares with a minimum of 3 parcels per stand
 Young Forest <= 17 years, 1 every 3 hectares with a minimum of 3 parcels per stand
 Sample error (SE,SD): variable between 5% and 15%
 Model used: Inventory parcels, complemented by simulators for each species
 Model error: < 10%

YEAR	PROJECT AREA (ha)	TOTAL LIVE TREE VOLUME ≥10 cm dbh (m3) and conversion factor (%)	ABOVE TOTAL LIVE TREE BIOMASS (metric tons)	DERIVED ROOT BIOMASS (metric tons/ha)	CWD BIOMASS (metric tons/ha)
2006	86,765	17,476,263 (0.43)	7,514,793	0	0
2007	85,687	17,718,664 (0.43)	7,619,025	0	0

YEAR	CARBON CONVERT (*0.5), CO2e CONVERT (*3.67)	ADJUSTMENTS (NATURAL & BIOMASS REMOVALS)	BASELINE (metric tons CO2e/ha/yr)	CARBON STOCK PER HA (metric tons CO2e/ha/yr)	ANNUAL CHANGE	INVENTORY OR MODEL ERROR ¹
2006	13,798,645	0		158,9		
2007	13,980,912	0		163.1	191,266	10%

Location: **Argentina**
 Forest cover type: *Pinus eliotti and taeda, Eucalyptus*
 Forest age: 5.7 years for Pine and 7.8 years for Eucalyptus
 Total area (has): 35,244
 Sampling intensity: 1 every 2 hectares with a minimum of 3 parcels per stand
 Sample error (SE,SD): variable between 5% and 15%
 Model used: Inventory parcels, complemented by functions of yield in volume for each species

¹ Reliable mean estimate= $X - t * S_x$; $S_x = S/\sqrt{n}$; X=mean, S=standard deviation, n=number of plots, t=t value (n=10, 1.37; n=20, 1.33; n=30, 1.31; n=40, 1.30; n=50, 1.3; n=100, 1.29; n=200, 1.29; infinity, 1.28)

Model error: < 10%

YEAR	PROJECT AREA (ha)	TOTAL LIVE TREE VOLUME ≥10 cm dbh (m3) and conversion factor (%)	ABOVE TOTAL LIVE TREE BIOMASS (metric tons)	DERIVED ROOT BIOMASS (metric tons/ha)	CWD BIOMASS (metric tons/ha)
2006	35,609	4,387,765 (0.38)	1,667,350	0	0
2007	35,244	4,719,248 (0.38)	1,793,314	0	0

YEAR	CARBON CONVERT (*0.5), CO2e CONVERT (*3.67)	ADJUSTMENTS (NATURAL & BIOMASS REMOVALS)	BASELINE (metric tons CO2e/ha/yr)	CARBON STOCK PER HA (metric tons CO2e/ha/yr)	ANNUAL CHANGE	INVENTORY OR MODEL ERROR
2006	3,059,588	0		85.92		
2007	3,290,731	0		93.36	231,143	10%

Location: **Brazil**
 Forest cover type: Pine and Eucalyptus
 Forest age: 10.9 years for Pine and 6.7 years for Eucalyptus
 Total area (has): 16,709
 Sampling intensity: 1 every 4 hectares with a minimum of 3 parcels per stand
 Sample error (SE,SD):7%
 Model used: Inventory parcels, complemented by simulators for each species
 Model error: < 7%

YEAR	PROJECT AREA (ha)	TOTAL LIVE TREE VOLUME ≥10 cm dbh (m3) and conversion factor (%)	ABOVE TOTAL LIVE TREE BIOMASS (metric tons)	DERIVED ROOT BIOMASS (metric tons/ha)	CWD BIOMASS (metric tons/ha)
2006	14,822	3,757,012 (.33)	1,239,814	0	0
2007	16,709	3,464,870.9 (.33)	1,143,407	0	0

YEAR	CARBON CONVERT (*0.5), CO2e CONVERT (*3.67)	ADJUSTMENTS (NATURAL & BIOMASS REMOVALS)	BASELINE (metric tons CO2e/ha/yr)	CARBON STOCK PER HA (metric tons CO2e/ha/yr)	ANNUAL CHANGE	MODEL OR INVENTORY STANDARD ERROR ²
2006	2,275,058	0		153.4		
2007	2,098,152	0		125.6	-176,906	7%

² MODEL OR INVENTORY STANDARD ERROR = $X - t * S_x$; $S_x = S/\sqrt{n}$; X=mean, S=standard deviation, n=number of plots, t=t value (n=10, 1.37; n=20, 1.33; n=30, 1.31; n=40, 1.30; n=50, 1.3; n=100, 1.29; n=200, 1.29; infinity, 1.28)

Location: **Venezuela**
 Forest cover type: Pine
 Forest age: 16.70 years
 Total area (has): 26,981
 Sampling intensity: 1 every 2 hectares with a minimum of 3 parcels per stand
 Sample error (SE,SD): 5%
 Model used: Inventory parcels, complemented by functions of volume for each species
 Model error: < 7%

YEAR	PROJECT AREA (ha)	TOTAL LIVE TREE VOLUME ≥10 cm dbh (m3) and conversion factor (%)	ABOVE TOTAL LIVE TREE BIOMASS (metric tons)	DERIVED ROOT BIOMASS (metric tons/ha)	CWD BIOMASS (metric tons/ha)
2006	27,001	1,916,545 (0.43)	824,114	0	0
2007	26,981	2,040,005 (0.43)	877,202	0	0

YEAR	CARBON CONVERT (*0.5), CO2e CONVERT (*3.67)	ADJUSTMENTS (NATURAL DISTURBANCES & BIOMASS REMOVALS)	ACQUISITION OR DISPOSITION ADJUSTMENT (metric tons CO2e/ha/yr)	CARBON STOCK PER HA (metric tons CO2e/ha/yr)	ANNUAL CHANGE	MODEL OR INVENTORY STANDARD ERROR
2006	1,512,249	0		56.00		
2007	1,609,665	0		59.65	97,416	5%

1.2 Carbon total 2007

Location	Carbon stocks reliable mean estimate (metric tons CO2e per hectare per annum)	Acquisitions and dispositions of forest land (metric tons CO2e per hectare per annum)	Risk buffer of carbon credits based on inventory standard error	Carbon stocks minus risk buffer – dispositions –
Chile	191,266	0	10%	172,139.4
Argentina	231,143	0	10%	208,028.7
Brasil	-176,906	0	7%	-189,289.4
Venezuela	97,416	0	5%	92,545.2
Grand total:	342,919			283,423.7

Appendix E: REQUIRED VERIFIER CCX FORMS

1 CCX Commercial Forest Annual Reporting Form

Form 1
CCX Commercial Forest Annual Reporting form

To be completed and signed by a CCX-approved Verifier

CCX Project Owner: _____ Masisa SA _____

Please report only for Projects that have completed the CCX Project registration process. *Please duplicate this form as necessary.*

Reporting period:	January 1, 2007 through December 31, 2007		
Region	Acreage	Species Types	CCX CFI issuance
Chile	86,682 ha	<i>Pinus Radiata, Eucalyptus (nitens and globulus)</i>	1721 <hr/> <small>(hundred metric tons CO₂)</small>
Argentina	35,244 ha	<i>Pinus eliotti and taeda, Eucalyptus</i>	2080 <hr/>
Brazil	16,709 ha	Pine and Eucalyptus	-1893 <hr/>
Venezuela	26,981 ha	Pine	925 <hr/>

CCX-approved Verifier name: _____ Rainforest Alliance _____

Signature of verified representative: _____


Name and contact number: _____ Jeffrey Hayward, 202-294-7008 _____

2 Verifier Attestation

The statements of fact contained in this report are true and correct.

- The reported analyses, opinions, and conclusions are limited only by the reported assumptions and limiting conditions and are my personal, impartial, and unbiased professional analyses, opinions, and conclusions.
- I have no present or prospective interest in the property that is the subject of this report and no personal interest with respect to the parties involved.
- I have no bias with respect to the property that is the subject of this report or to the parties involved with this assignment.
- My engagement in this assignment was not contingent upon developing or reporting predetermined results.
- My compensation for completing this assignment is not contingent upon the development or reporting of a predetermined value or direction in value that favors the cause of the client, the amount of the value opinion, the attainment of a stipulated result, or the occurrence of a subsequent event directly related to the intended use of this report.
- This project is in full compliance with the Commercial Forest Project rules in Chapter 8 of the Chicago Climate Exchange Rulebook.

CCX-accredited verifier name:

Rainforest Alliance _____

Signature of representative of verification organization: _____

