



# Forest Carbon Partnership Facility

## Technical Assessment: Final ER-PD for Mexico

December 16<sup>th</sup> 2016

# Presentation of TAP

- The technical assessment was conducted from **June 8<sup>th</sup>, 2016** to **November 20<sup>th</sup>, 2016** by the following team:
  - **Dr. Gonzalo, Julian** - Spain (Team Lead and Carbon accounting)
  - **Dr. Guevara, Alejandro** - Mexico (Country Expert)
  - **Mr. Inthamoussu, Agustin** - Uruguay (Carbon accounting)
  - **Mr. Nanclares, Mario** - Argentina (Safeguards)
  - **Mr. Lopez, Ludovino** - Portugal (Legal)

# Overall assessment of final ER-PD

		1 <sup>st</sup> Assessment	2 <sup>nd</sup> assessment	Indicators not met
II. Level of Ambition	YES	3	3	
	NO			
	N.A.			
III. Carbon Accounting	YES	21	30	7.2; 8.2;9.1
	NO	12	3	
	N.A.	10	10	
IV. Safeguards	YES	4	6	
	NO	2		
	N.A.	1	1	
V. Sustainable Program Design and Implementation	YES	8	11	33.1
	NO	4	1	
	N.A.	2	2	
VI. ER Program Transactions	YES	4	6	36.2;36.3
	NO	4	2	
	N.A.	3	3	

# Summary Assessment

- Mexico has completed all required sections of the ER-PD with **professionalism and adequacy** to the FCPF CF MF. The ER-PD focuses on **five Mexican States with the highest country's deforestation rates**, on specific areas of intervention, where **Investment Programs**, have been defined in detail through participatory processes and will be implemented.
- **Rigorous analysis** was conducted in the **carbon accounting section**, and it is expected that through the operationalization of the AD Monitoring System for Mexico (**MADMex**), the MRV component is completed during the Program.

# Summary Assessment

- Mexico conducted a Strategic Environmental and Social Assessment (SESA) , which has recently resulted in a **Framework of Environmental and Social Management (MGAS, in Spanish)**. **Safeguards Plans** will be developed for each one of the IRE's States oriented to mitigate the risks identified in the MGAS.
- There is a strong and consistent initiative to design and implement an efficient and transparent **ER Transaction Registry**. **The Forest Registry**; the web platform currently in testing period, will become operational from the **first quarter of 2017**.

# III. Carbon Accounting

Ind 7.2 The sources of uncertainty identified in Indicator 7.1: are assessed for their relative contribution to the overall uncertainty of the emissions and removals.	NO
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- Not all the identified sources of uncertainty have been calculated:
- Only the uncertainty of the EFs associated with sampling error was considered (no **measurement errors, allometric models errors** or **sampling area error** were estimated).
- **Uncertainty of AD** was not calculated, but a complete methodological approach to assess this uncertainty during the program was described in the ER-PD.

# III. Carbon Accounting

Ind 8.2 Random errors and other uncertainties are minimized to the extent practical based on the assessment of their relative contribution to the overall uncertainty of the emissions and removals.	NO
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- Quality control protocols (EFs and AD) are described but **quality procedures** to assess the relative contribution of each source of uncertainty to the overall account have not been implemented:
- As a solution: Host country considered to perform a **sensitivity analysis** to detect and quantify relative sources of uncertainties and errors; **the analysis has not yet been performed** and/or some explanations about **how the results** of such sensitivity analysis **will be used to minimize**, to the extent practical, random errors and other uncertainties were not provided.

# III. Carbon Accounting

Ind 9.1 Uncertainty associated with activity data and emission factors is quantified using accepted international standards, for example by providing accuracy, confidence interval, distribution of error, and propagation of error.	NO
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- Uncertainty of AD for the Reference Period was not quantified.
- The **provided justification** ‘official national LULC maps’ accuracy based on **internal (not public) data validation and verification processes**, is not considered appropriate (not quantified and differences between LULC accuracy vs LULC changes accuracy) .
- As a solution, a **comprehensive proposal** (based on Olofsson et al., 2013) for the estimation of the uncertainty associated with activity data, would be implemented, but still it has not been.



# V. Sustainable Program Design and Implementation

Ind 33.1 The design and implementation of the Benefit-Sharing Plan comply with relevant applicable laws, including national laws and any legally binding national obligations under relevant international laws	NO
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- There is no explanation on how the international undertakings that Mexico has with the various conventions of United Nations, the ILO, and other international treaties, will be taken into consideration in the ERI Benefits Distribution.
- National legal context is described in detail but ERPD **doesn't address/describe the way how the host country understands those international legal provisions** on the ER program context.

## VI. ER Program Transactions

<p>Ind 36.2 The ER Program Entity demonstrates its ability to transfer to the Carbon Fund Title to ERs, while respecting the land and resource tenure rights of the potential rights-holders, including Indigenous Peoples in the Accounting Area. It may be demonstrated through various means, including (i) reference to existing legal and regulatory frameworks, (ii) sub-arrangements with potential land and resource tenure rights-holders, and (iii) benefit-sharing arrangements under the Benefit-Sharing Plan.</p>	<p>NO</p>
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- There is not a specific legal provision to define neither **the legal nature** of the emission reductions, nor **the ownership** of those avoided emissions in the legal framework of Mexico at this date,
- Mexico chose to do an interpretation of the **constitutional concept** in the absence of a specific legal provision to define the **legal concept**, nature and regime of the ‘avoided emissions’.

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## VI. ER Program Transactions

**Ind 36.3 The ER Program Entity demonstrates its ability to transfer Title to ERs prior to ERPA signature, or at the latest, at the time of transfer of ERs to the Carbon Fund. If this ability to transfer Title to ERs is still unclear or contested at the time of transfer of ERs, an amount of ERs proportional to the Accounting Area where title is unclear or contested shall not be sold or transferred to the Carbon Fund**

**NO**

- Host country needs to clarify **the ownership and land tenure regime** supported by a **legal provision** that defines the legal nature and ownership of the emission reductions (avoided emissions) or at least,
- Host country should describe a comprehensible road map to achieve a satisfactory solution expressed in a (i) Legal and regulatory framework, or (ii) Sub-arrangements with potential land and resource tenure rights-holders (if applicable).

# Concluding remarks

- After highlighting the **exemplary work** done by the host country we would like to express some indications to support the team to overcome the issues raised in the assessment report:
- The comprehensive proposal (based on Olofsson et al., 2013) for the estimation of the **uncertainty** associated with **historical activity data** in the IRE, **should be implemented** to determine overall accuracy, user's accuracy (commission error), producer's accuracy (omission error) and area of each class of land use change. **Other sources of error should be considered or at least assessed in the estimation of the uncertainty associated with EFs. Indicator 7.2, 9.1**
- **Quality procedures to assess the relative contribution of each source of uncertainty to the overall account should be implemented;** to perform a sensitivity analysis to detect and quantify relative sources of uncertainties and errors (as the country proposes) and/or to provide some explanations about how the results of such sensitivity analysis will be used to minimize, to the extent practical, random errors and other uncertainties. **Indicator 8.2**

# Concluding remarks

- Host country in a more assertive and detailed way could provide some text describing **how the design and implementation of the Benefit-Sharing Plan complies with the relevant international conventions and agreements**, and finally if possible and if it's the case, express that there are no customary rights to apply on the case. **Indicator 33.1.**
- In the absence of the specific legal framework, **to search for an “independent legal reputable opinion”** on the subject to be part of the final argumentation of the country on the accomplishment of the requisites of the **indicators 36.2 and 36.3.**

# Thank You!

