

Carbon Fund Participants' Consolidated Comments on Mexico's Advanced DRAFT ER-PD

Congratulatory Remarks

The FCPF Carbon Fund Participants (CFPs) congratulate Mexico on the preparation of a detailed and well considered ER-PD. The CFPs wish to reiterate the TAPs conclusion that Mexico has done some fantastic work and produced a document with a high degree of compliance against the Methodological Framework.

CFPs agree with the TAP Assessment findings and advise Mexico to revisit the twenty-two indicators considered non-compliant with the Methodological Framework. In addition, the CFPs also request information and clarity around the decision not to use the recently developed MAD-MEX system as well as details on the estimated timelines for yet to be completed plans, safeguards and documents. Below are some additional comments under key criteria:

Carbon Accounting

CFPs request information on the status of the MADMEX system in relation to the proposed methodology and approach in the ER-PD. It is understood that the system is operational and technologically very advanced, with the potential to provide highly detailed activity data. Therefore it is unclear why it is not being used in the proposal given some of the constraints in the proposed approach (e.g. minimum mapping units). Adoption (in the future) of the system could affect the activity data, but also provide a more recent Reference Period. A clear roadmap and timeline detailing how it will be incorporated and build upon the proposed approach would be appreciated.

CFPs recommend Mexico improve the analysis of uncertainty and sensitivity identified by the TAP, including the justifications of carbon pool inclusion or exclusion.

CFPs strongly support the TAP's recommendation to provide further information on forest fires. This includes reasoning on inclusion or exclusion in the main document. Strategies to mitigate fire risk should be part of the ER Program where possible (anthropogenic fire risk).

CFPs request further details on the improvement plans for aligning the forest definition between what was used in the National GHG Inventory and Biennial Update Report, compared to that contained in the General Law on Sustainable Forest Development.

Safeguards

Noting the significant advancement in defining the conceptual framework of the National Safeguards System, consistent with the TAP comments, the CFPs request more information on the safeguards and the anticipated timelines for their implementation. Specific information on the institutional arrangements, resources and capacities to ensure the safeguards are implemented effectively at all scales is necessary.

Sustainable programme design

CFPs were pleased with Mexico's intention of aligning the interests of local landholders and the objectives of the program. Following the TAPs comments, confirmation the interests of the

Agriculture, Livestock, Rural Development, Fishing and Food Secretariat (SAGARPA) aligned with the actions derived from the Program would be useful. Further information on how the ER-PD complements and aligns Mexico's other initiatives (including NDC) would be useful.

CFPs request more information on the institutional arrangements, resources and capacities to ensure safeguards are met.

CFPs note the Benefit Distribution Plan and the Environmental and Social Management Framework (MGAS) are still being prepared, but please advise on the expected timeframes.

ER Transactions

The CFPs congratulate and applaud the effort and thinking that is going into this critical element. Similar to the safeguards, further information on these and the timelines for implementation is required, in particular the ER Registry. Details of the coordination between the National Forestry Commission (CONAFOR) and the Environment and Natural Resources Secretariat (SEMARNAT), as well as other Ministries and institutions, would be appreciated.

Additional considerations include – clarity and information on whether the National Registry includes ERs from REDD+, how will double counting be prevented (e.g. other REDD+ projects in the voluntary market), as well as the ability to transfer emission reductions (legal implications, ownership, tenure).

Consistent with previous advice from CFPs, a discussion on Mexican domestic legal requirements and the potential impact on the expected volume of emission reductions available for the Carbon Fund (as per Table 86 on page 222 of the ER-PD) would be appreciated.