

Comments on the Draft Mexico Forest Protocol, Version 1.0

Scientific Certification Systems

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Overall comments

The Mexico Forest Protocol (MFP) is a welcome expansion of the geographic scope Climate Action Reserve to include forest projects in Mexico. The MFP shows great promise for reducing emissions from deforestation and degradation in Mexico. We hope that consideration of the following comments will serve to strengthen the MFP.

Language indicating requirements

The MFP appears to use the term “should” interchangeably with “must” and “shall”. However, the term “should” does not always indicate a commandment in protocol language. For example, within GHG accounting methodologies developed under the Clean Development Mechanism, the term has the following meaning:

"Should" denotes the acceptable practice that if followed by the project proponent is in accordance with the requirement but it does not prevent the project proponent from applying another practice (including doing nothing). If the project proponent does not follow the acceptable practice they shall justify a rationale for their action.

Therefore, it is highly recommended that all uses of the term “should” within the MFP be re-examined. If the term is used in a context where a requirement is being stated, the protocol developers should consider replacement of the term with “must” or “shall”. If the term is used in a context similar to the above CDM definition, then it may be acceptable to retain use of the term. In this case, however, it is suggested that guidance similar to the above CDM guidance be provided somewhere within the MFP. This will allay confusion regarding whether the project proponent is being *required* to perform a certain action or simply *advised* to perform that action.

Commercial Timber Harvesting

The definition of REDD+ as provided in Section 2.1 does not explicitly include commercial timber harvesting. However, it is noted that harvested wood products must be accounted for in both the project and baseline scenarios in Section 7. Please clarify if the MFP allows for timber harvesting in the Project Area and if so, why Table 6.1 excludes the pool “Carbon in in-use forest products” (REDD+-7) for both the baseline and project scenarios.

Professional Forester

The protocol mentions that a professional forester should be used to review the Project's SEMARNAT management plan (Section 3.5), oversee the Project inventory (Section 8), and oversee the Project reporting (Section 12). Please provide specific guidelines about the requirements of a qualified "professional forester."

Stand Homogeneity

In Section 8.1 when discussing stratification, the MFP states, "Stands should be relatively homogeneous within each polygon for the variables discussed in this section. Where the variables are not homogeneous, a separate stand shall be created."

Please provide guidance about how verifiers shall determine stand homogeneity.

Quantifying emissions reductions and removals

The MFP is highly prescriptive regarding procedures used to quantify GHG emissions reductions and removals. While a certain level of prescription is necessary to ensure that projects are in conformance with the overall principles of the Climate Action Reserve, the level of prescription employed within the MFP exceeds the level of prescription commonly employed in GHG accounting methodologies. It may have been envisioned that a greater level of specificity within the protocol would lead to greater uniformity in project design and, therefore, lower verification costs. However, the reverse may actually occur. A larger number of requirements within protocol or methodology must inevitably lead to a larger number of items that must be rigorously checked by the verification body. This is likely to result in added time requirements for verification, and therefore greater verification costs.

In addition to increasing the number of items which must be checked by the verification body, the increased level of prescription would also lead to an increased number of opportunities for a given project to be out of conformance with the Reserve requirements. The Reserve's Verification Program Manual, Section 1.6.5, states that "Any non-conformance related to a prescriptive requirement outlined in the protocol would be considered material and must be corrected in order for the project to receive a positive Verification Statement." Given the level of prescription employed in the Protocol, a project could be out of conformance for failing to conform to a requirement as trivial and immaterial as the following (Section 8.1.2):

"Area must be calculated as hectares by the GIS and used to create the polygons (stands)."

(What happens if the area is calculated in square meters by the GIS?)

It is highly recommended that the level of specificity employed within the MFP be scaled back in order to allow fewer requirements that must be audited against. One option for

doing this would be to create a set of recommended “best practices” that are not mandatory but would help ensure conformance to the protocol. These best practices could be clearly identified in contrast to the requirements that would actually be audited against. An example of this practice as currently employed within the MFP would be Section 8.2.1, where a recommended formula is given for computing the number of plots and the grid spacing to be employed, but the use of the formula is not mandated.

Carbon Plan

Sections 3.5 and 11.2.2 of the MFP mention the requirement for Forest Management Plans to also include a “Carbon Plan.” Since this requirement is from the Reserve and will not be overseen by SEMARNAT, please provide guidance for the verifier about what components should be included in the Carbon Plan as well as how conformance to these requirements should be evaluated by the verifier.

Verification Schedule

In Section 14.1, it is stated that after the initial site visit, a site visit will only occur once every 10 years. Over a 20-year crediting period, there is a potential for a large gap between site verifications, potentially 16 years, which creates the possibility for a huge risk that credits will be generated that do not really exist or are overstated. This may trigger potential eventual reversals and may not be in line with the Protocol’s stated goal to have conservative assumptions and minimize the risk of over-crediting. This risk is also increased by the fact the inventory measurements should be updated every 10 years but do not explicitly require a site visit to assess sampling accuracy.

Verification Cycle

In Section 14.1, the requirements for site and desktop verifications are provided. In the years where neither occurs, it is stated that the Reserve reviews the annual monitoring reports. Please clarify if CRTs are issued on an annual basis (regardless if it is a site, desktop or annual monitoring report evaluation).

Safeguards

A set of seven guidelines are listed in Section 3.7. However, it is not clear if projects are intended to be audited directly against the guidelines or if it is expected that the fulfillment of the other requirements of Section 3.7 will ensure conformance to the stated guidelines.

The MFP requires that the Project be certified under the Forest Stewardship Council (FSC) standards for Mexico or verified under the Climate, Community and Biodiversity Standards (CCB). It is suggested that it should be clarified that the FSC standards for Mexico should be for Forest Management and that the CCB standards used by the

Project should be the latest version of the standard at the time of the project submittal/listing/start date.

In addition, it is unclear whether projects are required to be certified under the Forest Stewardship Council and verified under the CCB standards only at the time of project registration, or whether projects are required to maintain the status of certification and verification, respectively, for some period of time (perhaps the project crediting period?) after registration.

Cross-over with Safeguards

Please explain how the Reserve envisions the cross-over between the FSC certification/CCB verification with the verification of the MFP project. What is the requirement of the verifier/Reserve in the review of these safeguards, other than seeing that the verification/certification is maintained? In that event that corrective actions are outstanding during the FSC certification from one year to the next, would the MFP verification be required to inquire into these matters?

Baseline Quantification

The MFP does not contain specific guidance for how the “20-Year Estimate of Change (Regional Trend)” value must be adjusted based on regulatory constraints. Without explicit guidance, project proponents are not likely to voluntarily elect to increase the baseline value on the basis of regulatory constraints.

In addition, although Section 3.9 of the MFP indicates that baselines are only valid for 20 years and it is therefore indicated that the baseline must be re-assessed after 20 years should the crediting period be renewed, it is not clear how the project proponent is intended to re-assess the baseline. Section 9.3 of the MFP states “Until jurisdictional baselines and crediting terms are developed, project baselines will be defined by the 20-year value (Step 5 in Worksheet 9.1) that has been adjusted for legal constraints and is standardized as a flat line drawn to the project start date.” This language indicates that the approach laid down in Section 9 for baseline assessment may no longer be valid once “jurisdictional baselines and crediting terms” are developed, but provides no further explanation.