



CLIMATE
ACTION
RESERVE

Mexico Forest Protocol V3.0 Public Kickoff Meeting

September 2021

- All attendees are in listen-only mode
- Please submit your questions in the GoToWebinar question box and we'll try to answer them at the end, time permitting
- We will follow up via email to answer any questions not addressed during the meeting
- The slides (in Spanish and English) and a recording of the presentation will be posted online

1. Climate Action Reserve
2. Background
3. Process and timeline for update
 - **Note: the deadline to submit the Statement of Interest for the Workgroup is Sept 30th**
4. Review considerations for the update
 - Safeguards and eligibility
 - Additionality
 - Forest inventory
 - Mangrove and jungle considerations
 - Permanence
5. Questions, comments, & next steps

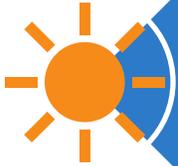
Climate Action Reserve



CLIMATE
ACTION
RESERVE



NGO founded in 2001



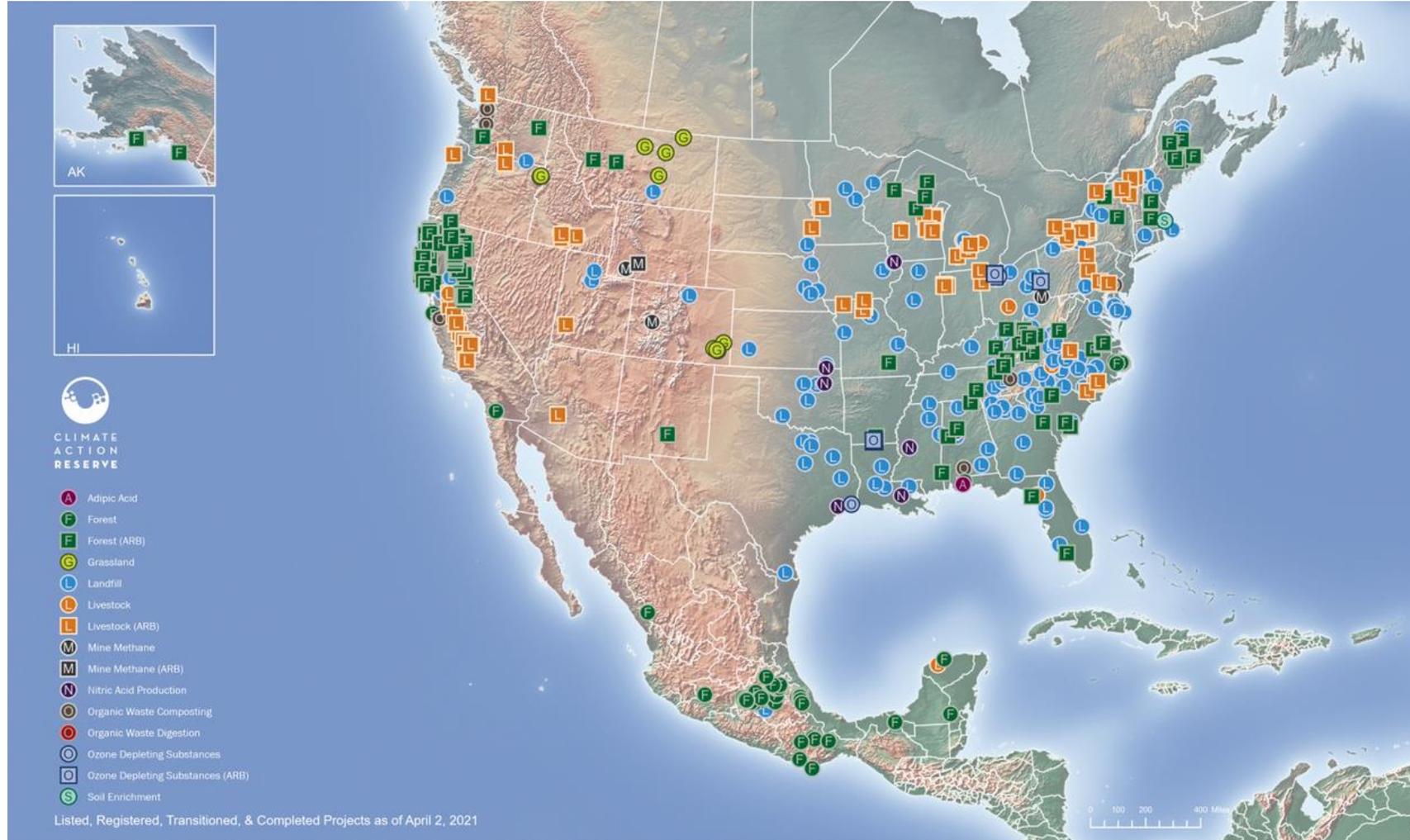
21 offset protocols: México,
USA, & Canada



>550 Projects & 165M+
credits issued



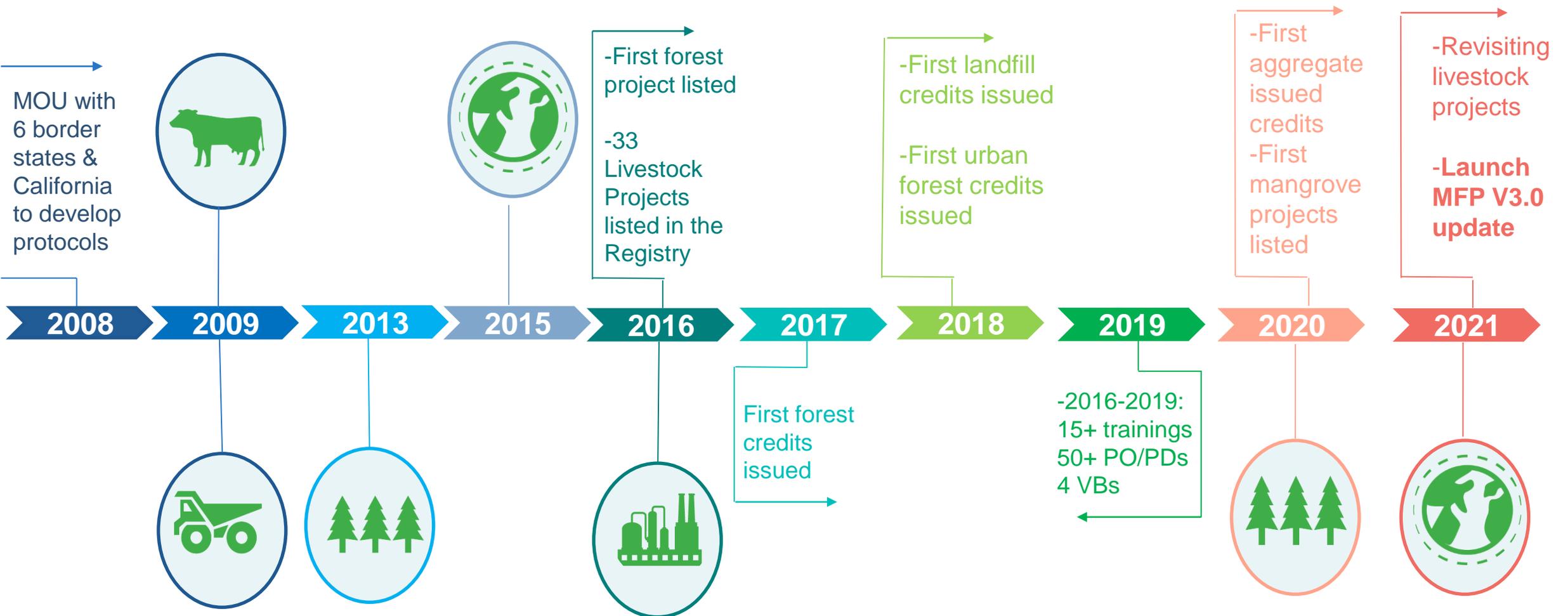
Mission to promote market-
based solutions



Reserve Program in Mexico



CLIMATE
ACTION
RESERVE



- **V1.0: published in 2013**
 - Workgroup and public comment period
- **V1.1-V1.5: published from 2016 to 2017**
 - Errata and Clarifications V1.5: August 2019
- **V2.0: published in 2020**
 - Workgroup and public comment period
 - Key updates:
 - Activities allowed to differentiate between areas under forest use and areas without it
 - Additionality requirements for areas without forest use
 - Secondary Effects for improved forest management activities
 - The inclusion of a non-intensive monitoring and quantification methodology for certain urban, agroforestry and silvopastoral activities
 - Errata and Clarifications V2.0: August 2021

Process and Timeline for Update

Step	Details	Sept	Oct	Nov	Dec	Jan	Feb	Mar	Apr	May	Jun
Workgroup conformation	Kickoff Meeting										
	Presentation of SOI: sept16-30										
Workgroup	Meeting: Permanence										
	Meeting: Additionality										
	Meeting: Forest inventory										
	Meeting: Mangrove and Rainforest										
	Meeting: Safeguards										
Protocol development											
Public comment period	March, 1st to March, 31										
	Public Coment Period Webinar										
	Comments revision and Protocol update										
Approval by the Reserve's Board of Directors	June 2022										

Workgroup Formation

- Stakeholder participation & feedback is critical to protocol development
- The Reserve assembles an intensive multi-stakeholder workgroup to advise protocol development and produce rigorous, well-vetted, and credible protocols
 - Strive for balanced representation from industry, project developers, environmental NGOs, verification bodies, independent consultants, academia, and government bodies
 - Interested stakeholders invited to submit Statement of Interest (SOI) forms
 - **Deadline for submitting SOI is Sep 30th**
 - **SOIs can be downloaded here:**
<https://www.climateactionreserve.org/how/protocols/mexico-forest/revision-del-protocolo-forestal-para-mexico/>
 - Requires commitment to ~4-5 workgroup meetings plus additional protocol reviews, familiarity with the feedstocks, technologies, and/or end uses for which the protocol is being developed, and solid understanding of project-based GHG accounting

Workgroup Process and Expectations for Workgroup Members

Process

- Reserve staff identify and solicit feedback on specific protocol criteria
- Reserve staff schedule and hold meetings (~2-3)
- Reserve staff produce draft protocol for review
- Reserve staff revise protocol based on feedback

Expectations

- Review, comment on and provide recommendations on specific protocol criteria
- Participate in meetings via webinar
- Provide written comments on draft protocol



CONSIDERATIONS FOR PROTOCOL UPDATE

Protocol Major Changes



CLIMATE
ACTION
RESERVE



Safeguards and Eligibility



Additionality



Forest Inventory



Considerations for Mangrove and
Rainforest



Permanence

Section 2: Activity Definitions

Activity Area	Description
Agroforestry and Silvopastoral	<ul style="list-style-type: none"> • The primary human activity is agriculture and/or grazing • The land cover type is defined as agriculture or grassland • Trees are either planted or otherwise encouraged from natural regeneration
Improved Forest Management (IFM)	<ul style="list-style-type: none"> • The primary land cover is forest • The forest has an authorized forest management program for the purposes of commercial timber harvest
Reforestation	<ul style="list-style-type: none"> • Trees are planted manually or encouraged through site preparation activities • On lands that are not in forest cover on the project start date and have not been in forest cover within the past 5-years, or on lands that have recently experienced a natural disturbance that reduced live tree stocking below 50% live canopy cover • It could have been a forest in the past, but hasn't been in the last 5 years
Restoration	<ul style="list-style-type: none"> • The sequestration associated with the protection and restoration of natural forests • Ongoing commercial harvest operations is not a permitted use • Restoration activities may include protected areas (where forest management is not allowed) and noncommercially viable forests that are degraded or at high risk of degradation and deforestation
Small Urban Forests	<ul style="list-style-type: none"> • The planting and management of less than 10 contiguous hectares of 10% canopy cover • Urban areas as defined by the INEGI National Geostatistical Framework (>2,500 inhabitants or municipal centers independent of their population)
Large Urban Forests	<ul style="list-style-type: none"> • The planting and management of more than 10 contiguous hectares of 10% canopy cover • Non-natural forests • Urban areas as defined by the INEGI National Geostatistical Framework (>2,500 inhabitants or municipal centers independent of their population)

Section 3: Social Safeguards

Social Safeguard requirements for ejidos and communities to meet include:

Free, Prior, and Informed Consent

- Hold an Assembly to discuss project themes and topics prior to voting
- Hold a vote to approve the project

Meeting Notification, Participation, and Documentation

- Describe how notices of assemblies take place
- Provide space and opportunity for participation
- Publicly document the meetings

Project Governance

- Identify a project coordinator to represent the community/ejido to the Reserve and to verifiers

Section 3: Environmental Safeguards

Environmental Safeguard	Applicable Activities	Activity Area Guidelines
1. Maintenance of forest carbon stocks	All	<ul style="list-style-type: none"> • Activity Areas must maintain or increase standing live and dead carbon stocks over the project life • Determined by a running 10-year average of carbon stocks within the Activity Areas.
2. Native Species	IFM, Restoration, Reforestation	<ul style="list-style-type: none"> • Activity Areas must demonstrate verified continuous progress towards achieving a goal of 95% native species within the Activity Areas <ul style="list-style-type: none"> a. For IFM and Restoration: must be met within 50 years b. For Reforestation: must be met immediately following the establishment of a new forest stand
	Large Urban Forests	<ul style="list-style-type: none"> • Activity Areas may not reduce the percent of native species throughout the project life
3. Composition of Native Species	IFM, Restoration, Reforestation	<ul style="list-style-type: none"> • Activity Areas must demonstrate verified continuous progress towards meeting the composition of native species <ul style="list-style-type: none"> a. For IFM and Restoration: must be met within 50 years b. For Reforestation: must be met immediately following the establishment of a new forest stand
	Large Urban Forests	<ul style="list-style-type: none"> • If a single species comprises more than the proportion indicated in the protocol, the proportion of the dominant species may not be intentionally increased throughout the project life

Section 3: Environmental Safeguards

Environmental Safeguard	Applicable Activities	Activity Area Guidelines
4. Maintenance of forest land cover throughout the Project Area	IFM, Restoration, Reforestation, Agroforestry, Silvopastoral	<ul style="list-style-type: none"> • Forest land cover outside the Activity Areas but within the Project Area must not decrease as a result of human activities over the project life • If a decline in forest land cover in excess of 5% is detected during a full verification, the project must rectify the forest cover loss through reforestation in the subsequent 6 reporting periods
5. Sustainable harvesting practices	IFM	<ul style="list-style-type: none"> • Where harvest occurs within the Activity Areas in a contiguous area larger than 5 hectares, a tree, or group of trees, representative of the age cohort that was harvested, can be no further than 100 meters from other trees
6. Maintenance of natural land cover	Reforestation	<ul style="list-style-type: none"> • Forest Projects should take into consideration the effects of project activities on ecological processes • Where project activities result in the conversion of natural land cover, the Forest Owner must provide justification to be approved by the Reserve



Review and Update Considerations

- Are the activity definitions sufficiently clear?
 - Clarification needed for the agroforestry definition?
- Are the social safeguards sufficient?
- Are there are ways to strengthen the social safeguards?
- Should the environmental safeguards be modified for rain forest?



Section 3.12: Additionality

A project is considered additional if it wouldn't have been implemented without the incentive of a carbon market

- Forest projects must satisfy the following tests:



Legal Requirement Test:

- GHG removals must be above what would result from compliance with any legal regulations
- Attestation of Voluntary Implementation



Performance Standard Test:

- Standardized analysis to analyze the risks of forest cover loss and conversion of forest cover
- Carbon above baseline is considered additional
- Different methodologies used for each activity type

Section 3.12.2.3: Performance Standard Test: Restoration Activity Areas

- Based on evidence of risks to forest inventories: an analysis of the drivers of deforestation and degradation that can affect land use
- **Forest Land Cover Risk Tool:**
 - Section 1: examines the **legal restrictions** that would affect forest canopy cover
 - Section 2: establishes the **risk of deforestation** due to the presence of agricultural activities, biophysical characteristics, urban development, and economic pressures affecting land management decisions
 - If an Activity Area demonstrates sufficient risk of deforestation, the Activity Area may pass the performance standard test without completing the third section
 - Section 3: evaluating the **presence of degradation**
 - Must demonstrate the loss of forest cover through the use of remotely sensed data
 - The protocol has a standardized methodology for estimating canopy cover from remotely sensed data
 - Must have canopy cover below the default value established according to the ecoregion where the Activity Area is located

Forest Land Cover Risk Tool



CLIMATE
ACTION
RESERVE

AutoSave On V2.0 Herramienta de Riesgo de Cobertura Forestal - Last Saved 11/15/2019 9:29 AM Amy Kessler

File Home Insert Page Layout Formulas Data Review View Help Tell me what you want to do Share Comments

B27 Seleccionar el tipo de ecosistema del Área de Actividad por Ecorregión

Sección 1 - Aprovechamiento Maderable en el Área de Actividad

1 ¿El Área de Actividad está bajo un Programa de Manejo Forestal activo autorizado por la SEMARNAT? No ?

Favor de continuar con el cuestionario

Sección 2 - Estado de Protección del Área de Actividad

2.1 ¿El Área de Actividad está bajo algún esquema de protección a largo plazo que NO permita el aprovechamiento comercial (por ej., Parque Nacional, Veda Forestal)? Si ?

2.2 ¿El Área de Actividad está bajo algún esquema de protección temporal que NO permita el aprovechamiento comercial (por ej., Programa de Pago por Servicios Ambientales de CONAFOR)? Si ?

Sección 3 - Condiciones del Área de Actividad

3.1 Favor de estimar el tamaño de la población, según el tiempo correspondiente que tardaría una persona en llegar del camino más cercano al Área de Actividad al poblado identificado

0 - 15 Minutos	16 - 60 Minutos	61 - 120 Minutos	> 2 horas
,500,000	,500,000	,500,000	,500,000

Sección 4 - Riesgo de cambio de uso de suelo de forestal a no forestal por actividades agropecuarias (responder si aplica)

4.1 ¿Las actividades agropecuarias que se llevan a cabo fuera del AA (considerando un radio de 1 km del límite geográfico definido) son con fines de subsistencia o comerciales? Subsistencia ?

4.2 Si las actividades agropecuarias son con FINES COMERCIALES, ¿el precio del producto principal ha incrementado, mantenido igual o disminuido en el último año? No aplica/subsistencia ?

4.3 ¿Las actividades agropecuarias que se llevan a cabo fuera de las AA (considerando un radio de 1 km del límite geográfico definido y dentro del predio del Dueño Forestal) reciben subsidios del gobierno para llevar a cabo actividades agrícolas o pecuarias? No aplica ?

4.4 ¿Cómo se caracteriza la pendiente en el Área de Actividad? Medía ?

Sección 5 - Riesgo de cambio de uso de suelo de forestal a no forestal por expansión urbana (responder si aplica)

5.1 ¿Existe riesgo de cambio de uso de suelo por el crecimiento urbano en el Área de Proyecto? No ?

Favor de continuar con el cuestionario

Sección 6 - Análisis de Degradación a partir de la Cobertura de Copa

6.1 Seleccionar el tipo de ecosistema del Área de Actividad por Ecorregión Barro Colorado de la Isla Revillagigedo

6.2 Ingresar la cobertura de copa calculada para el Área de Actividad según la metodología del Apéndice A del PFM 100 %

El Área de Actividad NO cumple con los criterios mínimos para pasar la Prueba del Estándar de Desempeño bajo el PFM V2.0

Instrucciones Ingreso de Datos Cobertura de Copa

Display Settings 70%



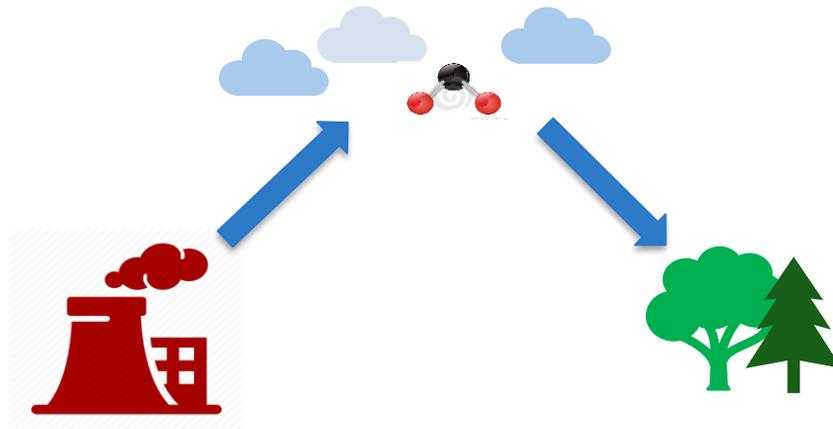
Review and Update Considerations

- Are there deforestation and degradation risk factors not included in the tool that should be considered?
- Are there considerations for different ecosystems, like mangroves and rain forests?
- Are there more recent or relevant studies for Mexico that should be considered?
- Is the tool correctly demonstrating and calculating when a forest presents deforestation and degradation risk factors?

Section 5: Permanence, Tonne/Year Accounting, and CRT Issuance

Forest Projects must comply with the standard of permanence:

- Climate benefits of the projects must be “permanent,” which is defined for forest projects as a period of 100 years
- One credit (CRT) is emitted for every tonne of CO₂e removed from the atmosphere for a period of 100 years
- Permanence is guaranteed through the signing of a Project Implementation Agreement



Section 3: Project Implementation Agreement (PIA)

A Project Implementation Agreement (PIA) is a contract between the Reserve and the Forest Owner:

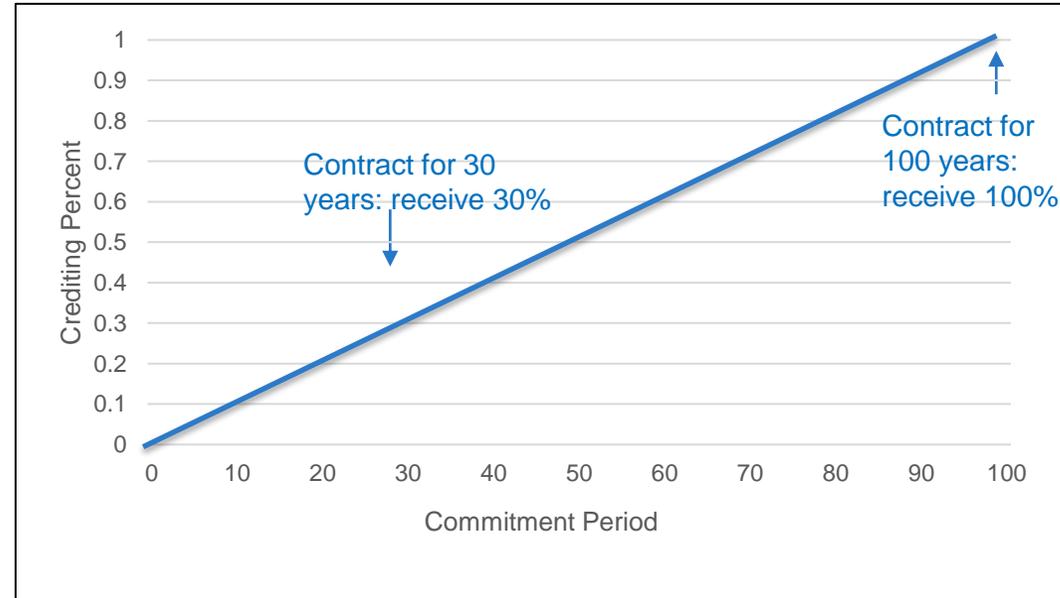
- The PIA establishes the obligation of the Forest Owner to comply with protocol requirements
- The Forest Owner can define the length of the contract
 - **Contracts on communal property are limited by law to a period of 30 years**
 - The PIA can be renewed annually
 - The number of credits issued depends on the commitment
- The PIA must be notarized and registered with the RAN or the Public Registry (Registro Publico)



Section 5: Tonne/Year Accounting and CRT Issuance

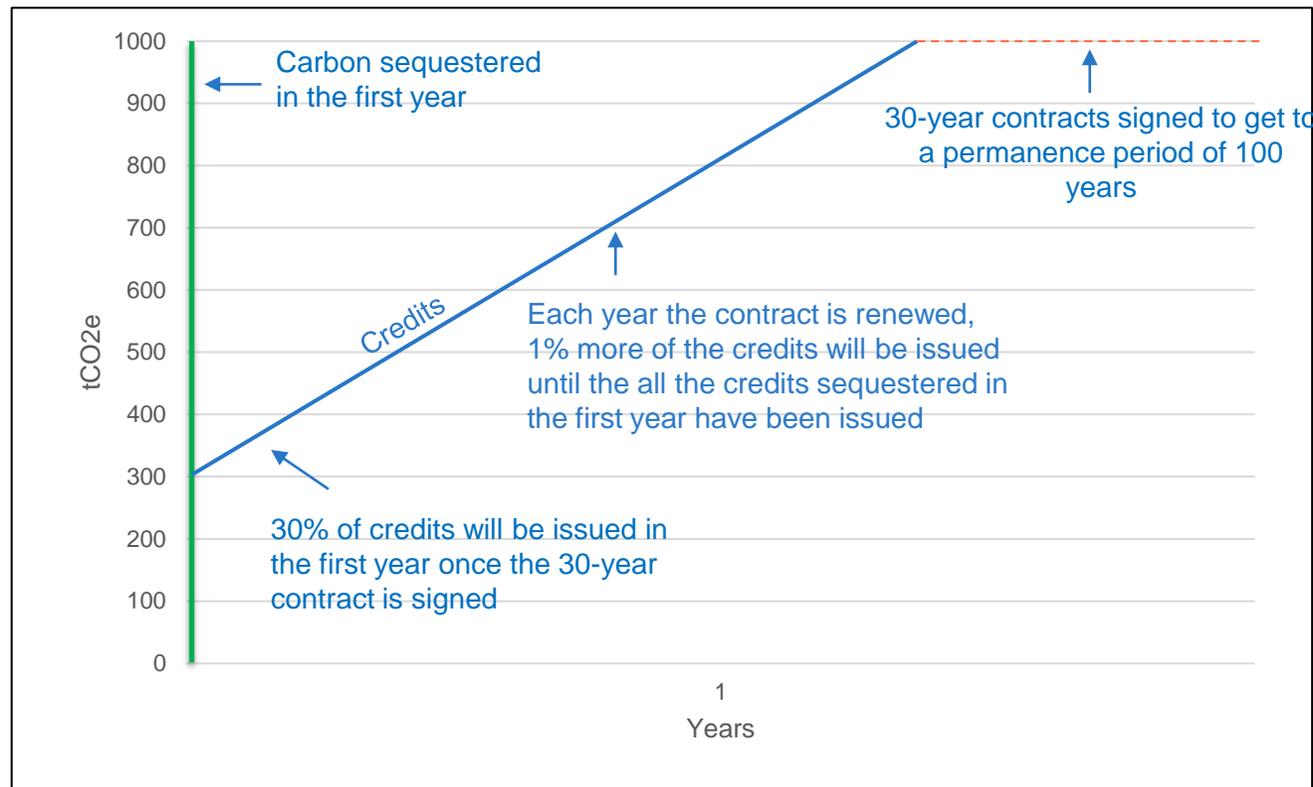
Commitment periods less than 100 years will receive a fraction of the total credits:

- Ejidos and communities can't sign a contract for periods of time greater than 30 years
- The protocol uses tonne/year accounting to ensure permanence
- For each additional tonne of CO₂e, credits will be issued proportionally to the commitment period relative to the permanence period of 100 years



Section 5: Tonne/Year Accounting and CRT Issuance

Tonnes secured in the short term will have additional annual issuances over time, which serves as an incentive to achieve long-term permanence:



This repeats every year that additional carbon is sequestered



Review Considerations for the Update

- Agrarian Law interpretation and its implications for PIA signing and for the permanence mechanisms
- Processes to make easier the signing and renewal of PIAs
- Minimum crediting period for projects that sign a commitment period of less than 100 years

Section 4: GHG Assessment Boundary

A Forest Project must include the next sources, sinks and reservoirs:

Related to
Primary Effect:

1. Standing live tree carbon
2. Shrubs and herbaceous understory carbon: emissions from site preparation (Reforestation activities)
3. Standing dead tree carbon

Related to
Secondary Effect:

10. Mobile combustion emissions from site preparation activities (Reforestation)
13. Biological emissions from clearing of forest land outside the Activity Area for agriculture and/or grazing
14. Biological GHG emissions or removals from changes in timber harvesting on forestland outside the Activity Area

Review and Update Consideration

- Soil carbon inclusion, particularly for mangroves
 - Efficient Methodologies for its quantification and verification

Appendix B. Quantifying Carbon Stocks in Activity Areas: Intensive Inventory Quantification Methodology

Large Urban Forestry, Reforestation, Restoration and Improved Forest Management Activity Areas must use the intensive inventory methodology:

1. Developing Initial Activity Area Inventories
 - i. Activity Areas Sampling Methodology
 - ii. Calculate Standing Living and Dead Trees Carbon
 - iii. Calculate the Confidence Statistic
2. Determination of Activity Area Baseline
3. Carbon Inventory Update and Determination of Onsite Actual Carbon Stocks per Activity Area

B.1.2 Calculating the Carbon in Standing Live and Dead Trees

Steps	Description	Tools/Process Required	
1	Calculate the cubic volume and biomass (grams) in each tree.	CALCBOSK calculates volume and/or biomass directly from the input variables, usually DBH and total height, from the forest inventory. The equations used by CALCBOSK are published on the Reserve's website.	
2	Convert the biomass to CO ₂ e tonnes	The biomass estimates from step 1 are converted to tonnes CO ₂ e by dividing the biomass estimate (in grams) by 1,000, multiplying the quotient by 0.5 (to convert the value to carbon) and again by 3.67 (to convert the value to CO ₂ e). The product is tonnes CO ₂ e per tree.	
3	Adjust the tree's CO ₂ e tonnes based on defect percentages assigned to each tree.	Defect – Bottom 33%	$60\% \times \text{CO}_2\text{e tonnes in gross tree}_{(\text{Step 2})} \times \text{Defect\%}_{(\text{Bottom 33\%})}$
		Defect – Middle 33%	$30\% \times \text{CO}_2\text{e tonnes in gross tree}_{(\text{Step 2})} \times \text{Defect\%}_{(\text{Middle 33\%})}$
		Defect – Top 33%	$10\% \times \text{CO}_2\text{e tonnes in gross tree}_{(\text{Step 2})} \times \text{Defect\%}_{(\text{Top 33\%})}$
		Sum Defect	Sum of CO ₂ e defect from each step above
		Adjusted CO ₂ e	$\text{CO}_2\text{e tonnes}_{(\text{Ste 2})} - \text{Suma Defect}$
4	Adjust CO ₂ e estimate for dead and dying trees	Dead trees are multiplied by .5 and dying trees are multiplied by .75 to account for decomposition that impacts Wood densities. All other trees remain unchanged.	
5	Expand the CO ₂ e tonnes estimate in each tree to a per hectare basis.	Multiply the CO ₂ e tonnes estimate in each tree by the weight required to represent the plot estimate on a per hectare basis: $25 \times \text{CO}_2\text{e Tonnes}_{(\text{Step 5})}$ for trees sampled in 1/25 th hectare radius $100 \times \text{CO}_2\text{e Tonnes}_{(\text{Step 5})}$ for trees sampled in 1/100 th hectare radius.	

B.1.3 Calculating Confidence Statistics: Projects with Multiple Activity Areas

For Forest Projects with multiple Activity Areas, the TSE for inventory data associated with individual Activity Areas varies on a sliding scale based on the total number of Activity Areas

Number of Participating Activity Areas in the Forest Project	Target Sampling Error (TSE)
2	7%
3	8%
4	9%
5	10%
6	11%
7	12%
8	13%
9	14%
10	15%
11	16%
12	17%
13	18%
14	19%
15+	20%

Actual Sampling Error at 90% Confidence Level	Confidence Deduction
0 - TSE%	0%
TSE to 20%	(Actual sampling error – TSE %) to the nearest 1/10th per cent
Greater than 20%	100%



Review and Update Considerations

- Inclusion of stratification for Forest Inventories
- Other considerations:
 - Border Plots
 - Modifications for mangroves and rainforest?

- ***For interested stakeholders:***
 - **Submit a Statement of Interest to become a workgroup member by Sep 30th**
 - Send us an email to receive updates as an observer
 - Email us feedback anytime
- ***For Reserve:***
 - Form workgroup
 - Start drafting!!
 - First workgroup meeting in October, potentially Oct 21st (via webinar)



QUESTIONS OR COMMENTS?

Send SOIs to: Policy@climateactionreserve.org

Amy Kessler: akessler@climateactionreserve.org

Aurelia Casarrubias: acasarrubias@climateactionreserve.org