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## **Mexico Forest Protocol Version 2.0 ERRATA AND CLARIFICATIONS**

The Climate Action Reserve (Reserve) published its Mexico Forest Protocol Version 2.0 (MFP V2.0) in March 2020. While the Reserve intends for the MFP 2.0 to be a complete, transparent document, it recognizes that correction of errors and clarifications will be necessary as the protocol is implemented and issues are identified. This document is an official record of all errata and clarifications applicable to the MFP 2.0.<sup>1</sup>

Per the Reserve Offset Program Manual, both errata and clarifications are considered effective on the date they are first posted on the Reserve website. The effective date of each erratum or clarification is clearly designated below. All listed and registered forest projects must incorporate and adhere to these errata and clarifications when they undergo verification. The Reserve will incorporate both errata and clarifications into future versions of the protocol.

All project developers and verification bodies must refer to this document to ensure that the most current guidance is adhered to in project design and verification. Verification bodies shall refer to this document immediately prior to uploading any Verification Statement to assure all issues are properly addressed and incorporated into verification activities.

If you have any questions about the updates or clarifications in this document, please contact the Mexico team at: [proyectomx@climateactionreserve.org](mailto:proyectomx@climateactionreserve.org) or (213) 891-1444 x6.

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<sup>1</sup> See Section 4.3.4 of the Reserve Offset Program Manual for an explanation of the Reserve's policies on protocol errata and clarifications. "Errata" are issued to correct typographical errors. "Clarifications" are issued to ensure consistent interpretation and application of the protocol. For document management and program implementation purposes, both errata and clarifications to the MFP are contained in this single document.

*Please ensure that you are using the latest version of this document*

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## Section 2

### 1. Agroforestry Definition (CLARIFICATION – April 5, 2021)

Section: 2.3

**Context:** The protocol provides the following definition for Agroforestry Activity Areas:

Activities	Definition/Description	Examples of Management Actions
Agroforestry and Silvopastoral	The primary human activity within the Activity Area is agriculture and/or grazing, and the land cover type is defined as agriculture or grassland. Trees are either planted or otherwise encouraged from natural regeneration. Trees may be harvested, according to law, within, or adjacent to the cultivated crops and grazing areas. Agroforestry and Silvopastoral activities may be carried out on protected areas if not prohibited by the regulation and management plan <sup>9</sup> of the protected area.	<ul style="list-style-type: none"> <li>- Increasing trees within through intercropping and border planting</li> <li>- Planting of sparse shade trees or mast trees for livestock</li> </ul>

**Clarification:** The Reserve is providing the following modification to the definition (underlined text below) to clarify the trees that can be included in the standing live carbon for Agroforestry Activity Areas:

Activities	Definition/Description	Examples of Management Actions
Agroforestry and Silvopastoral	<p>The primary human activity within the Activity Area is agriculture and/or grazing, and the land cover type is defined as agriculture or grassland. Trees are either planted or otherwise encouraged from natural regeneration. Trees may be harvested, according to law, within, or adjacent to the cultivated crops and grazing areas. Agroforestry and Silvopastoral activities may be carried out on protected areas if not prohibited by the regulation and management plan<sup>9</sup> of the protected area.</p> <p><u>Trees planted as an agricultural crop (i.e., orchards or coffee trees) are excluded from the Activity Area's baseline and standing live carbon primary effect quantification. Non-crop trees planted throughout or around the agricultural product are included (i.e., shade or border trees).</u></p>	<ul style="list-style-type: none"> <li>- Increasing trees within through intercropping and border planting</li> <li>- Planting of sparse shade trees or mast trees</li> </ul>

### 2. Improved Forest Management Definition (CLARIFICATION – June 30, 2020)

Section: 2.3

**Context:** The protocol provides the following definition for Improved Forest Management activities:

Activities	Definition/Description	Examples of Management Actions
Improved Forest Management (IFM)	The primary land cover is forest, which may be present in varying densities and sizes, and the forest has an authorized forest management program for the purposes of commercial timber harvest. The Activity Area is limited to the area with the forest management program. Agriculture may be included as a secondary activity and most likely in varying intensity across the landscape over time and space. Reforestation within this Activity Area, if it occurs, generally follows a harvest or other disturbance event that has occurred within the past 5 years. IFM activities may be carried out on protected areas if the forest has a forest management program authorized by SEMARNAT and permitted by the regulation of the protected area.	<ul style="list-style-type: none"> <li>- Increasing rotation ages</li> <li>- Management to maintain health and vigor</li> <li>- Stocking improvement</li> <li>- Removing impediments to natural forest regeneration</li> </ul>

**Clarification:** The Reserve is providing the following modification to the definition (underlined text below) to clarify the area allowed within Improved Forest Management Activity Areas:

Activities	Definition/Description	Examples of Management Actions
Improved Forest Management (IFM)	The primary land cover is forest, which may be present in varying densities and sizes, and the forest has an authorized forest management program for the purposes of commercial timber harvest. <u>The Activity Area is limited to areas that are included in a SEMARNAT Forest Management Program where there is no outright legal prohibition of commercial harvest. This may include areas that are not being considered for harvest in the current management program.</u> Agriculture and grazing may be included as secondary activities and most likely in varying intensities across the landscape over time and space. Reforestation within this Activity Area, if it occurs, generally follows a harvest or other disturbance event that has occurred within the past 5 years. IFM activities may be carried out on protected areas if the forest has a forest management program authorized by SEMARNAT and permitted by the regulation of the protected area.	<ul style="list-style-type: none"> <li>- Increasing rotation ages</li> <li>- Management to maintain health and vigor</li> <li>- Stocking improvement</li> <li>- Removing impediments to natural forest regeneration</li> </ul>

### 3. Restoration Definition (CLARIFICATION – June 30, 2020)

**Section:** 2.3

**Context:** The protocol provides the following definition for Restoration activities:

Activities	Definition/Description	Examples of Management Actions
Restoration	The sequestration associated with the protection and restoration of natural forests. All Restoration activities must meet the additionality requirements of this protocol outlined in Section 3.12. Ongoing commercial harvest operations is not a permitted use (activities that have ongoing commercial harvest operations may be included as Improved Forest Management activities). Restoration activities may include protected areas (where forest management is not allowed) and non-commercially viable forests that are degraded or at high risk of degradation and deforestation where forest carbon stocks may be increased through project activities such as planting or the removal of the causes of degradation to encourage natural regeneration.	<ul style="list-style-type: none"> <li>- Planting tree seedlings directly</li> <li>- Removing impediments to natural forest regeneration</li> <li>- Enforcement against illegal harvest operations</li> <li>- Enforcement against illegal land use conversion</li> </ul>

**Clarification:** The Reserve is providing the following modification to the definition (underlined text below) to clarify the area allowed within Restoration Activity Areas:

Activities	Definition/Description	Examples of Management Actions
Restoration	The sequestration associated with the protection and restoration of natural forests <u>that are not under a Forest Management Program and/or where commercial harvesting is prohibited due to a law, regulation, or norm. Areas included within a Forest Management Program where commercial harvesting is legally prohibited may be included within Restoration Activity Areas upon passing the performance standard test.</u> All Restoration activities must meet the additionality requirements of this protocol outlined in Section 3.12. Ongoing commercial harvest operations is not a permitted use (activities that have ongoing commercial harvest operations may be included as Improved Forest Management activities). Restoration activities may include protected areas (where forest management is not allowed) and non-commercially viable forests that are degraded or at high risk of degradation and deforestation where forest carbon stocks may be increased through project activities such as planting or the removal of the causes of degradation to encourage natural regeneration.	<ul style="list-style-type: none"> <li>- Planting tree seedlings directly</li> <li>- Removing impediments to natural forest regeneration</li> <li>- Enforcement against illegal harvest operations</li> <li>- Enforcement against illegal land use conversion</li> </ul>

## Section 3

### 4. Soil Disturbance During Site Preparation for Tree Planting (CLARIFICATION – February 17, 2021)

**Section:** 3.10

**Context:** The protocol includes the following environmental safeguard:

Environmental Safeguard	Applicable Activities	Activity Area Guidance
7. Soil disturbance during site preparation for tree planting	All	<p>Site preparation using deep ripping is prohibited from affecting more than 1% of an Activity Area in any year as determined by the area encompassed by the channels produced by a single ripper. Such channels are defined by the width of the ripper tine used, plus 0.5 meter on each side. In cases where deep ripping does exceed 1% of an Activity Area in a given year, crediting for any increases in forest carbon stocks will be suspended for the number of reporting periods equivalent to the proportion of the Activity Area affected, rounded up to the nearest percentage point.</p> <p>For example, if deep ripping on a 100-hectare Activity Area is performed over a combined channel length of 22,000 meters using a ripper with a tine width of 0.1 meter, resulting in 2.4% of the Activity Area being affected, crediting would be suspended for the Activity Area for three reporting periods, including the reporting period during which deep ripping occurred.</p>

**Clarification:** To provide further clarity, the following definition for deep ripping is to be applied. Deep ripping mechanically breaks up compacted soil layers by using ripper tines reaching a minimum depth of 30 cm. Tillage that does not reach the minimum 30 cm depth is not considered deep ripping and is not prohibited under this environmental safeguard.

Tillage that meets the definition of deep ripping (i.e., minimum depth of 30 cm) is prohibited from affecting more than 1% of an Activity Area in any year as determined by the area encompassed by the channels produced by a single ripper. Such channels are defined by the width of the ripper tine used, plus 0.5 meter on each side. In cases where deep ripping does exceed 1% of an Activity Area in a given year, crediting for any increases in forest carbon stocks will be suspended for the number of reporting periods equivalent to the proportion of the Activity Area affected, rounded up to the nearest percentage point.

## Section 4

### 5. Standing live carbon for Agroforestry Activity Areas (CLARIFICATION – April 5, 2021)

**Section:** 4

**Context:** The protocol provides the following guidance for the quantification of standing live carbon:

SSR	Description	Type	Gas	Included or Excluded?	Quantification Method	Justification/ Explanation
<b>Primary Effect Sources, Sinks, and Reservoirs</b>						
1	Standing live carbon (carbon in all portions of living trees)	Reservoir / Pool	CO <sub>2</sub>	Included	<p><b>Baseline:</b> Based on initial field inventory measurements; methodology outlined in Section 5.2</p> <p><b>Project:</b> Measured by field measurements and updating forest carbon inventory through remeasurement and growth projections</p>	Increases in standing live carbon stocks are the Primary Effect of carbon enhancement projects.

**Clarification:** The Reserve is providing the following modification (underlined text below) to clarify the standing live carbon for Agroforestry Activity Areas:

SSR	Description	Type	Gas	Included or Excluded?	Quantification Method	Justification/ Explanation
<b>Primary Effect Sources, Sinks, and Reservoirs</b>						
1	Standing live carbon (carbon in all portions of living trees)	Reservoir / Pool	CO <sub>2</sub>	Included;  <u>For Agroforestry Activity Areas, trees planted as agricultural crops are excluded.</u>	<p><b>Baseline:</b> Based on initial field inventory measurements; methodology outlined in Section 5.2</p> <p><b>Project:</b> Measured by field measurements and updating forest carbon inventory through remeasurement and growth projections</p>	<p>Increases in standing live carbon stocks are the Primary Effect of carbon enhancement projects.</p> <p><u>For Agroforestry Activity Areas, trees planted as agricultural crops do not meet additionality requirements.</u></p>

## Section 5

### 6. Secondary Effects for Improved Forest Management (CLARIFICATION – June 30, 2020)

Section: 5.5.3.1

**Context:** The protocol provides the following guidance for the quantification of a baseline for harvested wood products:

A baseline of harvested wood products is developed based on the six years' worth of harvest data prior to the Activity Area start date, or the longest set of harvest data available if records going back six years do not exist. Since harvest volume usually originates as volumetric reports, there are several steps to complete the conversion, using default conversion estimators. The process steps are provided below, followed by an example in Figure 5.2.

**Step 1.** Develop historical annual values of harvested wood products and develop an average.

The Forest Owner must be careful to align any harvested wood products reports or estimates with the boundaries of the Activity Area. Harvest that occurred outside of the Activity Area shall not be included in the dataset. Historical data shall be based on annual reports (submitted to SEMARNAT, if applicable). The dataset shall be presented by conifers and hardwoods in the Project Report on an annual basis for the past six full calendar years prior to the Activity Area start date, or the longest time in which data were collected if records going back six full years are not available. An average must be developed for both species groups.

**Step 2.** Convert the log volume to whole tree volume.

Since a shift in GHG emissions would affect whole tree volume, not just the portion associated with wood products, the value must be adjusted to estimate the whole tree volume associated with the reported log volume. This is done by dividing the log volume by 0.6. This default value is assumed to be the same for hardwoods and softwoods.

**Step 3.** Convert the whole tree volume to biomass.

Multiply the conifers by 0.53 and hardwood by 0.725 to develop a value for conifers and hardwoods of tonnes per cubic meter and sum the conifer and hardwood values.

**Step 4.** Convert the biomass values to CO<sub>2</sub>e.

Multiply the summed biomass values by 0.5 to convert the biomass values to tonnes of carbon and multiply by 3.67 to calculate tonnes of CO<sub>2</sub>e.

**Step 5.** Enter the tonnes CO<sub>2</sub>e associated with baseline harvested wood products into the Secondary Effects worksheet provided by the Reserve.

**Clarification:** The Reserve has modified step 2 (see underlined text below) so that forest owners who already report whole tree volumes in their annual reports to SEMARNAT must use the reported whole tree volumes rather than convert the log volumes to whole tree volumes.

**Step 2.** Convert the log volume to whole tree volume.

Since a shift in GHG emissions would affect whole tree volume, not just the portion associated with wood products, the value must be adjusted to estimate the whole tree volume associated with the reported log volume. Forest owners that report whole tree



volume in annual reports to SEMARNAT must use the reported whole tree volume values.

Forest owners that do not report whole tree volume annually to SEMARNAT, must convert the log volume to whole tree volume by dividing the log volume by 0.6. This default value is assumed to be the same for hardwoods and softwoods.

## 7. Secondary Effects for Improved Forest Management (CLARIFICATION – June 30, 2020)

### Section: 5.5.3.2

**Context:** The protocol currently provides the following guidance for the quantification of secondary effects for Improved Forest Management activities:

An annual report of harvested wood products must be calculated to compare to the baseline harvested wood products estimate developed using the guidance in Section 5.5.3.1. The inclusion of a harvested wood products value in the Reserve's Secondary Effects calculation tool only occurs when there is at least 365 days' (one year's) worth of harvest data to compare to the baseline estimate. Therefore, the project may be exempt from calculating Secondary Effects for the first reporting period of the Activity Area, unless the first reporting period happens to be one full year. Reported wood products are included from the last full calendar year's data for the Activity Area and based on the same annual reports submitted to SEMARNAT. As an example, a monitoring period that begins on 1-April-2017 and concludes on 31-March-2018 will use the harvest report from 2017 as the basis of the annual report of harvested wood products for the Secondary Effects calculations. In this example, the 2017 harvest data would only be included in the annual report of harvested wood products and would not be included in the historical average for the baseline harvested wood products. Do not prorate the harvested wood products values from two different calendar year reports.

**Clarification:** The Reserve is providing the following clarification for the quantification of secondary effects for Improved Forest Management Activity Areas that have a first reporting period of less than one full calendar year:

If the first reporting period is less than one full year, the baseline average must be used for the first reporting period annual report of harvested wood products. For all subsequent reporting periods, data based on the previous full calendar year (1-January to 31-December) must be used, unless the reporting periods going forward are aligned with the calendar year (1-January to 31-December), in which case the harvested wood products report from each calendar year must be used for the reporting period covering the same calendar year.

For example, a first reporting period that begins on 1-February-2017 and concludes on 31-October-2017 will use the baseline average for the first reporting period annual report and then use the 2017 harvested wood products volume for the second reporting period (1-November-2017 to 31-October-2018) annual report.

A first reporting period that begins on 1-February-2017 and concludes on 31-December-2017 will also use the baseline average for the first reporting period annual report; however,

the project will then use the 2018 harvested wood products volume for the second reporting period (1-January-2018 to 31-December-2018) annual report.

## 8. Secondary Effects for Improved Forest Management (CLARIFICATION – May 20, 2022)

### Section: 5.5.3.2

**Clarification:** The Reserve is providing the following clarification for the quantification of secondary effects for Improved Forest Management Activity Areas that have a harvest cycle that does not align with the first reporting period or calendar year:

If the harvest cycle does not align with the reporting period or calendar year, then the last full harvest cycle should be applied for each baseline and project reporting period value. For example, if the harvest cycle is from October to September, and the project's first Reporting Period is February 1, 2020, to January 31, 2021, then the project would use the harvest data from the October to September harvest cycle for the years 2013-2019 as the six values averaged to determine the baseline harvest value. The Forest Owner would then apply the October 2019-September 2020 cycle as the actual harvest volume for the initial reporting period (February 1, 2020-January 31, 2021), against which the average baseline harvest value is compared in Equation 5.4.

**Table 1.** Example of Baseline Harvest Value with Harvest Cycle not Aligned with Reporting Period

	Baseline Year -6	Baseline Year -5	Baseline Year -4	Baseline Year -3	Baseline Year -2	Baseline Year -1	RP1 Value	RP2 Value
Reporting Period (RP)							2/1/2020 - 1/31/2021	2/1/2021 - 1/31/2022
Baseline Harvest Cycle Value	Oct 2013-Sep 2014	Oct 2014-Sep 2015	Oct 2015-Sep 2016	Oct 2016-Sep 2017	Oct 2017-Sep 2018	Oct 2018-Sep 2019		
Harvest Cycle	Oct 2013-Sep 2014	Oct 2014-Sep 2015	Oct 2015-Sep 2016	Oct 2016-Sep 2017	Oct 2017-Sep 2018	Oct 2018-Sep 2019	Oct 2019-Sep 2020	Oct 2020-Sep 2021

**Table 2.** Example of Actual Harvest Volumes used for project Reporting Periods when RP1 is a full year (and Harvest Cycle not Aligned with Reporting Period)

	Baseline Year -6	Baseline Year -5	Baseline Year -4	Baseline Year -3	Baseline Year -2	Baseline Year -1	RP1 Value	RP2 Value
Reporting Period (RP)							2/1/2020 - 1/31/2021	2/1/2021 - 1/31/2022
Harvest Cycle	Oct 2013-Sep 2014	Oct 2014-Sep 2015	Oct 2015-Sep 2016	Oct 2016-Sep 2017	Oct 2017-Sep 2018	Oct 2018-Sep 2019	Oct 2019-Sep 2020	Oct 2020-Sep 2021

	Sep 2014	Sep 2015	Sep 2016	Sep 2017	Sep 2018	Sep 2019	Sep 2020	Sep 2021
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If the initial reporting period is less than a full calendar year, then the baseline value should be used for the initial reporting period value, followed by the last full harvest cycle value for the second reporting period, as previously described in the Clarification from June 30<sup>th</sup>, 2020. For example, if the harvest cycle is from October to September, and the initial reporting period is February 1, 2020, to December 31, 2020, then the project would use the harvest data from the October-September harvest cycles for the years 2013-2019 as the six baseline values averaged to determine the baseline harvest value. That baseline average would then be applied as the actual harvest volume for the initial reporting period value (2/1/2020-12/31/2020), and the October 2020-September 2021 harvest cycle data would be applied as the actual harvest volume for the second reporting period (1/1/2021-12/31/2021).

**Table 3.** Example of Actual Harvest Volumes used for project Reporting Periods when RP1 is *not* a full year (and Harvest Cycle not Aligned with Reporting Period)

	Baseline Value 1	Baseline Value 2	Baseline Value 3	Baseline Value 4	Baseline Value 5	Baseline Value 6	RP1 Value	RP2 Value
Reporting Period (RP)							2/1/2020 - 12/31/2020	1/1/2021 - 12/31/2021
Harvest Cycle	Oct 2013-Sep 2014	Oct 2014-Sep 2015	Oct 2015-Sep 2016	Oct 2016-Sep 2017	Oct 2017-Sep 2018	Oct 2018-Sep 2019	Baseline Average	Oct 2020-Sep 2021

## Section 7

### 9. Project Documentation (CLARIFICATION – August 4, 2020)

#### Section: 7.1

**Context:** The protocol currently provides the following requirement for the submittal of Annual Monitoring Reports:

The Forest Owner must provide the following monitoring reports to the Reserve for each reporting period, regardless of undergoing a verification. The only exception is for projects that wait to submit their Project Report until the end of the second reporting period. Such projects do not need to separately submit the following documents for the first reporting period. These projects would be required to submit the following documents for both reporting period 1 and 2 at the time of submitting the Project Report.

- Annual Monitoring Report (form provided on the Reserve website)
- Carbon Monitoring Worksheet (CMW)
- Social safeguard documentation (if applicable; see Section 7.2)

**Clarification:** The Reserve is providing the following clarification for the submittal of Annual Monitoring Reports:

The Forest Owner must provide the following monitoring reports to the Reserve for each reporting period, regardless of undergoing a verification. There are two exceptions to this requirement. First, the Annual Monitoring Report is not required during the project's initial verification, when a Project Report is submitted. The second exception is for projects that wait to submit their Project Report until the end of the second reporting period. Such projects do not need to separately submit the following documents for the first reporting period.

- Annual Monitoring Report (form provided on the Reserve website)
- Carbon Monitoring Worksheet (CMW)
- Social safeguard documentation (if applicable; see Section 7.2)

## Section 8

### 10. Verification Cycle (CLARIFICATION – August 4, 2020)

#### Section: 8.2

**Context:** The protocol currently provides the following guidance for the verification of Annual Monitoring Reports:

Verification is required at specific intervals to ensure ongoing monitoring of forest carbon stocks, inventory confidence, and compliance with social and environmental safeguards. Optional verifications, known as desk verifications, are at the Forest Owner's discretion and may be conducted between required verifications for crediting and/or to adjust the project's confidence estimate, among other rationale, based on changed management circumstances. Submission of annual monitoring reports to the Reserve is required even if the Forest Owner chooses to forego an optional verification.

#### Clarification:

Verification is required at specific intervals to ensure ongoing monitoring of forest carbon stocks, inventory confidence, and compliance with social and environmental safeguards. Optional verifications, known as desk verifications, are at the Forest Owner's discretion and may be conducted between required verifications for crediting and/or to adjust the project's confidence estimate, among other rationale, based on changed management circumstances. Submission of annual monitoring reports to the Reserve is required even if the Forest Owner chooses to forego an optional verification, with the exception of the submittal of the Project Report during the initial verification. Verification of the annual monitoring report is not required with the submittal of the Project Report.

### 11. Verification of Secondary Effects for Improved Forest Management (CLARIFICATION – June 30, 2020)

#### Section: 8.3.6.4.1

**Context:** The protocol currently provides the following guidance for the verification of secondary effects for Improved Forest Management activities:

**Table 8.11.** Verification Requirements for Quantifying the Activity Area Secondary Effect: Improved Forest Management Activity Areas

Section of MFP	Verification Items	Required at	Materials to Review	Level of Professional Judgment and Verification Review Guidelines
5.5.3	1. Quantification of Secondary Effects	All Verifications	<ol style="list-style-type: none"> <li>The project's Secondary Effects calculations must be checked for completeness and accuracy.</li> <li>Record of average volume of timber (historic and current) provided to SEMARNAT.</li> </ol>	<p>Very Low</p> <p>Verification is complete if:</p> <ul style="list-style-type: none"> <li>verifier confirms Forest Owner used the Reserve's CMW and the Reserve's Secondary Effects calculation tool.</li> <li>the input data are current and consistent with the leakage risk factor calculated using the methodology from Section 5.5.3.</li> <li>verifier is satisfied with the mathematical calculations.</li> </ul>

**Clarification:** The Reserve is providing the following modification to the verification guidance of secondary effects for Improved Forest Management activities (underlined text below) to ensure that the verifier confirms the appropriate use of whole tree volumes:

Section of MFP	Verification Items	Required at	Materials to Review	Level of Professional Judgment and Verification Review Guidelines
5.5.3	2. Quantification of Secondary Effects	All Verifications	<ol style="list-style-type: none"> <li>The project's Secondary Effects calculations must be checked for completeness and accuracy.</li> <li>Record of average volume of timber (historic and current) provided to SEMARNAT.</li> </ol>	<p>Very Low</p> <p>Verification is complete if:</p> <ul style="list-style-type: none"> <li>verifier confirms Forest Owner used the Reserve's CMW and the Reserve's Secondary Effects calculation tool.</li> <li>the input data are current and consistent with the leakage risk factor calculated using the methodology from Section 5.5.3.</li> <li>verifier confirms the use of <u>whole tree volumes for the calculation of harvested wood products, either through annual reports to SEMARNAT or the methodology presented in Section 5.5.3.1.</u></li> <li>verifier is satisfied with the mathematical calculations.</li> </ul>

## 12. Sequential Sampling for Verification (CLARIFICATION – June 30, 2021)

**Section:** 8.4.1

**Context:** The protocol currently provides the following guidance for sequential sampling:

The Mexico Forest Protocol utilizes a sequential sampling method for verification of Activity Area estimates that require a site visit as part of the full verifications. Sequential sampling is intended to provide an efficient sampling method for verifiers to determine if randomly selected Activity Area measurements are within specified tolerance bounds established by the protocol. The Reserve provides an online worksheet for verifiers to download to facilitate the sequential sampling analysis. Sequential sampling should be conducted independently for each Activity Area included in a Forest Project.

The purpose of sequential sampling is to demonstrate the quality of the forest carbon inventory for Activity Areas that employ the intensive inventory quantification methodology<sup>2</sup>. Given that all such Activity Areas must employ the same standardized inventory methodology, a representative sample of plots throughout all Activity Areas in the Forest Project should provide the same level of certainty as separate samples from each Activity Area.

**Clarification:** For Forest Projects with multiple Activity Areas that implement the intensive inventory methodology, sequential sampling should be conducted for a minimum of three Activity Areas included in a Forest Project. If a project contains three or less Activity Areas, all Activity Areas must undergo sequential sampling independently. If a project has more than three Activity Areas, the verification body may determine whether three Activity Areas is sufficient. The verification body must use a risk-based approach to select Activity Areas considering various factors including, stocking levels, activity type, accessibility of plots, and field crews, amongst others. The verification body may present the risk-based selection to the Reserve for review prior to starting sequential sampling.

The project passes sequential sampling when each selected Activity Area achieves the minimum number of passing plots in sequence, or the first passing plot after a minimum of 12 plots have been measured – whichever is achieved first.

## Appendix E

### 13. Aggregate Area Limitations (CLARIFICATION – August 13, 2021)

**Section:** E.1.3

**Context:** The protocol currently provides the following guidance:

In Aggregates formed by three or more Forest Projects, no single Forest Project may comprise more than 50 percent of the total combined area in an Aggregate, based on the hectares included in the Activity Areas for each Forest Project. This is to prevent any one Forest Project from disproportionately affecting the inventory statistics and having excessive influence on the composite sampling error. In the case of Aggregates formed from two Forest Projects, no single Forest Project may comprise more than 70 percent of the total

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<sup>2</sup> Improved forest management, reforestation, restoration, and large urban forest activities must use the intensive inventory methodology (i.e., field sampling); small urban forests and agroforestry and Silvopastoral activities may opt to use the intensive inventory methodology or the canopy cover methodology (i.e., satellite imagery).

combined area in the Aggregate, based on the hectares included in the Activity Areas for each Forest Project.

Since the statistical requirements for forest carbon inventories is met at the Activity Area level, the Reserve is providing the following clarification.

**Clarification:** In Aggregates formed by three or more Activity Areas, no single Activity Area may comprise more than 50 percent of the total combined area in an Aggregate, based on the hectares included in each Activity Area. This is to prevent any one Activity Area from disproportionately affecting the inventory statistics and having excessive influence on the composite sampling error. In the case of Aggregates formed from two Activity Areas, no single Activity Area may comprise more than 70 percent of the total combined area in the Aggregate, based on the hectares included in each Activity Area.

## 14. Aggregate Accounts on the Reserve, Transfers of CRTs (CLARIFICATION – June 30, 2021)

**Section:** E.1.8

**Context:** Aggregators must maintain a Reserve account to which CRTs can be transferred from the accounts of Forest Owners participating in their Aggregate, and from which CRTs can be subsequently transferred to third parties. Currently CRTs from Forest Projects participating in an Aggregate may only be transferred to the account of the aggregator (i.e., not to other account holders) and retiring of CRTs can only be done in the account of the aggregator, named in their Aggregate Entry form or Aggregate Submittal Form.

**Clarification:** Increased functionality within the Reserve APX registry system now allows for CRTs to be retired within or transferred from Forest Owner accounts to any account on the Reserve registry. Aggregators must maintain a Reserve account under which all projects in the aggregate must be submitted and administered. CRTs from Forest Projects participating in an Aggregate may be retired directly from the Forest Owner account, transferred to the account of the aggregator, or transferred to other accounts on the Reserve registry.