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Mexico Forest Protocol Version 3.0 ERRATA AND CLARIFICATIONS Public Comment Draft

The Climate Action Reserve (Reserve) published its Mexico Forest Protocol Version 3.0 (MFP V3.0) in October 2022. While the Reserve intends for the MFP 3.0 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 a draft errata and clarification published for public comment, which will later be incorporated in the full errata and clarifications document (combined with previous errata and clarifications) applicable to the MFP 3.0.

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 in this draft document will be designated in the final version published after public comment. All listed and registered forest projects under Version 3.0 will be required to 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. The Reserve will separately publish guidance for projects registered under prior versions that opt to transition to Version 3.0.

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 Abbey Garcia at: agarcia@climateactionreserve.org.

Errata and Clarifications (arranged by protocol section)

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Section 2

1. Improved Forest Management Definition (CLARIFICATION)

Section: 2.3 Project Activities

Context: Activity Areas are explicit areas within the Project Area where Forest Owners implement defined activities (i.e., Reforestation, Improved Forest Management, etc.) that are credited by the Reserve. Each Activity Area must be identified as one of the activities in Table 2.1 of the MFP V3.0, Activity Area Designation, and meet the associated definition and criteria at the Activity Area’s initiation. Improved Forest Management activities are defined below in Table 2.1 of the MFP V3.0.

Table 2.1 Activity Area Designation

Definition	Activity Area Criteria
<p>Improved Forest Management is a set of management actions that enhance sequestration and resiliency of sequestered carbon in forest landscapes under harvest management plans.</p> <p>Activities that lead to carbon enhancements in managed forests, may include, but are not limited to, the following actions:</p> <ul style="list-style-type: none"> • Increase the harvest rotation age towards optimum rotation age. • Harvest selection while thinning to retain the best genotypes and phenotypes to improve the rate of sequestration. • Control stocking to manage competition, and the related effects on forest growth and resiliency. • Increase stocking in understocked areas within the managed forest. • Reduction of litter and surface fuels in fire-prone ecosystems to enhance resiliency. 	<p>The primary land cover is forest, which may be present in varying densities and sizes, and the forest has a forest management program authorized by SEMARNAT for the purposes of commercial timber harvest.</p> <p>The Activity Area is limited to the area with a SEMARNAT approved Forest Management Program for commercial timber harvest and must include the entire area under the Forest Management Program, or a subset with an equivalent age distribution as the entire area under the Forest Management Program. The Activity Area cannot include areas that have an outright legal prohibition of commercial harvest.</p> <p>For Activity Areas that include a subset of the entire area under the Forest Management Program, project developers must submit the age class distribution for the entire area and for the subset and demonstrate that each age class is within 5% of the distribution for the entire area under the Forest Management Program.</p> <p>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 under a forest management program that allows commercial timber harvest and permitted by the regulation of the protected area.</p>

The intent of IFM Activity Areas under the protocol is to incentivize silviculture activities that increase carbon stocks in managed forests (i.e., forests with commercial timber harvest) compared to business as usual activities, as further discussed in Section 3.13.2.1. Performance Standard Test – Improved Forest Management Activity Areas. As stated in the Activity Area Criteria in Table 2.1, the Activity Area must have a Forest

Management Program authorized by SEMARNAT for the purposes of commercial timber harvest. The intent of the definition and criteria is to align the IFM Activity Area with areas that are intended for the purpose of commercial timber harvest. However, Forest Management Programs (FMP) are not all designed in the same way and the FMPs may change over time, introducing uncertainty as to the areas aligned with the IFM Activity Area definition and additionality criteria (see Section 3.13.2.1. Performance Standard Test – Improved Forest Management Activity Areas) as related to the FMPs.

In general, Forest Management Programs for commercial timber harvest must be approved by SEMARNAT and establish the sustainable harvest volume for the area planned for commercial harvest over an established 50 to 70 year planning timeframe. Within that 50 to 70 year planning timeframe, the Forest Owner must solicit harvest permits on a ten-year basis.

Per the General Law of Sustainable Forest Development¹ and General Wildlife Law,² the initial Forest Management Program must classify the area submitted per the following categories:

Table 1. Classifications under Forest Management Programs

Classification	Definition
Conservation & Restricted Harvest	Land area with forest vegetation that due to its physical and biological characteristics are subject to a protection regime with restricted uses that do not put natural resources at risk, such as soil, water quality and/or biodiversity.
Restoration³	Land area where forest and soil productivity has been significantly altered and that require actions aimed at its rehabilitation.
Production	Land area that due to its vegetation, climate, and soil conditions can carry out sustainable use of forest resources.
Forest protection areas that have been declared by the Secretariat	Protected areas established by SEMARNAT.
Other Uses	All other uses.

The categories are established by the Forest Owner in conjunction with a forester approved by SEMARNAT. However, while certain areas are defined and required by law, others are established voluntarily, and depending on the region and Forest Owner, may change over time. For example, land classified as Restoration may later become Production as the forest recovers. Furthermore, land classified under specific sub-categories of Conservation and Restricted Harvest areas may include sustainable harvesting currently and/or in future 10-year harvest permits.

Sub-categories under Conservation and Restricted Harvest include the following (sub-categories are not limited to the following and often vary):

¹ <https://www.diputados.gob.mx/LeyesBiblio/pdf/LGDFS.pdf>

² https://www.diputados.gob.mx/LeyesBiblio/pdf/146_200521.pdf

³ The definition of classification of “restoration” under Forest Management Programs as presented in Table 1 is not aligned with the definition of Restoration as an Activity Area in the Mexico Forest Protocol.

Table 2. Sub-Categories of Conservation and Restricted Harvest as Classified in Forest Management Programs

Conservation & Restricted Harvest	Naturally Protected Areas
	Surfaces to conserve and protect the existing habitat of species and subspecies of flora and wildlife at risk, indicated in the applicable provisions
	Protective strip of riparian vegetation in terms of official Mexican standards and other applicable provisions
	Areas above 3,000 m
	Areas with slope above 100%
	Surfaces with mangrove vegetation and cloud mountain forest
	Scenic beauty

To better address the interchangeability between different management classifications over time and the lack of consistency regarding areas otherwise receiving the same sub-classification, the Reserve has determined that further project-specific analysis is required for certain management classifications of land under the Forest Management Programs to ensure alignment with the IFM definition and compliance with additionality criteria (see clarification to Section 3.13.2.1. Performance Standard Test – Improved Forest Management Activity Areas).

Clarification:

Forest projects seeking to include an IFM Activity Area must use the IFM Assessment Tool to establish eligible areas that may be included in the Activity Area. The IFM Assessment Tool is available for download from the protocol webpage.⁴ Eligible areas will be determined based on the management classification under the Forest Management Programs and the previous (if applicable), current, and verifiably planned future management activities. Areas are generally considered eligible if verified silviculture activities are implemented that lead to increased carbon stocks (see Tables 3 and 4 of this Clarification for descriptions of the management activities, assessment scenarios, and additionality results). Areas classified under the sub-category of Conservation and Restricted Harvest are considered ineligible without demonstrating additionality through the use of the IFM Assessment Tool. Areas in protected forests declared by SEMARNAT are not eligible as an IFM Activity Area.

Per the definition of IFM in V3.0 of the MFP, the IFM Activity Area should include the entire area subject to commercial harvesting under the Forest Management Program (FMP). Areas under the FMPs that have been part of previous or current harvest permits, as well as those planned for future harvests based on their management classification under the FMP, should be included in the IFM Activity Area assessment. Additionally, areas under FMPs that are actively being restored to be included in harvest in the future should likewise be included in the IFM Activity Area assessment. Alternatively, Forest Owners may opt to include a subset of the entire area under the FMP if the area has an age class distribution that is within 5% of the distribution for the entire harvest area under the FMP.

The below table describes the included management activities in the IFM Assessment Tool. The Project Developer must provide evidence of all management activities through

⁴ <https://www.climateactionreserve.org/how/protocols/ncs/mexico-forest/>

their approved FMP and their past, current, and any planned future harvest permits, i.e. harvest permits submitted to SEMARNAT for approval. See clarification related to Section 7.1.2 for further guidance on the related monitoring and reporting requirements.

Table 3. Management Activities

Management Reference # (MR #)	Management Activities	Additionality	Justification
0	Forest management activities are not based on resource extraction and, if any harvesting is conducted, it is limited to removing dead and dying trees to reduce hazard trees, disease and insect outbreaks, and reduce fire risks.	Very Low	Forest carbon stocks in the baseline scenario are not affected by commercial harvest; project silviculture activities would not result in carbon enhancements beyond business as usual. The management activities may reduce emissions over time, but the MFP does not credit for avoided emissions.
1	Forest management activities are focused on removal of dead and dying trees as above and/or thinning understory vegetation and suppressed tree to reduce wildfire risks. Wood products, if produced, are limited generally to poles and firewood, or similar materials.	Very Low	
2	Forest management activities include some timber harvesting with a focus on commercial wood products as a management driver. There are silviculture activities that will sooner or later lead to regeneration, either in part or in full, on less than 33% of the area , that may take place over 50 to 100 years. Harvesting may be conducted with even-aged or uneven-aged management. Regeneration units are part of the production system and are not considered separately.	Low	Increases in carbon stocks in managed areas are due to the implementation of silvicultural activities incentivized by the forest carbon project to harvest closer to an optimal biological rotation and increase forest cover where appropriate, generating carbon enhancements and atmospheric benefits over time. Silviculture activities incentivized by the carbon project likely have a co-benefit of increasing the forest health to become more
3	Forest management activities include timber harvesting with focus on commercial wood products as an important management driver. There are silviculture activities that will sooner or later lead to regeneration, either in part or in	High	

	full, on 33% to 66% of the area , that may take place over 50 to 100 years. Harvesting may be conducted with even-aged or uneven-aged management. Regeneration units are part of the production system and are not considered separately.		resilient to wildfires, pests, and diseases.
4	Forest management activities include timber harvesting with focus on commercial wood products as an important management driver. There are silviculture activities that will sooner or later lead to regeneration, either in part or in full, on more than 66% of the area , that may take place over 50 to 100 years. Harvesting may be conducted with even-aged or uneven-aged management. Regeneration units are part of the production system and are not considered separately.	Very High	
5	Forest management activities are restorative (lands out of forest cover for 5 years or more). Deforested and degraded areas are or were reforested and/or managed for natural regeneration with the removal or reduction of the agent of deforestation or degradation. This does not include reforestation in areas that have recently been harvested for timber extraction.	Very High	

Since the planned silviculture activities and classifications under the Forest Management Programs (FMPs) may change over time, the IFM Assessment Tool evaluates additionality based on an assessment of what activities happened in the past, what activities are currently occurring, and what activities are proposed in the future. The table below details the IFM additionality assessment and rationale as related to the classification of management activities (Management Reference or MR #) from Table 3 over time. The IFM Assessment Tool automatically applies the below rationale to determine if the area is additional or not based on the verified management activities identified for each land area.

Table 4. IFM Additionality Assessment and Rationale

Scenario Description	Management Reference(s)			Rationale
	Past	Current	Future	
Additional				
Area included in past and current harvesting permits	MR# 2, 3, or 4	MR# 0, 1, 2, 3 or 4	N/A	Area is part of commercial harvesting plans; increases in carbon stocks in managed areas are due to the implementation of silvicultural activities incentivized by the forest carbon project.
Area included in current and future harvesting permits	NA	MR# 3 or 4	MR# 3 or 4	Area is part of long-term commercial harvesting plans; future silviculture activities are discounted due to uncertainty; current harvest levels must be a higher level of demonstrated silviculture activities (MR #3 or 4) to demonstrate harvest intent/potential.
Area included in past harvesting permits and future harvesting plans	MR# 4	MR# 0, 1, 2, 3 or 4	MR# 4	Area is part of long-term commercial harvesting plans; future harvest plans discounted due to uncertainty; past harvest levels must be the highest level of demonstrated silviculture activities (MR #4) to demonstrate intent/potential.
Area included in past restoration activities and current harvesting permit	MR# 5	MR# 2, 3 or 4	MR# 0, 1, 2, 3 or 4	Restored area is currently part of commercial harvesting plans; increases in carbon stocks in managed areas are due to the implementation of silvicultural activities incentivized by the forest carbon project.
Area included in past restoration activities and future harvesting plans	MR# 5	MR# 0, 1, 2, 3 or 4	MR# 3 or 4	Restored area will be part of long-term commercial harvesting plans; increases in carbon stocks in managed areas are due to the implementation of silvicultural activities incentivized by the forest carbon project; future harvest plans discounted due to uncertainty. Verifiably planned future harvest must display higher level of silviculture management (MR #3 or 4) to demonstrate harvest intent/potential.
Area currently included in restoration activities	NA	MR# 5	MR# 0, 1, 2, 3 or 4	Restoration conducted with carbon project incentive creates additional enhancements.
Non-Additional				
Area included in future restoration activities	MR# 0, 1 or 2	MR# 0, 1 or 2	MR# 5	Future restoration plans are discounted, without being coupled with past or current restoration or silviculture activities demonstrating commercial harvest, not considered additional as an IFM Activity Area.

Scenario Description	Management Reference(s)			Rationale
	Past	Current	Future	
Area included in past restoration activities without future harvest plans	MR# 5	MR# 0, 1 or 2	MR# 0, 1 or 2	The restoration that occurred prior to the carbon project is only additional if part of long-term silviculture activities demonstrating commercial harvest; area is not considered additional as an IFM Activity Area.
Area not previously or currently included in harvesting permits or future restoration activities	MR# 0 or 1	MR# 0 or 1	MR# 0, 1, 2, 3 or 4	Area is not part of long-term commercial harvesting plans; project activities would not result in carbon enhancements beyond business as usual.

Areas that are ineligible as part of the IFM Activity Area may alternatively assess eligibility as a Restoration Activity Area by passing the appropriate Performance Standard Test and assuring alignment with the Restoration activity definition.

Section 3

2. Performance Standard Test (CLARIFICATION)

Section: 3.13.2.1 Improved Forest Management Activity Areas

Context: The Performance Standard Test (PST) consists of standardized analyses based on activity type to determine whether a risk of forest cover loss to a specific Activity Area is sufficient to warrant recognition that forest carbon enhancements, protected over a long time (100-year permanence), are considered additional. For IFM Activity Areas, the PST evaluates the existence of a Forest Management Program (FMP) authorized by SEMARNAT that permits harvesting for commercial purposes. Permitted harvest volumes under FMPs are established based on the growth of the area under the FMP; where landowners can demonstrate that the actual forest growth exceeds the allowable harvest identified in the FMP, SEMARNAT may accept an increase in the allowable harvest to reflect the estimated periodic growth more accurately. The protocol accordingly considers that all periodic growth under the FMP is at risk and, regardless of the current allowable harvest rate, any non-harvested periodic growth is additional.

Clarification: Permitted harvest volumes under FMPs are established based on the growth of the area classified or planned for harvesting under the FMP. The protocol accordingly considers that periodic growth within the areas classified or planned for harvest under the FMP is at risk and any non-harvested periodic growth is additional.

As detailed in the Improved Forest Management Definition Clarification, forest projects seeking to include an IFM Activity Area must use the IFM Assessment Tool to establish eligible areas that may be included in the Activity Area. The IFM Assessment Tool is available for download from the protocol webpage.⁵ Eligible areas will be determined based on the management classification under the Forest Management Programs and the previous (if applicable), current, and verifiably planned future management activities. Areas are generally considered eligible if verified silviculture activities are implemented that lead to increased carbon stocks (see Tables 2 and 3 in the IFM Definition Clarification for descriptions of the management activities, assessment scenarios, and additionality results). Areas classified under the sub-category of Conservation and Restricted Harvest are considered ineligible without demonstrating additionality through the use of the IFM Assessment Tool. Areas in protected forests declared by SEMARNAT are not eligible as an IFM Activity Area.

Section 7

3. Project and Monitoring Reports (CLARIFICATION)

Section: 7.1.2 Project and Monitoring Reports

Context: Project Reports are intended to communicate project information in a transparent manner and be available to the public. Project Reports are intended to serve as the main project document that thoroughly describes how the project meets eligibility requirements, the project's vegetative and social framework, and the current forest conditions, threats, and

⁵ <https://www.climateactionreserve.org/how/protocols/ncs/mexico-forest/>

activities associated with the Project Area. The final KML file displaying the Project Area must be submitted with the Project Report along with a map of the Activity Area boundaries at the time of the initial verification (see Section 2.2 of the MFP V3.0).

Annual monitoring of Forest Projects is required to ensure up-to-date estimates of project carbon stocks and provide assurance that GHG removals achieved by a project have not been reversed.

To align with the Improved Forest Management Definition Clarification, the Reserve is providing the following additional guidance for monitoring and reporting requirements.

Clarification: As part of the Project Report, the Project Developer must include the following:

- IFM Assessment Tool
- The SEMARNAT-approved Forest Management Program for commercial harvesting.
- Past, current, and any future harvesting permits in process of renewal or approval; for planned future harvests, if a harvesting permit is not already in the process of renewal or approval by SEMARNAT, a signed letter from SEMARNAT may be provided to attest to permissible harvesting plans.
- A shapefile detailing the Project Area and Activity Area as related to the management classifications from the Forest Management Program.
- The forest management goals for the land area included under each management category from the Forest Management Program.
- A timeline of planned silviculture activities as related to each management classification included in the Forest Management Program.
- Silviculture activities implemented in each management classification within the area included in the IFM Activity Area and how they align with the definition of IFM from the MFP V3.0 and Errata and Clarification.
- How silviculture activities are aligned with the Environmental Safeguards of the protocol.

As part of the Annual Monitoring Reports, the Project Developer must include the following:

- If modified, the current SEMARNAT-approved Forest Management Program for commercial harvesting.
- A shapefile detailing the Project Area and Activity Area as related to the management classifications from the Forest Management Program (if changes have occurred).
- Current and future harvesting permits in process of renewal or approval; for planned future harvests, if a harvesting permit is not already in the process of renewal or approval by SEMARNAT, a signed letter from SEMARNAT may be provided to attest to permissible harvesting plans.
- A timeline of planned silviculture activities for the area included in the IFM Activity Area and as related to each management classification included in the Forest Management Program.
- Silviculture activities implemented in each management classification within the area included in the IFM Activity Area.
- How silviculture activities are aligned with the Environmental Safeguards of the protocol.

Section 8

4. Project Verification (CLARIFICATION)

Section: 8.3.2 Project Area Definition

Context: As part of the initial verification, the verification body must verify that Project Report correctly confirms how each Activity Area meets the defined activity definition and states the defined activities that will lead to increased carbon stocks over time and not avoided emissions. To align with the Improved Forest Management Definition Clarification, the Reserve is providing the following additional guidance for verification.

Clarification: As part of the initial verification, the verification body must verify the documentation provided by the Project Developer as part of the Project Report to confirm that the management activities presented in the IFM Assessment Tool are accurate and correctly reflect the past, current, and future planned silviculture activities implemented under the Forest Management Program and as part of the IFM Activity Area. The verification body must verify that the IFM Activity Area is aligned with IFM definition in the MFP V3.0 and Errata and Clarification and that the silviculture activities implemented will lead to improved forest health and increased carbon stocks over the life of the forest carbon project compared to “business as usual” activities.

As part of annual desktop or site visit verifications, the verification body must verify the documentation provided by the Project Developer as part of the Annual Monitoring Reports to confirm that any changes to the management activities presented in the Project Report have been correctly reported to the Reserve. The verification body must verify that the reported silviculture activities are aligned with the verifiable documentation (i.e., Forest Management Program, harvesting permits etc.) and have been implemented according to the reported timeline; verification bodies may use remote sensing imagery and/or apply professional judgment to determine if a site visit is required to confirm the implementation of the reported activities.