MEXICO

Context

Mexico is about to complete its national readiness phase, a process that has been supported by several initiatives that includes primarily USAID, Norwegian cooperation through FAO and UNDP, the FCPF, and UN-REDD. It has developed a National REDD+ Strategy (ENAREDD+), which was widely consulted in 2015 and early 2016. The National Monitoring Reporting & Verification System (SNMRV) entered into operation in July 2015. It is a robust and transparent system, as well as sufficiently flexible for continuous improvement. Mexico submitted a national Forest Emissions Reference Level (FREL) to the UNFCCC in 2014, which was adjusted based on the reviews of the technical assessment and published in November 2015. Finally, is advancing in the development of a National Safeguards System (SNS) and a Safeguards Information System (SIS), both are in a developmental phase. Mexico has not yet submitted a REDD+ Annex to the BUR.

Mexico has also advanced in the implementation of policies and programs aimed at reducing deforestation and forest degradation in priority States, with efforts primarily led by CONAFOR. They are based on an integrated sustainable rural development model and have been supported by significant domestic resources as well as by a number of international cooperation initiatives, including the Forest Investment Program, the World Bank, AfD, AECID and USAID.

Rationale and approach

Mexico has 88 million hectares of forest, with some areas continuing to experience high rates of deforestation and forest degradation, making it a net emitter of GHG. The General Law on Climate Change requires the design and implementation of a plan to transition to a zero carbon loss in original ecosystems. Mexico's has committed to a non-conditional reduction of 22% (211 MtCO2e) in GHG by 2030 in relation to baseline, almost a quarter or which is expected to come from LULUCF. This involves achieving zero deforestation by 2030 and transforming forests in a net sink by enhancing forest carbon stocks.

In relation to Results Based Payments and finance, Mexico is actively exploring a number of windows, including participation with the Forest Carbon Partnership Facility (FCPF) - where it has already prepared an ERPD, as well as exploring possibilities with the REDD Early Mover's Initiative and the World Bank's BioCarbon ISFL and eventually the Green Climate Fund.

Mexico recognizes the central importance of MRV and Safeguards for effective REDD+ implementation. To this end, Mexico has received UN-REDD targeted support (TS) since 2014 related to Safeguards, the National Forest Monitoring, Reporting and Verification System, and the Virtual Center of Excellence in Forest Monitoring (CEVMF). Technical Assistance during 2017 is primarily aimed at supporting consolidation of the work and transfer of capacity to CONAFOR, including that related to South-south cooperation. MRV and Safeguards continue to be key issues in the 2018-2020 workplan.

Recognizing the value of South-South cooperation to accelerate climate action, Mexico has developed CEVMF which currently focuses on Forest monitoring, although it is proving a useful platform to which other aspects of REDD+ might be added in the future.

During 2018-2020 Mexico will need to expand REDD+ implementation to a national level by scaling up the from the five REDD early action States, for which it will require to consolidate its implementation model regarding safeguards, continuously improve its monitoring systems, report and verification processes at national and subnational levels and financing considering changes in the institutional and economic

landscape, which can be provided by Technical Assistance from the UN-REDD Programme. In particular, there are needs related to:

- Expand the capacities of the NMRVS (including the NFMS) to better monitor the 5 REDD+ activities in line with requirements of NDCs and other relevant subnational initiatives.
- Develop a consistent national MRV process for results based actions which is also capable to report to the multiple subnational RBP/RBF windows.
- Updating of the FREL/FRL up to 2015 as base year
- Updating of the MRV strategic reports (including those related to RBP).
- Strengthen MRV capacities at subnational level (including the development of learning materials)
- Strengthen institutional arrangements of the National Safeguards System and consolidate the articulation between National and State levels.
- As ground experience has been accumulating in implementation, Mexico needs to refine its understanding of potential and costs of REDD+ actions, including assessing the effectiveness of policies to better inform the additional investment plans required to meet Mexico's commitments.
- The potential inclusion of the forest sector as part Mexico's development of carbon markets poses additional technical and legal challenges that are yet to be addressed.
- Maintaining the CEVMF current will require it having access to the best national, regional and global practice, methodologies and approaches in order to remain current and effective. UTEMRV is the most important strategic ally of the CEVMF; therefore it needs to remain connected to a broader practitioner's network and institutional resources.

In addition to the above, unforeseen economic constraints have led to a significant reduction in CONAFOR's personnel and budget, forcing a redesign of institutional arrangements and approaches to implementation. Current support by UN-REDD has significant strategic value to address these new challenges, a need that may continue into 2018.

Technical Assistance requested
Critical milestones to achieve by Mexico between 2018 and 2020 include:
- National Monitoring, Report and Verification System improved to face advanced REDD+ implementation challenges, including MRV of results based actions.
- Expanded monitoring capacities to measure and report and verify on activities to support NDC commitments and subnational initiatives requirements.
- National Safeguards System, integrating State systems, fully implemented including updated summary of information on safeguards submitted to the UNFCCC
- RBP and RBF arrangements underpinned by adequate and consistent national frameworks (MRV and safeguards)
- Update FREL/FRL up to 2015 base year
- Investment Plans developed for National level and States beyond the five early action States
- Additional finance for scaling up implementation to national level secured
- Mexico's lessons learned should be shared for the benefit of other countries in the region through South-South collaboration through the Virtual Center of Excellence in forest monitoring.

Related to these milestones, the UN-REDD Agencies' specialists and Mexico have identified a number of valuable areas where the support from UN-REDD can serve primarily to accelerate and enhance implementation of the milestones. The following table describes the Technical Support to be provided by UN-REDD for the 2018-2020 period in an effort to respond to the needs presented by CONAFOR and the

capacity and expertise of the UN-REDD Agencies. The TA to be provided will support CONAFOR in fulfilling its goals and targets, in accordance with its established workplan.

Results Framework

UN-REDD TA outputs (*)	UN-REDD TA agency	Timeline (year/s)	Indicators (**)	Baseline (***)
Output 1. Mexico updates and expands capacity of its NFMS & SNMRV to respond to multiple reporting requirements. (Linked to UN-REDD strategic framework Output 2.1)	FAO	2018-2020	2018: • Number of reports generated by the UTEMRV, technical annex to report national results, reviewed and assessed by and with contributions from UN-REDD experts. (MoV: report documents, technical notes and briefs, minutes of meetings) 2019: • Technical inputs/analysis to support updating the FREL provided. (MoV: minutes of meetings, correspondence records, technical notes, briefs) 2020: • Protocols with methodologies of the NMRVS improved according to CONAFOR's improvement Plan. (MoV: Technical notes) • Number of methodological inputs to ensure consistency and nesting of subnational reports (e.g. IRE, REM) provided. (MoV: Technical notes)	SNMRV implemented from 2014, including internal institutional arrangements.
Output 2. Financing options to achieve NDC targets and ENAREDD+ goals enabled and aligned (including private and public sources as well as national, sub-national and international). (Linked to UN-REDD strategic framework Output 3.1)	PNUD / PNUMA	2018-2020	2018: • Analysis of current legal framework on carbon rights, and ownership of avoided emissions to enable financing options and carbon markets. (MoV: Technical notes) • Materials on lessons learned and technical recommendations for the development of GCF proposals shared to CONAFOR (MoV: Document, minutes of meetings, correspondence records, technical notes) 2019: • Options for private sector finance and inclusion of REDD in carbon markets in Mexico identified, technically assessed and delivered to the government of Mexico. (MoV: Technical notes) • Guidance for the preparation of sub-national investment plans consistent with existing plans (i.e. IRE). (MoV: Minutes of meetings, briefs) 2020: • Analysis of the financial architecture for managing Payments for results informed by best practice. (MoV: Technical notes) • Prospective mitigation scenarios for REDD+ activities technically assessed by UN-REDD experts. (MoV: Minutes of meetings, correspondence records)	CONAFOR has confirmed that the forest sector will be considered in the design of the regulated market.

| Output 3. National Safeguards System including safeguard information system with linkages to State-level implemented.

(Linked to UN-REDD strategic framework Output 3.1) | PNUD / PNUMA | 2018-2020 | **2018:**
• Safeguards components of RBP proposals and responses to external assessments reviewed and technical supported from UN-REDD. (MoV: Technical notes)
• Number of institutional agreements to implement the NSS and the SIS reviewed and technical supported from UN-REDD. (MoV: Documents with inputs in track changes from team, technical notes, briefs, records of correspondences)
2019:
• Number of training and dissemination materials adapted and developed for México. (MoV: Training materials)
2020:
• Updated safeguards summary submitted to the UNFCCC reviewed and technical supported from UN-REDD (MoV: summary of information, technical notes, briefs, records of correspondences) | National Safeguards System designed by the end of 2017, including the legal, institutional and compliance framework. |
| Output 4. South-South cooperation and collaboration facilitated and expanded.

(Linked to UN-REDD strategic framework Output 2.1) | FAO | 2018-2020 | **2018:**
• New research centers linked to the CEV's networks (MoV: Links available in the CEV's, records of meetings and agreements)
2019:
• Number of new technical resources available in the CEV's repository provided by UN-REDD agencies (MoV: Documents uploaded on the CEV's, records of meetings and agreements)
2020:
• Number of technical webinars on forest monitoring and MRV requirements developed and delivered. (MoV: Webinars available in CEV platform) | South- South cooperation work plan in forest monitoring implemented and supported by the CEV. |

Risk Management Framework

Risk description	Rating	Mitigation measure
External risks		
Changes and reductions in personnel at CONAFOR limit its ability to assimilate transferred capacities (safeguards, monitoring,	P = M I = H	While Mexico is making efforts to ensure sufficient personnel and institutionalization of safeguards, failure to secure it on-time would require a contingent plan to secure the transfer of capacities through temporary consultants or through partnerships with other institutions.
Changes in priorities in light of change in government in late 2018.	P = M I = H	The agencies will use the opportunities to engage with the new administration, ideally during the transition period, in order to discuss the role for REDD+ and forests to meet Mexico's climate and development goals.

Risk description	Rating	Mitigation measure
In the course of the year the technical expertise provided by the programme is no longer considered relevant in certain countries	P= L I = M	The deployment of TA was done based on (i) gap analysis; (ii) in discussion with governments; (iii) according to the expertise of the team. In principle this risk has a low probability of occurrence. However should it materialize; the programme has built in a buffer to allow redeployment of teams where they are most needed. Also, while the UN-REDD team does not have oversight over the annual workplans of the sources of funds being assisted, the dialogue with and trust of the country counterparts should enable an early discussion and adjustment of the UN-REDD expertise made available.
The advances resulting from the assistance of the UN-REDD team are not attributed to the programme as it plays a supportive function	P = H I = TBD	In an environment where TA is deployed amidst multiple other funds, the impacts of this TA are likely to be unappreciated in comparison with the financial flows supporting that same activity. E.g. UN-REDD TA providing expert advice on MRV systems financed by other SOF. The likelihood of this occurring are high and impacts will have to be determined depending on the country context. The only possible mitigation measure is through the documentation of requests, support deployed and agreement with all partners of the impact of this support.
Internal		
Inability to respond to changes in country needs due to the rigidity in reallocating resources from one agency to the other.	P = M I = H	While the TA to be deployed was identified in conjunction and consultation with counterparts, this was done quite early in the planning for 2017 and therefore may be subject to changes. This may entail requesting more expertise from one agency than the other. Considering the budgeting, contracting and fund allocation structures, it will be difficult to accommodate for changes that entail reallocation from one agency to another therefore diminishing the relevance of the programme to countries and subsequently its reputation.

Note: "P" stands for probability and "I" for Impact, the qualifiers "L", "M", "H" refer to Low, Medium or High, respectively

National ownership and sustainability
The proposed deliverables have discussed with the Government (CONAFOR). In particular, the assessment of needs and identification of relevant contributions by the UN-REDD Programme for the period of 2018 - 2020 were undertaken during an in-country mission by the UN-REDD Programme, held on 28th April, 2017 at CONAFOR's headquarters. Representatives from the various areas of CONAFOR responsible for REDD+ implementation were present.

FAO has advanced contact with the Norwegian Embassy to discuss plans for the CEV as well as the 2018-2020 UN-REDD workplan for México. The meeting is set to take place on 11th May, 2017.

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