ASSESSMENT REPORT

The World Bank Group's BioCarbon Fund Initiative for Sustainable Forest Landscapes (ISFL)

Mexico's ISFL Emission Reduction Program

Prepared for:

World Bank Group

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Program	Mexico's ISFL Emissions Reduction Program
Program Entity	Ministry of Environment and Natural Resources
Program Location	Mexican states of Chihuahua, Coahuila, Durango, and Nuevo León
Monitoring Period	N/A
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Assessment Team	Lead Auditor: Vanessa Mascorro Auditor: Alexa Dugan Technical Reviewer: Dr. Raleigh Ricart

Executive Summary

SCS Global Services (SCS) was retained by the Initiative for Sustainable Forest Landscapes (ISFL) of the World Bank Group to perform an independent assessment of the GHG Emissions reduction program in Mexico's ISFL Emissions Reduction Program ("the ER Program") against the ISFL Emission Reductions Program Requirements and associated guidelines. The scope of this assessment was to confirm that the information provided in the emission reductions program document is correct and complete and to apply expert judgement to evaluate the feasibility of program design aspects and identify areas of improvement to inform the World Bank Group's and ISFL contributors' review of the Program. While this is an independent assessment, it should be noted that the assessment team worked closely with the ISFL staff and others at the World Bank Group to develop the findings and conclusions described in this report.

This report presents an overview of the assessment process and its conclusions, as well as a summary assessment opinion. The assessment checklist, audit plan and a detailed list of all findings issued during the assessment process are included as appendices.

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1 Introduction

SCS Global Services (SCS) is a global leader in third-party certification, auditing, testing services, and standards. Established as an independent third-party certification firm in 1984, our goal is to recognize the highest levels of performance in environmental protection and social responsibility in the private and public sectors, and to stimulate continuous improvement in sustainability by recognizing and certifying achievements which align with the United Nations Sustainable Development Goals (SDGs). An internationally recognized verification body, SCS is currently accredited to ISO 14065 for Greenhouse Gas Validation and Verification by the American National Standards Institute (ANSI), offering carbon offset project validation and verification under such voluntary carbon programs as the Verified Carbon Standard (VCS), the American Carbon Registry (ACR), and the Climate, Community and Biodiversity (CCB) standards. SCS is also an accredited verification body for the Cap-and-Trade Program of the California Air Resources Board and has conducted jurisdictional assessments in Colombia and Ecuador under the REDD Early Movers Program.

SCS was commissioned by the World Bank Group to undertake an assessment of the GHG emissions reduction program in Mexico's ISFL Emissions Reduction Program ("the ER Program"). The ER Program consists of promoting sustainable agricultural and livestock systems, improving the efficiency of production systems in terms of land and other resource use, integration of forestry within agricultural systems, forest restoration, reducing deforestation and promoting sustainable forest management, and enhancing planning and governance for more efficient interventions within the states of Chihuahua, Coahuila, Durango, and Nuevo León Department of northern Mexico. This report covers review of the ER Program, as described in the emission reductions program document, as a project deliverable.

1.1 ER Program Description

Mexico's ISFL Emissions Reduction Program, hereafter referred to as the ER Program, promotes activities to generate both emission reductions and promote removals in the across four contiguous states in northern Mexico. This program area consists of approximately 58 million hectares across the four states of Chihuahua, Coahuila, Durango, and Nuevo León. Program activities are aimed to promote Emission Reductions associated with the primary sources of GHG emissions, such as deforestation of natural forests, overgrazing and extensive livestock production, overexploitation of timber and nontimber resources, and illegal logging. In turn, the ER Program aims to strengthen activities that promote the removal[1] of GHG through forest restoration with an integrated land management approach, forest protection activities, implementation of a Payment for Environmental Services Program to incentivize conservative of forest ecosystems, promotion of agroforestry and silvopastoral systems, and promotion of sustainable livestock practices, to name a few. The ER Program consists of various

[1] In the text, the terms GHG removals (removals) and absorptions (absorptions) are used interchangeably.

beneficiaries including indigenous and non-indigenous communities reliant on the land and resources, forest owners (e.g., ejidos), rural livestock producers, and other regional and territorial institutions.

1.2 Assessment Team

The assessment team consisted of the following individuals:

- Lead Auditor: Vanessa Mascorro
- Auditor: Alexa Dugan
- Technical Reviewer: Dr. Raleigh Ricart

2 Assessment Details

2.1 Scope and Objectives

The objectives of the assessment are as follows:

- Ensure, according to the applicable level of assurance, that the information provided in the emission reductions program document is correct and complete (i.e., not leaving out information that might affect the opinion of the reader).
- Conduct an independent assessment of the compliance against the approved ER Program Requirements and associated guidelines.
- Apply expert judgement to evaluate the feasibility of ER Program design aspects and identify areas of improvement to inform the World Bank Group's and ISFL contributors' review of the ER Program.

The scope of the assessment entails review, as required, to achieve the above objectives. The following areas were particularly emphasized. In some cases, consideration of the areas indicated below extends the scope of the assessment beyond a strict assessment for conformance to the assessment criteria.

Aspect	Expected Scope of the Assessment
Drivers of AFOLU emissions and removals	▪ Correctness and completeness of the analysis on historic and future trends (qualitative and quantitative) in drivers of AFOLU emissions and removals ▪ Expert judgement of the analysis, including the barriers to mitigation
Description and justification of the ISFL ER Program's planned actions and interventions	▪ Expert judgement whether the proposed actions and interventions address drivers of emissions and are informed by the contribution of key sources and sinks to the total GHG emissions and removals in the Program GHG Inventory and the analysis of trends

Aspect	Expected Scope of the Assessment
	▪ Expert judgement of continued private sector engagement achieved or planned in addressing drivers of emissions ▪ Expert judgement of risks to implementation and potential benefits of planned actions and interventions
Financing plan for implementing the planned actions and interventions of the ISFL ER Program	▪ Correctness and completeness of information on the transaction costs and the identified funding gaps for the ISFL ER Program and the plan for mitigating gaps ▪ Expert judgement whether the identified sources of finance are sufficient to affect the land use activities and drivers of emissions and removals ▪ Expert judgement of the financial and economic analyses, discount rates, and flows of funds
Analysis of laws, statutes, and other regulatory frameworks	▪ Correctness and completeness of the information provided in the Program document ▪ Expert judgement to identify any known legal or regulatory issues in the program area that can affect the program design, including benefit sharing
Risk for displacement	▪ Correctness and completeness of the information provided in the analysis of displacement risk ▪ Expert judgement on the effectiveness of the proposed strategy to mitigate and/or minimize, to the extent possible, potential Displacement
Participation under other GHG initiatives	▪ Correctness and completeness of the information provided whether parts of the program area, or projects in the program area, are included in other GHG initiatives and if this creates a risk of double counting, and/or double payment
Data management and registry systems to avoid multiple claims to ERs	▪ If applicable, expert judgement whether the Program and Projects Data Management System is sufficient, secure, and robust ▪ If the ISFL ER Program is not using the World Bank's transaction registry for Forest Carbon Partnership Facility (FCPF) and ISFL ER Programs, expert judgement whether the transaction registry is sufficient, secure, and robust ▪ If applicable, expert judgement of the data management and registry systems to recognize nested projects and avoid multiple claims to ERs

Aspect	Expected Scope of the Assessment
ISFL Reporting	▪ Assess whether the GHG Inventory is comparable in its use of definitions, categories and subcategories with national processes such as the national GHG inventory, REDD+ and the Biannual Update Report ▪ Assess whether the best available data sets, methods, models and assumptions have been used in the ISFL Reporting and that the inventory applies the general IPCC principles of transparency, completeness, consistency, accuracy and comprehensiveness.
Selection of subcategories for accounting	▪ Correctness and completeness of the data and information provided on the choice of the subcategories ▪ Assess whether the quality and baseline setting requirements have been applied correctly and the choice of the subcategories is correct and justified ▪ Assess whether all significant pools and sources of greenhouse gas emissions are included. If a major carbon pool/ or gas is excluded, assess whether this has been sufficiently explained and justified, provided it is not a significant pool.
Emissions baseline	▪ Assess whether the methods used to construct are in line with the IPCC and best practice approaches as defined, for example by the GFOI ▪ Correctness and completeness of the data used to construct the baseline ▪ Assess whether the baseline requirements have been applied correctly and the Emissions Baseline estimate is calculated correctly ▪ Assess whether the uncertainty in the Emissions Baseline has been correctly identified and assessed in accordance with IPCC good practice
Time bound plan to increase the completeness of the scope of accounting and improve data and methods for the subsequent Emissions Reductions Payment Agreement (ERPA) Phases during the ERPA Term	▪ Expert judgement whether the proposed plan is feasible, addresses priority subcategories and is likely to increase the completeness of the scope of accounting and improve data and methods for the subsequent ERPA Phases.

Aspect	Expected Scope of the Assessment
Ex-ante estimation of the emission reductions	▪ Expert judgement if the assumed effectiveness of the program in addressing the drivers and its impact on the emissions is justified and based on reasonable assumptions
Monitoring approach	▪ Assess whether the data and methods proposed for monitoring are consistent enough with the data and methods used for the determination of the baseline to allow for meaningful comparison and calculation of the emission reductions ▪ Assess whether the proposed monitoring methods and arrangements are in place as described in the Program Document and are technically capable of collecting the data ▪ Assess whether the uncertainty in the data and parameters to be monitored has been correctly identified and assessed and if the proposed approach to manage and reduce uncertainty reflects good practice
Reversals	▪ Correctness and completeness of the data and assumption used in the assessment of the reversal risk ▪ Assess whether the ISFL Buffer Requirements have been applied correctly

2.2 Criteria

The criteria for the assessment were as follows:

- The approved ISFL ER Program Requirements, Version 2.0 April 2021 ("the Program Requirements")
- The following associated guidelines:
    - ISFL Buffer Requirements, Version 2.0 April 2020 ("the Buffer Requirements")
    - ISFL Program Document Template, Version 2.0 January 2020 ("the PD Template")[2]

2.3 Good Practice Guidance

The following guidance documents were referenced as good practice in undertaking the assessment, though said documents were not formally considered to be part of the assessment criteria. Where it was appropriate to apply professional judgment in assessing against the indicators set out in SCS' assessment

[2] Noting that any guidance within the PD Template pertaining to brevity or word count was not considered part of the auditable criteria, though said guidance was referenced in determination of the level of detail that should be within the ERPD.

checklist (see Appendix C below), methodological approaches that appropriately followed good practice were automatically assumed to meet the intent of a given indicator.

- 2006 IPCC Guidelines for National Greenhouse Gas Inventories ("the IPCC 2006 Guidelines")
- The following ISFL Program documents:
    - Guidance Note on the Preparation of Financing Plan of REDD+ and Landscape Emission Reduction Programs, Version 1.0 August 2017 ("the Financing Plan Note")
    - Guidance Note on the Ability of Program Entity to Transfer Title to Emission Reductions, Version 1.0 March 2018 ("the Title Transfer Note")
    - Guidance Note on Application of IPCC Guidelines for Subcategories and Carbon Pools Where Changes Take Place Over a Longer Time Period, Version 1.0, March 2021 ("the Carbon Pools Note")
- GFOI 2020, Integration of remote-sensing and ground-based observations for estimation of emissions and removals of greenhouse gases in forests: Methods and Guidance from the Global Forest Observations Initiative, Edition 2.0, Food and Agriculture Organization, Rome ("GFOI").

2.4 Normative Assessment References

The following normative references guided SCS' assessment approach:

- Terms of Reference, updated 14 December 2018
- SCS' Program Quality Manual and Auditor Manual
- The following normative references of the International Organization for Standardization (ISO):
    - ISO 14065:2013, Greenhouse gases — Requirements for greenhouse gas validation and verification bodies for use in accreditation or other forms of recognition
    - International Accreditation Forum Mandatory Document 6: 2014 —Application of ISO 14065: 2013
    - ISO 14064-3:2006, Greenhouse gases — Part 3: Specification with guidance for the validation and verification of greenhouse gas assertions
    - ISO 14066:2011, Greenhouse gases — Competence requirements for greenhouse gas validation teams and verification teams

2.5 Level of Assurance

Both a reasonable and limited level of assurance were selected for the assessment work described in this report and were determined at the indicator level as set out in the assessment checklist (see Appendix A).

2.6 Materiality

The term "discrepancy", as implicitly defined in Section 2.30 of ISO 14064-3:2006, encompasses the terms "error", "omission" and "misrepresentation" (i.e., these three types of distortion are different categories of discrepancies). Any discrepancies which also presented clear divergence from stated requirements of the assessment criteria were treated as non-conformities in the assessment process. Any other discrepancies identified during the course of the assessment were subject to the following materiality assessment.

- In respect of quantitative matters:
    - A discrepancy in the program GHG inventory and/or the process used to select subcategories eligible for ISFL accounting was considered material if it resulted in an incorrect determination of the subcategories eligible for ISFL accounting.
    - A 1.00% materiality threshold applied to any over-estimation of the emissions baseline.[3]
- Regarding reporting of information in the ERPD:
    - Any factual errors in the reporting of information in the ERPD were considered material if the incorrectly reported information was directly or indirectly required to be reported in the ERPD by the assessment criteria.

Any discrepancies identified as material through application of the above criteria were treated as non-conformities in the assessment process. Any discrepancies not identified as material through application of the above criteria were inherently considered immaterial. In the event that discrepancies were identified that did not require immediate correction but that required corrective action or mitigation at some later time, such as before the first verification, a special type of finding, termed an Forward Action Request, was issued by SCS (see Section 3.5, below, for a description of findings).

3 Assessment Process

The assessment services described in this report were performed through a combination of document reviews and interviews with relevant personnel. At all times, SCS assessed the conformance of the ER Program, as described in the ERPD, to the assessment criteria. The assessment team issued findings to ensure that the ER Program fully conformed to all requirements. The services included the following steps.

3.1 Methodology

The assessment was performed through a combination of document review and interviews with relevant personnel, as discussed in Sections 3.2 through 3.4 of this report. At all times, the ERPD and the

[3] The materiality analysis was carried out by first calculating the difference between the reported Emissions Baseline and the assessment team's calculation of the same quantity, and then dividing by the reported Emissions Baseline. If the resulting quantity was greater than 1.00%, the discrepancy was considered material. Otherwise, the discrepancy was not considered material. Under-estimation of the Emissions Baseline was not considered a material discrepancy.

ER Program described therein were assessed for conformance to the criteria described in Section 2.2 of this report. As discussed in Section 3.5, findings were issued to identify any actual or potential areas of risk or concern.

A risk assessment was conducted, and a sampling plan produced, in accordance with Sections 4.4.1 and 4.4.3 of ISO 14064-3:2006, respectively, following a proprietary approach developed by SCS. The process involved identification of key areas of "residual risk" (areas where there exists risk of a material discrepancy that is not prevented or detected by the QA/QC processes of the ER Program). Sampling and data testing activities were planned to address any risk where the likelihood of an area of nonconformance or material discrepancy (see Section 2.6 above regarding what constitutes a material discrepancy) going undetected by the assessment team was judged to be unacceptably high. An audit plan was created that took the sampling plan into account.

3.2 Document Review

The emissions reduction program document (ISFLMexicoERPD_20230830-VF-senttoscs_atención CONAFOR_v4.docx; "the ERPD") was carefully reviewed for conformance to the assessment criteria. The following additional documentation, provided by ER Program personnel in support of the ERPD, was also reviewed by the assessment team:

Document	**File Name (If Applicable)**
Summarized estimates of Emission and removal Factors by EcoRegion	3_FE_MAN_DEFORESTACION_FL
	3_FE_MM_DEFORESTACION_FL
	4_FE_MAM_PERDIDA_P
	4_FE_MM_PERDIDA_P
	6_Tabla_FE_RECU_GL_AGB_E3
	6_Tabla_FE_RECU_GL_BGB_E3
	DEFORESTACION_FL_AGB
	DEFORESTACION_FL_BGB
	Tabla_FE_PERDIDA_P_AGB_22jul
	Tabla_FE_PERDIDA_P_BGB_22jul
	Tabla_FE_RECU_FL_AGB
	Tabla_FE_RECU_FL_BGB
	TablaFE_Cam_FL_AGB_E3
	TablaFE_Cam_FL_AGB_E3
	TablaFE_Cam_GL_AGB_E3
	TablaFE_Cam_GL_BGB_E3
Biennial Update Report data	Base_Datos_BUR3_Alpha_GLv3.csv
Integrated database of all Emission Factors by EcoRegion	BD_Integrada_FE_Reservorio_subcategoria_IPCC_120222.xlsx
Ex-Ante emissions reductions calculation workbook	Potencial_mitigación_ERPD_2022.xlsx
	03.InventarioGEI_Tierras_ISFL.accdb

GHG Inventory calculation workbooks	03.InventarioGEI_Tierras_ISFL.xlsx
	ISFL Baseline v 3.0 - 250722_actualizado
Forest Inventory Data Workbooks	Parcelas_de_Muestreo.csv
	Tipificacion_CGLs_Sitios_MyRM.xlsx
	Distribucion_de_Parcelas_de_Muestreo_ISFL.csv
	Estimacion_observacion_muestreo.csv
	Estimacion_observacion_remuestreo.csv
	Estimacion_24_sitios.xlsx
	Tipificacion_CGLs_Sitios_MyRM.xlsx
	FE_ISFL_2021.R
Aboveground Biomass and Belowground Biomass Emission Factors calculation workbooks	02.Factores de Emision.xlsx
	ISFL_Matriz_tC_BAy BS_R.xlsx
	Estimacion_C_BA_BS_MP_Toc_Muestreo.csv
	Estimacion_C_BA_BS_MP_Toc_ReMuestreo.csv
	tC_BA_BS_R_MyRM.xlsx
Litter Emission Factors calculation workbooks	tC_Mantillo_26220.xlsx
	RAFAEL_MAYORGA_Mantillo Recuperacion FL_v1_2022.XLSX
Dead Organic Matter calculation workbooks	tC_MM_RM.xlsx
	RAFAEL_MAYORGA_MM Recuperacion FL_v1_2022.XLSX
	Densidad_Gravedad_Madera.xlsx
	ISFL_Matriz_tC_MM.xlsx
Soil Organic Carbon Emission Factors calculation workbooks	BD_Integrada_FE_COS_Reservorio_subcategoria_IPCC120222.xlsx
	tC_COS_Delaw_120222.xlsx
	SOC_30cm_mx_conus_250m_iscn_inegi_1991_2010.tif
	Matriz_COS_ISFL_V2_mejorada.xlsx
	Recuperacion_COS.xlsx
Allometric equations calculation workbooks	criterios_asignacion.xlsx
	filtros.xlsx
	modelos.xlsx
	Catalogo_Nombres_Plantas_INFyS.xlsx
Collect Earth data	BD_DensificadaNacional_ISFL_Fase II_24-09-21.xlsx
	BD_Densificada_ISFL_Fase I_24-09-21.xlsx
	BD_Malla Densificada Nacional ISFL 29-09-21_Ecorregiones.csv
	Cuestionario_CollectEarth_analisis_de_deforestacion_en_mexico_2000_2020_2021-05-12.cep
Geospatial data	ecort08gw.shp
	Distribucion_MallaMuestreo_ISFL.shp
	mgnjun16.pdf
	areas_geoestadisticas_basicas.shp
	areas_geoestadisticas_estatales.shp
	areas_geoestadisticas_municipales.shp
	integracion_territorial.shp

	poligonos_localidades_urbanas_y_rurales.shp
Calculation workbooks for area estimates	01_DatActNacionalEcorregN2.xlsx
	01.DatosActividad_FL-FL_2000-2019
	03.DatosActividad_FL-L_2000-2019.xlsx
	05.DatosActividad_L-FL_2000-2019.xlsx
	Ecoreg_Equidist_MGM16_Superficie.xlsx
	Plantilla_Malla_Nal_Densif_EcorrN.2_49Clases_1de3.xlsx
	Plantilla_Malla_Nal_Densif_EcorrN.2_49Clases_2de3.xlsx
	Plantilla_Malla_Nal_Densif_EcorrN.2_49Clases_3de3.xlsx
	Plantilla_Malla_Nal_EcorrN.2_49Clases_1de2.xlsx
	Plantilla_Malla_Nal_EcorrN.2_49Clases_2de2.xlsx
	00.DatActNacionalEcorreg_2000_2019_Junio14.xlsx
	BD_MallaNacional_ISFL_NREF_18-07-2020.xlsx
	Distribucion_MallaMuestreo_ISFL.shp
	Ecoreg_Equidist_MGM16_Superficie.xlsx
	Ecoreg_Equidis_MGM16_nal_densificada_ISFL.rar
	Tabla_deCorrespondenciaVegetacionIPCC.xlsx
Emission factor demonstrative calculation workbooks	AvancesDEMOS_FE.xlsx
	DEMO_Base_Deforestacion_FL_AGB_BGB.xlsx
	DEMO_Base_Deforestacion_FL_MAN.xlsx
	DEMO_Base_Deforestacion_FL_MM.xlsx
	DEMO_Base_Permanencia_FL_AGB_BGB_Final.xlsx
	DEMO_Base_Recuperacion_FL_AGB_BGB.xlsx
	DEMO_Matriz COS para BUR3_V2.xlsx
	DEMO_Base_Perdida_GL_AGB_BGB.xlsx
Financial Plan	Plan de financiamiento para México ERPD para México_20230523_v3
Report on Drivers of Deforestation	Report on Drivers of Deforestation.pdf
Information on grievance mechanism	Extracto MAC; PPPI borrador avanzado_revBM 251023_JC_RMM_limpia
National Registry of Emissions (RENE)	Guia del Usuario del Registro Nacional de Emisiones.pdf
Contributor Feedback	2023.01_ISFL ERPD Contributor Feedback Mexico_TaskTeamResponses.pdf

3.3 Interviews

3.3.1 Interviews with ER Program Personnel

The process used in interviewing ER Program personnel was a process wherein the assessment team elicited information regarding (1) the ERPD and any supporting work products or documents and (2) actions undertaken to conform to various requirements.

The following personnel associated with (a) the program entity, (b) any organizations responsible for managing/implementing the ER Program and/or (c) any partner organizations involved in the ER Program were interviewed.

The phrase “throughout audit”, under “Date(s) Interviewed”, indicates that interviews took place throughout the assessment process.

1. Program Personnel

Individual	Affiliation	Role	Date(s) interviewed
Armando Alanís	CONAFOR	National Forest Monitoring System Manager	Throughout audit
Rafael Mayorga	CONAFOR	Technical Manager of the Monitoring, Reporting and Verification System	Throughout audit
Juan Carlos Leyva	CONAFOR	Assistant Technical Manager of the National Forest and Soils Inventory	Throughout audit
Jose de Jesús Orozco	CONAFOR	Technical Expert	Throughout audit
Ángeles Soriano	CONAFOR	Specialist in Modeling and Analysis of Mitigation in The Forestry Sector	Throughout audit
Adrián Ochoa	CONAFOR	Technical Expert	Throughout audit
Miguel Ángel Muñoz	CONAFOR	Carbon Manager	Throughout audit
Luis Martínez	CONAFOR	Financial Analyst	Throughout audit
Stephanie George	CONAFOR	Technical Specialist	Throughout audit

Jorge David Fernández Medina	CONAFOR	General Coordinator of Planning and Information	Throughout audit
Guillermo Muñoz Galindo	CONAFOR	Planning and Evaluation Manager	Throughout audit
Fabiola Navarrete Monge	CONAFOR	Coordinating leader and negotiator of the Emissions Reduction Program	Throughout audit
Efrain Maheda García	CONAFOR	Financing Manager	Throughout audit
Francisco Javier Arrazattee García	CONAFOR	Assistant Manager of External Credit Management	Throughout audit
Evelyn Saldivar Capetillo	CONAFOR	Financing Assistant	Throughout audit
Beatriz Adriana Garcia Galindo	NAFIN	Assistant Director Financial Agent	Throughout audit
Maria Carmina Aceves Bermudez	NAFIN	Financial Agent and Sustainable Fund	Throughout audit
Lorena Mercado Trejo	NAFIN	Project Executive	Throughout audit
Veronica Gabriela Alcaraz Contreras	NAFIN	Project Executive	Throughout audit
Maria del Rocío Custodio Arriaga	NAFIN	Project Management Analyst	Throughout audit

2. World Banks task team

Individual	Affiliation	Role	Date(s) interviewed
Maria Catalina Becerra Leal	World Bank Group	Climate Change MRV Specialist	Throughout audit
Katharina Siegmann	World Bank Group	Senior Environmental Specialist	Throughout audit
Jose Maria Michel Fuentes	World Bank Group	Consultant/REDD+ Expert	Throughout audit

Gabriela Alonso Mendieta	World Bank Group	Consultant/REDD+ Expert	Throughout audit
Andres Espejo	World Bank Group	FCPF Fund Manager/ Lead Natural Climate Solutions	Throughout audit
Roy Parizat	World Bank Group	ISFL BioCarbon Fund Manager	Throughout audit
Naikoa Aguilar Amuchastegui	World Bank Group	Senior Climate Change Specialist	Throughout audit

3.3.2 Interviews with Individuals Other Than ER Program Personnel

No additional individuals other than the ER program personnel described in section 3.3.1 above were interviewed.

3.4 Site Inspections

Following the desk review and the development of an audit plan (see Appendix B), SCS conducted a site visit to the Central Offices of CONAFOR to gather additional evidence about the estimation process of Activity Data and the Emission Factors. The audit team investigated potential issues identified during the assessment of the documentation and quantification process, that provides carbon estimates summarized from the individual tree level to the different aggregation levels (e.g. sitio, conglomerado, Eco-region), to the final estimation of GHG Emissions and Removals by the different ISFL subcategories selected.

In pursuance of the above objectives, the audit team conducted the site visit in the central offices of CONAFOR, Guadalajara, Mexico on the dates of 29-30 August 2022. The main activities carried out by the audit team were as follows:

- Interviewed the program personnel (see Section 3.3.1 of this report) to gather information on the estimation of the GHG emission reductions for the ISFL subcategories selected.
- Gathered additional evidence and assessed the correctness and completeness of the data, the quantification process and estimation of the Emission Factors, the integration of the National Forest Inventory data and its integration with the Activity Data to derive the GHG emission reduction at the different aggregation levels to derive the GHG emission reductions by ISFL subcategory.
- Assessed the correctness and completeness of the qualitative analysis of the drivers of GHG emissions and removals in the program area.

- Assessed the considerations, correctness, and completeness of the estimation process of the baseline setting and quantification process to confirm that is in conformance with the program requirements.
- Reviewed the processing steps set up in the Standard Operating Procedures to confirm the most updated information was included and verified data sources and their integration into the process.
- Reviewed the different demonstration scripts produced by the program personnel to estimate deforestation, forest loss, forest regrowth and stable forest for the different carbon pools.

In addition to the site visit assessments, the audit team performed web-based interviews with the program personnel to gather evidence about the estimation of Activity Data, the selection of the ISFL subcategories, the assessment of the AFOLU drivers, the estimation of Emission Factors, the Reference Level setting, and the GHG emission removals estimation process. Moreover, the team utilized high resolution remotely sensed imagery to assess the Activity Data and the land cover classes in the program area.

Lastly, the assessment team conducted a series of web-based interviews to assess the Non-GHG components:

- Drivers of AFOLU Emission and Removals
- Monitoring Plan
- Uncertainty Analysis
- Improvement Plan
- ER Actions and Interventions Envisaged in the Program
- Financing Plan
- Displacement Risks
- Reversals
- Analysis of Laws, Statutes, and Other Regulatory Frameworks
- Participation in other GHG initiatives
- Data Management and Systems of Record to Avoid Double Counting

3.5 Resolution of Findings

Findings are the formal mechanism used by SCS to identify any actual or potential areas of risk or concern. The types of findings that arose from the assessment process are described below:

New Information Requests (NIRs)

If the assessment team determined that they have not been furnished with sufficient information to make a decision regarding conformance, a New Information Request (NIR) was issued. After a response was received, the assessment team evaluated the submission and determined if adequate information had been provided or if additional findings (NIR, NCR, OBS) were warranted.

Non-Conformity Reports (NCRs)

When the assessment team identified (1) a clear non-conformity with respect to a specific indicator (where a given indicator was of the "binary" conformance type) or (2) a material discrepancy (see "Materiality", above, for more information), a Non-Conformity Report (NCR) was issued. Closure of an NCR required that the assessment team be provided with evidence that the underlying issue resulting in issuance of the NCR had been duly addressed.

Observations (OBSs)

An OBS indicated one or more of the following:

- An area where immaterial discrepancies existed between the observations, data testing results or professional judgment of the assessment team and the information reported or utilized (or the methods used to acquire such information) within the ERPD.
- An area where the expert judgement of the assessment team suggested that there were opportunities for improvement in the areas falling within the assessment scope.
- An area which presented a risk of future non-conformance.

Where an OBS was written under the "professional judgement" of the audit team, the OBS was assigned a conformance rating of low (III) or medium (II) accordingly. For more details regarding these conformance types and ratings, please refer to Annex A's General Guidance of SCS' ISFL Inception Report.

Forward Action Requests (FAR)

When the assessment team found that one or more NIR or/and NCR have not been closed after significant[4] efforts made by the Program Entity to provide sufficient evidence to resolve the underlying issue, a FAR was issued. A FAR can be issued only after having discussed it with the World Bank and upon the approval of the Fund Manager/FMT. The FAR will be turned to the World Bank according to the conditions of effectiveness that needed to be fulfilled by the ER Programs during the conditions of fulfillment period following the signature of the ERPA to ensure that the FAR was addressed prior to the submission of the first ER Monitoring Report.

A FAR shall be addressed during the first monitoring event, and a VVB shall provide a positive opinion as part of the first verification report.

[4] Significant effort can be considered when more than three rounds of findings are needed to close one or more NIR or/and NCR or by an ad hoc decision made by the ISFL Fund Manager

4 Assessment Findings

The major findings of the assessment are described below for each category included in the scope of the assessment (see "Scope and Objectives", above). The assessment findings at the indicator level are described in Appendix C below.

4.1 Determination of ISFL Accounting Scope

4.1.1 ISFL Reporting

The following findings from Appendix C are relevant to this sub-section:

- NIR 11

The assessment team took the following steps to assess the program GHG inventory for comparability with use of definitions, categories, and subcategories with national processes such as the national GHG inventory, REDD+ and the Biennial Update Report:

- Independently reviewed and took inventory of the program datasets to assess the level of consistency between their national forest inventory (INFyS) and their national GHG inventory and the program GHG inventory. For instance, the program utilizes the land use and land cover maps developed with a systematic sampling of forest cover and land-use change by the Satellite Forest Monitoring System (SAMOF), consistent with the 2006 IPCC Guidelines. We reviewed the second and the third UNFCCC Biennial Update Report (BUR) and the countries' Forest Reference Emission Level (FREL) to evaluate there is consistency in the definitions and application of emission factor and activity data between those reports and the program GHG inventory.
- An independent assessment was undertaken to compare the definitions of natural forest and the other land use classes to evaluate consistency between national GHG reporting (BUR, FREL), and the program reporting. The assessment team independently evaluated the subcategories and naming conventions utilized in the national GHG reporting, the vegetation types classification used from the National Institute of Statistics and Geography (INEGI), their correspondences to the Terrestrial ecoregions of Mexico Level I and II, and classification into the IPCC categories to compare to the program subcategory definitions and classifications.
- The assessment team evaluated whether there is consistency between key parameters such as the global warming potentials (GWPs) utilized in the national GHG inventory as compared to the program accounting.
- In cases where datasets were developed specifically for this program area, like the emission factors derived from the INFyS permanent ground plots for most of the carbon pools, except for soil organic carbon, the auditors evaluated the methodological consistency (definitions, assumptions, approach) between the national GHG datasets and the program data.

The assessment team took the following steps to assess whether the best available data sets, methods, models, and assumptions have been used and that the inventory applies the general IPCC principles of transparency, completeness, consistency, accuracy, and comprehensiveness:

- Held meetings with the program's technical team to gain a clear understanding of the process in determining the best available data sets, methods, the quantification approach, and models used by the program.
- Independently reviewed literature regarding the availability of datasets pertaining the national forest inventory (INFyS), soil characteristics, forest resource use, history of disturbances in the region, main causes of land use change in the four states comprising the program region, among other aspects, to confirm that the best available data sets and assumptions have been utilized by the program.
- Independently reviewed Mexico's Forest Reference Level Submission to the UNFCCC and the Biennial Update Report (BUR) to assess whether similar data sets, methods, and assumptions have been used for the national GHG inventory reporting and represents the best available data in the country.
- If no country specific or region-specific information was available, the assessment team independently evaluated whether the most relevant and accurate default values from the 2006 IPCC Guidelines were applied.

In summary, based on the processes and procedures conducted, the assessment team concludes the following:

- The best available data sets, methods, models, and assumptions have been used and that the inventory applies the general IPCC principles of transparency, completeness, consistency, accuracy and comprehensiveness.
- Given that the program is directly employing several national GHG inventory datasets and processes including the SAMOF data for land use and land cover mapping, in-country derived emission factors from the INFyS permanent ground plots, and consistent subcategory and land use classifications, the program GHG inventory inherently applies comparable use of definitions, categories and subcategories as other national processes related to GHG inventory and REDD+.
- Overall, conservative assumptions and parameters have been used to ensure the baseline is accurate and conservative.

4.1.2 Selection of Subcategories for Accounting

The following findings from Appendix C are relevant to this sub-section:

- NIR 14, 34
- NCR 45

The assessment team took the following steps to assess the correctness and completeness of the data and information provided on the choice of the subcategories:

- Independently assessed the datasets used for each land use subcategory to determine the IPCC tier, availability, and vintage of the data sources.
- Independently quantified the emissions baseline for each subcategory to check the absence of errors in the quantification of net emissions and removals per subcategory as well as the relative contribution to total GHG emissions and removals associated with all land use conversions.
- Independently identified, recalculated, and selected subcategories in accordance with the section 4.3.4-4.3.15 of the ER Program Requirements to assess the step 1-3 selection of subcategories as indicated in the ERPD and calculations workbooks.

The assessment team took the following steps to assess whether the quality and baseline setting requirements have been applied correctly and confirm that the choice of the subcategories is correct and justified:

- Classified each subcategory by IPCC tier and independently assessed whether only subcategories that utilized data and procedures that comply with the minimum IPCC Tier 2 methods and data were selected.
- Classified each subcategory by IPCC approach and independently assessed whether only subcategories that utilized data and procedures that comply with IPCC approach 2 or 3 data and methods were selected.
- Classified each subcategory by the vintage of available data sources to independently assess whether only subcategories that have sufficient historic data available to construct an Emission Baseline over a Baseline Period of approximately 10-year period at the start of a ISFL ERPA Phase were selected.
- Independently evaluated the source of each of the datasets utilized in the baseline quantification and independently re-calculated the emissions baseline.
- Reviewed the subcategory selection process as described and demonstrated in section 4.2 of the ERPD to evaluate conformance with the subcategory selection criteria.

In summary, based on the processes and procedures conducted, the assessment team concludes the following:

- Confirmed that the selection of subcategories is in conformance with the procedures outlined in the ISFL Program Requirements and free from material error.

4.1.3 Time Bound Plan to Increase Completeness Accounting Scope

The following findings from Appendix C are relevant to this sub-section:

- NIR 34

The assessment team took the following steps to assess whether the proposed plan is feasible, addresses priority subcategories, and is likely to increase the completeness of the scope of accounting and improve data and methods for the subsequent ERPA Phases:

- Reviewed the description of the time-bound plan for improving input datasets such that they comply tier 2 or the spatial requirements for IPCC, for several subcategories as described in section 4.3 and Annex 8 of the ERPD. For instance, the program intends to improve the estimations of deadwood and litter emission factors for the land categories by increasing the number of permanent ground plots used in the estimates, and more plots from regions closer to the ISFL jurisdictional area. Additionally, this plan intends to include data from the third national forest inventory that is under development to improve these estimates furthermore including a two time-steps assessment. Similarly, for soil organic carbon removals, the program team is considering exploring approaches and available data to account the emission factors for soil organic carbon in two time-steps (before land conversion and after land conversion).
- We also evaluated whether all subcategories indicated as meeting the ISFL requirements for inclusion, fully met the ISFL requirements for inclusion, and if they did not, we evaluated that a time-bound plan to improve the datasets for inclusion was established and could be met. This is the case for category of 3A1a. Cattle - CH4 emissions from enteric fermentation, the program team is planning to develop country specific emission factors to apply a Tier 2 method and meet the ISFL requirements to include the livestock ERs from this subcategory.
- Conducted meetings with the program team to inquire about the status of the implementation of this time-bound plan, the relevant parties involved, financial plan to make improvements, and the availability of data or ability to generate such data.
- Reviewed the baseline emissions analysis and subcategory selection datasets to understand the significance (relative emissions) of subcategories included in the time-bound plan.
- Compared the required input data and parameters for calculating the pools in this subcategory to the potential improvements a described in the ERPD.

In summary, based on the processes and procedures conducted, the assessment team concludes the following:

- Determined that the plan, which involves improving the estimates of emission factors for deadwood and litter including data from the third national forest inventory is already underway.
- Through interviews with the program team, we confirmed that the third cycle of the national forest inventory is under development and about 50% of the permanent ground plots have been measured. New data from the resample of these permanent ground plots is expected to be incorporated to improve the estimates of the deadwood and litter emissions factors in the land subcategories.
- Confirmed that funding and resources are already available and set in place to conduct these additional analyses once more data from the third cycle of the forest inventory becomes available to develop the improved emissions factors intended for the land subcategories included in the ISFL baseline and monitoring.

- Verified that the improvement plan includes the required input and data parameters for calculating the pools in this subcategory using tier 2 data.
- Ultimately found that the time-bound plan is feasible based on a review of institutions referenced and the status of the improvements. Such improvements will increase the completeness of the accounting scope through improved data quality.

4.2 Design of Planned Actions and Interventions

4.2.1 Drivers of AFOLU Emissions and Removals

The following findings from Appendix C are relevant to this sub-section:

- NCR 27

The assessment team took the following steps to assess the correctness and completeness of the analysis on historic and future trends (qualitative and quantitative) in drivers of AFOLU emissions and removals:

- Reviewed the ERPD (Section 3.1.1) to cross check against the ER Program Requirements including the template requirements.
- Held meetings with the program's technical team as well as World Bank personnel to gain a clear understanding of how the program has identified and evaluated drivers of AFOLU emissions and removals in each state to summarize at the program's jurisdictional level. Through these meetings and review of documentation, we confirmed that a comprehensive and participatory analysis was conducted across the four states and included input from communities, ejidos, and private sector.
- Requested feedback from in-country specialists, who are familiar with local laws and customs, and have expertise in the technical fields required for a reliable assessment.
- Engaged with the primary literature, including peer-reviewed journal articles and national publications/reports (e.g., FREL, BUR) to assess if the claims issued by the project are in-line with current scientific findings.

In summary, based on the processes and procedures conducted, the assessment team concludes the following:

- The description provided in the ERPD and supplemental documents is appropriate and complete.
- A thorough and comprehensive analysis of the drivers of deforestation was conducted.
- The drivers of AFOLU emission and removals are reasonable and accurate as compared to the quantification of emissions and removals as well as corresponding literature including the FREL, BUR reports, and other peer-reviewed journal articles.

4.2.2 Description and Justification of the Program's Planned Actions and Interventions

The following findings from Appendix C are relevant to this sub-section:

- NIR 28, 29

The assessment team took the following steps to assess whether the proposed actions and interventions address drivers of emissions and are informed by the contribution of key sources and sinks to the total GHG emissions and removals in the program GHG inventory and the analysis of trends:

- Reviewed the ERPD (Section 3.1) to cross check against the ER Program Requirements including the template requirements.
- Held meetings with the program's technical team as well as World Bank personnel to gain a clear understanding of how the program intends to execute proposed actions and interventions, and understand if and how these interventions may be feasible considering the specific priorities and needs of the territory.
- Engaged with the primary literature (i.e., peer-reviewed publications, FREL, BUR, carbon project documentation) to assess if the planned actions and interventions are feasible, directly influence the drivers of emissions, and are in-line with current scientific findings.
- Compared the planned actions and interventions to the description of the drivers of AFOLU emission and removals as well as the quantification of emissions to evaluate whether there is a clear and direct relationship between the planned actions to reduce emissions and the drivers of emissions.

The assessment team took the following steps to assess the extent and effectiveness of private sector engagement (either achieved or planned) in addressing drivers of emissions:

- Reviewed the ERPD (Section 3.1) to cross check against the ER Program Requirements including the template requirements.
- Held meetings with the program's technical team to gain a clear understanding of how the program intends to execute proposed actions and interventions and understand if and how these interventions were prioritized and may be feasible given local customs. Inquired about the pilot implementation programs already underway, like the payment for environmental services, the community forest management programs or others established in other regions to better evaluate the feasibility and potential impacts of these interventions.
- Engaged with the primary literature to assess if the claims issued by the project are in-line with current scientific findings.
- Increased familiarity with current privately held carbon offset projects in the country to understand their contributions to addressing drivers of emissions and to assess the program's planned interactions and engagements with the nested carbon projects.

The assessment team took the following steps to assess the magnitude of risks to (a) ER Program implementation and (b) the potential benefits of planned actions and interventions and the extent to which mitigation mechanisms have been included in ER Program design:

- Reviewed the ERPD to cross check against the ER Program Requirements including the template requirements.
- Held meetings with the program's technical team personnel to gain a clear understanding of how the program intends to execute proposed actions and interventions. Inquired about the current and future partnerships, consultancies, and intersectoral coordination between levels of government and agencies that will be established to implement the proposed activities.
- Engaged with the primary literature to assess if the claims issued by the project are in-line with current scientific findings.

In summary, based on the processes and procedures conducted, the assessment team concludes the following:

- The description provided in the ERPD and supporting documents is appropriate and complete.
- The planned actions and interventions (e.g., agroforestry and silvopastoral systems, commercial forest plantations, community forest management, payment for environmental services, , forest conservation and restoration, to name a few) are directly related to the most significant drivers of emissions.
- The planned actions and interventions are feasible and have already been underway through various programs within the region or in other nearby regions as part of similar emission reductions/conservation initiatives (e.g., community forest management, payment for environmental services).
- The proposed program activities are directly in-line with main drivers of deforestation and degradation and build on activities, commodities, and management practices but provides for greater sustainability and conservation activities to complement them through capacity development and diversification. The proposed activities were also the result of a participatory planning process and already has buy in from state and local governments as well as the private sector.

4.2.3 Financing Plan for Implementing the Planned Actions and Interventions of the Program

The following findings from Appendix C are relevant to this sub-section:

- NCR 21, 22

The assessment team took the following steps to assess the correctness and completeness of information on projected costs, revenues and funding gaps or surpluses:

- Reviewed the ERPD (Section 3.3.1) and Annex 2 to cross check against the ER Program Requirements including the template requirements.
- Held meetings with the program's technical team as well as World Bank personnel to gain a clear understanding of how the program has developed and analyzed its finances and financial planning for the duration of the program implementation.

- Applied expert judgement to assess whether all planned actions and interventions are completely included in the program costs and are realistically represented in the financial analysis and planning.
- The assessment team reviewed and confirmed that the program's financial plan for the implementation of the ER program is comprehensive and includes mechanisms for funding which relies on public funds as budgeted to the Comision Nacional Forestal (CONAFOR) and the four state governments within the jurisdiction.
- Through review of the financial analyses, the assessment team confirmed that there are funding gaps, including for the entirety of the agroforestry and silvopastoral system interventions, as well as about 22% of the implementation of the other planned interventions. Applied expert judgement to assess the financial feasibility in the program's plans for addressing the funding gap, through private sector resource sharing that includes participation in value chains identified, such as marketing of forest materials, establishing silvopastoral systems, and the participation of stakeholders in supporting payment for environmental services which can serve as mechanism to move funds towards rewarding program interventions.
- Reviewed the sensitivity analysis of the financial plan to understand the risks and potential uncertainty associated with the financing plan.

The assessment team took the following steps to assess whether the identified sources of finance are sufficient to affect the land use activities and drivers of emissions and removals:

- Reviewed the ERPD, including annex 2, to cross check against the ER Program Requirements including the template requirements.
- Held meetings with the program's technical team as well as World Bank personnel to gain a clear understanding of how the program has developed and analyzed its finances.
- Applied expert judgement to assess the estimated costs of the planned actions and interventions and the implementation strategies to assess whether the sources of finances and relevant amounts are sufficient to affect the land use activities and address the 22% funding gap.
- The identified sources of financing (e.g., national budget as allocated to CONAFOR and State Government budget), the participation of private investments, and the boost of some program activities that aim to generate revenue, appear at this time to be sufficient to have a meaningful impact on initial implementation of the emission reduction activities. The payment for environmental services program which will internally fund some of the sustainable activities involves the transfer of funds to reward more sustainable activities that enhance water supply.
- Engaged with the primary literature to assess if the claims issued by the project are in-line with current scientific findings.

The assessment team took the following steps to assess the financial and economic analyses (including discount rates and other parameters):

- Reviewed the ERPD (Section 3.3.1) to cross check against the ER Program Requirements including the template requirements.

- Held meetings with the program's technical team as well as World Bank personnel to gain a clear understanding of how the program has developed and analyzed its cash flow analysis and funding gap.
- Applied expert judgement and knowledge of financial principles when assessing the cash flow assumptions including implementation rates, costs of implementation, government budgets to be allocated, etc.

The assessment team took the following steps to assess the arrangements for flow of funds:

- Reviewed the ERPD (Section 3.3.1) to cross check against the ER Program Requirements including the template requirements.
- Applied expert judgement when reviewing the arrangements for flow of funds to assess whether sufficient agreements are in place and fundings sources are adequate to address the program implementation costs and funding gaps.
- Given the private sector incentives for resources sharing and collaboration (i.e., profitability of the planned interventions), the assessment team confirmed that the inability to mitigate the funding gap is a relatively low risk.
- Confirmed that the program activities themselves are revenue generating as they are based on sustainably production and sale of timber and nontimber forest products thus incentivizing meaningful impact in the land use activities and the drivers that cause emissions.
- Held meetings with the program's technical team as well as World Bank personnel to gain a clear understanding of how the program has developed and analyzed its finances.

In summary, based on the processes and procedures conducted, the assessment team concludes the following:

- The description provided in the ERPD and supporting documents is appropriate and complete.
- The financial planning appears to be accurate and contain complete information on projected costs, revenues and funding gaps or surpluses.
- The financial planning applies established principles of cash flow analyses and includes accurate application of parameters (e.g., cost of VERs, discount rate of 10%) and ex-ante emission reductions.
- The financing plan for ISFL program implementation including public funds from government agencies (e.g. CONAFOR, the state governments) along with the additional strategies planned to mitigate the 22% funding gap, is feasible, realistic, and appears to sufficiently address the land use activities and the drivers of emissions.
- The program team has realistic plans for addressing this 22% funding gap involving the participation of private sector investments to boost and enhance sustainable productive initiatives, as well as including program activities that will generate revenue based on sustainably production and sale of timber and nontimber forest products.

4.2.4 Risk for Displacement

The following findings from Appendix C are relevant to this sub-section:

- N/A

The assessment team took the following steps to assess the correctness and completeness of the information provided in the analysis of displacement risk:

- Reviewed the ERPD (section 3.1.5) to cross check against the ER Program Requirements including the template requirements.
- Held meetings with the program's technical team as well as World Bank personnel to gain a clear understanding of how the program has evaluated the main drivers of deforestation and forest degradation related to land use change for agricultural purposes, overgrazing, extensive livestock farming, illegal logging, forest fires, mining, overexploitation of timber and non-timber forest resources, forest pests and diseases, and their risk of displacement both within and outside of the ER program area.
- Evaluated the mitigation measures proposed by the program personnel considering an integral approach to strengthen actions towards the use of sustainable livestock models and sustainable forest management activities within the priority areas and surrounding areas in the four states of the jurisdiction.
- Evaluated other emissions reductions measures and policies that the program proposes to strengthen the local governance, institutional structure, and law enforcement actions, promoting local organization between Ejidos and communities to have the tools and resources to look after their territory and defend it from illegal activities.
- Assessed whether other mechanisms and actions may be in place outside of the ER program area to prevent or mitigate displacement risks.
- Engaged with the primary literature to assess if the claims issued by the project are in-line with current scientific findings.

The assessment team took the following steps to assess the effectiveness of the proposed strategy to mitigate and/or minimize, to the extent possible, potential displacement:

- Reviewed the ERPD to cross check against the ER Program Requirements including the template requirements.
- Held meetings with the program's technical team as well as World Bank personnel to gain a clear understanding of how the program has identified the main risks of displacement in each of the four states and intends to implement activities in a targeted and integral land management approach to mitigate the displacement risks of overgrazing, extensive livestock farming, land use change for commercial agriculture, illegal logging, mining, forest fires, the overexploitation of forest resources and control of forest pests and diseases.
- Applied expert judgement when assessing the risk of displacement and whether planned interventions (e.g., agroforestry and silvopastoral systems, boosting forest production and

productivity, community forest management, payment for environmental services, forest protection, strengthening law enforcement, to name a few) will effectively combat this risk.

In summary, based on the processes and procedures conducted, the assessment team concludes the following:

- The description provided in the ERPD and supplemental documents is appropriate and complete and demonstrates that the program team conducted a thorough and spatially explicit assessment of displacement both within the program area and outside.
- Activity shifting leakage from overgrazing, extensive livestock farming, land use change for agricultural purposes, illegal logging, forest fires, mining and the overexploitation of forest resources are the likely drivers of displacement, as they are the highest emission sources in the region, which is accurately described in the ERPD.
- The planned program interventions are feasible solutions to the risk of displacement caused by activity shifting leakage, as many interventions are to enhance efficiency of activities where they are already established (e.g., Mexico has a consolidated public policy for fire management, a payment for environmental services, community forest management programs, sustainable forestry, etc.) Likewise, other programs and interinstitutional coordination between agencies at the different levels (local, regional, national) are in place that can help to prevent or mitigate the risk of displacement outside of program area.

4.3 Tracking, Management, Disbursement and Reduction of Risks to Emission Reductions

4.3.1 Analysis of Laws, Statutes, and Other Regulatory Frameworks

The following findings from Appendix C are relevant to this sub-section:

- NIR 23, 30

The assessment team took the following steps to assess the correctness and completeness of the information provided in the ERPD in respect of laws, statutes, and other regulatory frameworks:

- Reviewed the ERPD (Section 3.1.4) to cross check against the ER Program Requirements including the template requirements.
- Conducted an independent review of the laws, statutes, and other regulatory frameworks in Mexico to evaluate the completeness of the information provided in the ERPD.
- Held meetings with the program's technical team as well as World Bank personnel to gain a clear understanding of how the program has assessed the validity of the project against any known legal or regulatory frameworks, including the General Law on Climate Change (LGCC), the General Law of Sustainable Forestry Development (LGDFS), the General Law of Ecological Balance and Environmental Protection, the 1992 Agrarian Law, the Sustainable Rural Development Law (LDRS) , and many others.

- Applied expert judgment while reviewing the laws pertinent to this project to assess whether the proposed project activities are in-line with the with the provisions of the Mexican legal framework, the General Law on Climate Change, the General Law of Sustainable Forestry Development and other regulatory frameworks in place.

The assessment team took the following steps to assess the existence and extent of any known legal or regulatory issues in the program area that could affect the ER Program design and the existence and effectiveness of any mitigation mechanisms to address such issues:

- Reviewed the ERPD (Section 3.1.4) to cross check against the ER Program Requirements including the template requirements.
- Held meetings with the program's technical team as well as World Bank personnel to gain a clear understanding of how the program has assessed the validity of the project against any known legal or regulatory frameworks, including the including the General Law on Climate Change, the General Law of Sustainable Forestry Development, the General Law of Ecological Balance and Environmental Protection, the 1992 Agrarian Law, the Sustainable Rural Development Law , and many others.
- Conducted a review of the Article 138 of the General Law of Sustainable Forestry Development which states that the Secretary of Environment and Natural Resources (SEMARNAT) has the power to agree with state governments on participative mechanisms to reduce emissions from the forestry sector with the technical opinion of CONAFOR, INECC and CONANP to avoid double counting of ERs and to comply with the provisions of the Nationally Determined Contributions (NDCs).
- Conducted a review of the the Climate Change Information System, that is a Mexican public policy instrument that integrates, updates and makes available to the public information related to mitigation projects classified by i) Registered Clean Development Management (CDM) projects, ii) Expected Certified Emission Reductions (CERs), iii) Registered Clean Development Management (CDM) projects with Certified Emission Reductions (CERs) and iv) Certified Emission Reductions (CERs) obtained which serves as a reporting mechanism for all REDD projects in the country.
- Conducted a review of the General Law of Sustainable Forest Development, including Article 5 regarding forest resource ownership, Article 8 pertaining to the observance of safeguards and human rights to evaluate whether an appropriate social safeguards framework has been established to guarantee the rights of local communities while implementing program activities.
- Applied expert judgment while reviewing the laws pertinent to this project and ensured that project activities were in-line with the legal and regulatory frameworks in place.

In summary, based on the processes and procedures conducted, the assessment team concludes the following:

- The description provided in the ERPD and supplemental documents is appropriate and complete.
- The program staff are knowledgeable about the local laws and statutes and have abided by and worked within these frameworks while designing and executing this project.

- There is low risk of non-adherence to laws and regulatory frameworks, especially considering that this jurisdictional program is operated by government officials who are obligated to uphold the law as they are public servants.
- There are regulatory enforcement and monitoring measures in place to ensure that all project activities and implementing actors maintain compliance with laws and regulatory frameworks in place.

4.3.2 Participation Under Other GHG initiatives

The following findings from Appendix C are relevant to this sub-section:

- NIR 24, 25

The assessment team took the following steps to assess the correctness and completeness of the information provided whether parts of the program area, or projects in the program area, are included in other GHG initiatives and if this creates a risk of double counting, and/or double payment:

- Independently reviewed the ERPD (Section 3.7.2) and cross-checked it against the program requirements.
- Reviewed the other AFOLU carbon projects (e.g., Verra, Green Climate Fund, ART-TREES) existing in the jurisdiction of the four states to understand the extent of the risk of double counting and/or double payment.
- Held meetings with the program's technical team as well as World Bank personnel to gain a clear understanding of how the program intends to avoid risk of double counting and how their identification of and engagement with other AFOLU carbon projects has determined their internal risk of double counting.
- Conducted a review of the Mexican Climate Change Information System that serves as a public policy instrument that integrates the public information related to mitigation projects classified by i) Registered Clean Development Management (CDM) projects, ii) Expected Certified Emission Reductions (CERs), iii) Registered Clean Development Management (CDM) projects with Certified Emission Reductions (CERs) and iv) Certified Emission Reductions (CERs) obtained, to cross-check that there are no other AFOLU projects registered in the system for the program area.
- To better understand the national requirements around reporting of emission reductions, the assessment team independently reviewed the Article 138 Bis of the General Law of Sustainable Forestry Development, that states that SEMARNAT has the power to agree with state governments on how they can participate in cooperative mechanisms to reduce emissions from the forestry sector and to request the technical opinion of CONAFOR, INECC and CONANP to regulate the transfer of emissions reductions avoid double counting of ERs in Mexico.

In summary, based on the processes and procedures conducted, the assessment team concludes the following:

- Concluded that the jurisdictional program has considered double counting risk and has designed the project accordingly, including plans to either nest or exclude existing AFOLU carbon projects within the Region, which is covered by Article 138 Bis mentioned before.
- The assessment has confirmed that a registry system (the Climate Change Information System) and a comprehensive legal framework have been established to regulate the voluntary carbon market in Mexico, and that in order to ensure transparency and avoid double counting, the ERs originating from projects located within the program area jurisdiction, timeframe, activities, pools, and gases will be deducted from the program's total reported ERs during the reporting periods.
- Due to the measures proposed or in place, the assessment team has found that the risk of double-counting is relatively low.

4.3.3 Data management and Registry Systems to Avoid Multiple Claims to Emission Reductions

The following findings from Appendix C are relevant to this sub-section:

- NIR 24-26

The assessment team took the following steps to assess whether the program and projects data management system is sufficient, secure, and robust:

- Independently reviewed the ERPD (Section 3.7.3) and cross-checked it against the program requirements.
- Independently reviewed the National Emissions Registry (RENE), a Mexican public policy instrument to compile information related to emissions of compounds and Greenhouse Gases from the country's productive sectors, and the Chapter VIII Registry of the Climate Change General Law (articles 87-90) that stipulates that SEMARNAT must integrate and make publicly available the registry of reportable emissions, and obliges individuals and legal entities who carry out projects that result in emission reductions to register them in the RENE, establishing the regulations and procedures for monitoring, reporting and verification and/or certification of emissions reductions obtained in projects enrolled in the Registry.
- Independently reviewed the Article 14 (Frac. XIX) of the General Law of Sustainable Forest Development which states that SEMARNAT is responsible to regulate, establish, integrate, operate, and keep updated the Registry of the reduction or absorption of emissions derived from deforestation and forest degradation, as well as to authorize the transfer of these to cooperative mechanisms and international carbon trading programs.
- The assessors also reviewed documentation pertaining to the data management protocols for national GHG inventories which the includes the systematization of the methods and protocols for data management and reporting processes. The program has indicated its intention to apply such data management approaches.
- Held meetings with the program’s technical team as well as World Bank personnel to gain a clear understanding of the organizational structure of the program and the various data management

systems and registries (e.g., the national forest inventory (INFyS), the Mexican Climate Change Information System, the National Forest Monitoring System, theRENE, etc).

The assessment team took the following steps to assess whether the transaction registry to be used is sufficient, secure, and robust:

- Independently reviewed the ERPD (Section 3.7.3) and cross-checked it against the program requirements.
- To better understand the national requirements around reporting of emission reductions, the assessment team independently reviewed documentation on RENE, and the Mexican General Law of Climate Change, the legal framework that regulates the RENE system used to register and track greenhouse gas mitigation initiatives in Mexico.
- Held meetings with the program's technical team as well as World Bank personnel to gain a clear understanding of how the RENE system works, what spatial controls are in place, who operates the system, and how the system is applicable to the ER Program. The assessment team evaluated whether the system is sufficient and robust to register, track, and as appropriate retire or cancel ER units generated under the ER Program.

The assessment team took the following steps to assess whether the data management and registry systems are sufficiently robust and sophisticated as to recognize nested projects and avoided multiple claims to emission reductions:

- Independently reviewed Article 14 (Frac. XIX) of the General Law of Sustainable Forest Development and the Chapter VIII Registry of the Climate Change General Law (articles 87-90) that stipulates that SEMARNAT must integrate and make publicly available the measurement, reporting, and verification (MRV) system for greenhouse gas mitigation, including the data management and registry system to avoid multiple claims of emission reductions, the RENE system. The resolution also contains nesting and exclusion provisions.
- To better understand the national requirements around reporting of emission reductions, the assessment team independently reviewed documentation on RENE, the system used to register and track greenhouse gas mitigation initiatives in Mexico jurisdictional GHG initiatives relative to projects encompassed (nested) within the jurisdiction.
- Held meetings with the program's technical team as well as World Bank personnel to gain a clear understanding of how the RENE system works, what spatial controls are in place, who operates the system, and how the system is applicable to the ER Program.
- Reviewed the other AFOLU carbon projects (e.g., Verra, CAR's Mexican Forest Protocol) existing in the Region to understand the extent of the risk of multiple claims to emission reductions.

In summary, based on the processes and procedures conducted, the assessment team concludes the following:

- Confirmed that the project's data management system is sufficient, secure, sophisticated, and robust.

- The assessment has confirmed that a National Emissions Registry (RENE), and a comprehensive legal regulatory framework has been established to detect, control and prevent double counting with other AFOLU initiatives in the region.
- Confirmed that data management system and registry system is in-line with regulatory requirements outlined in the Resolution 1447 of 2018.
- Confirmed that the program has established a registry system, RENE (which is not currently active) to serve as a data management system to allow for tracking of carbon project areas, credits, cancellations, etc., and for now all the registration information is concentrated in a spreadsheet, managed by CONAFOR, which allows the identification and registration of the ER projects in the region, that will later will be integrated into the RENE. See finding NIR 26 in Appendix C.

4.3.4 Reversals

The following findings from Appendix C are relevant to this sub-section:

- NIR 40, 41, 44

The assessment team took the following steps to assess the correctness and completeness of the data and assumptions used in the assessment of the reversal risk:

- Independently reviewed the ERPD (Section 4.7) and cross-checked it against the program requirements.
- Held meetings with the program's technical team as well as World Bank personnel to gain a clear understanding of how the program intends to manage reversal risk.
- Reviewed ancillary documentation regarding the main natural risk factors (fires, droughts and forests pests and diseases) as well as anthropogenic factors (illegal and armed actors, lack of effective legal instruments, lack of co-responsibility of local stakeholders) to better understand their impacts on forests in the in the four states of the jurisdiction and confirm the correctness of the data and assumptions described in the ERPD.
- Applied expert judgement to assess whether the data and assumptions included in assessing both anthropogenic and natural risk were valid, while also consulting the primary literature to assess whether these data and assumptions are in-line with current scientific findings.

The assessment team took the following steps to assess whether the Buffer Requirements have been applied correctly:

- Independently reviewed the ERPD (Section 4.7.2 and Annex 11) and cross-checked it against the program requirements.
- Held meetings with the program's technical team as well as World Bank personnel to gain a clear understanding of how the buffer credits were calculated.

In summary, based on the processes and procedures conducted, the assessment team concludes the following:

- The project has accurately assessed reversal risks due to the main anthropogenic and natural factors active in the region.
- The reversal risk appears to the reasonable and accurate, though it must be noted that the risk of exposure and vulnerability to natural disturbance events is difficult to predict due to stochasticity of these events. The assessment of natural factors considered mostly historical risks, and in a changing climate, these risks of natural disturbances (fires, droughts, pests, and diseases) could increase.
- Assured that the program is accurately calculating buffer credits as per the requirements of the ISFL guidelines.

4.4 Quantification of Emission Reductions

4.4.1 Emissions Baseline

The following findings from Appendix C are relevant to this sub-section:

- NIR 1-13, 15-20, 33, 38, 39

The assessment team took the following steps to assess whether the methods used to construct are in line with the IPCC and best practice approaches:

- Reviewed the application of the methods and datasets, including assumptions and selection of parameters used to construct the emissions baseline to assess whether they are in line with IPCC methods and best practice approaches.
- Assessment team applied the IPCC guidelines, other criteria described in section 2.2 above, and best practice approaches to independently re-quantify the emissions baseline for a sample of subcategories (i.e., those selected by applying section 4.3 of the program requirements) using the complete datasets or samples of data utilized by the program team.
- Conducted meetings and interviews with the program team to better understand the data and methods applied and check the validity of information provided to the assessment team.

The assessment team took the following steps to assess the correctness and completeness of the data used to construct the baseline:

- Independently assessed the land use land cover (LULC) classification through review of the mapping files and supporting protocols, to determine whether the methodologies applied, as well as the training and QA/QC processes employed, were appropriate to ensure high-quality data and minimize the impact of any measurement errors.
- The auditors conducted an in-person site visit with the program team to review the querying protocols of the national forest inventory database and attain a clearer understanding how inventory data was compiled and analyzed to develop the emission factors using a stock change approach.
- Independently reviewed the data sources and assumptions used to develop the emission factors for all land cover classes and carbon pools.

- Independently assessed the program area boundaries and the land use land cover change areas with the program boundary by selecting a sample of Collect Earth activity data points and corroborating their classification using ancillary high-resolution imagery.
- Used GIS to conduct spatial checks on the sampling intensity of the land use land cover points (Collect Earth) across the landscape and applied the programs area estimation protocols to ensure the accurate areas of land use and land cover change were calculated and applied.
- Conducted meetings and interviews with the program team to better understand the data and methods applied and to check the validity of information provided to the assessment team.

The assessment team took the following steps to whether the baseline requirements have been applied correctly and the emissions baseline estimate is calculated correctly:

- Independently replicated the quantification of the emissions baseline using a combination of the complete datasets (e.g., emission factors and activity data) and/or a sample of the datasets for the subcategories, applied by the program team to verify that the emissions baseline estimate is free of material discrepancies.
- Used GIS to conduct spatial checks on the sampling intensity of the land use land cover points (Collect Earth) across the landscape and applied the programs area estimation protocols to ensure the accurate areas of land use and land cover change were calculated and applied.
- The auditors conducted an in-person site visit with the program team to review the querying protocols of the national forest inventory database and attain a clearer understanding how inventory data was compiled and analyzed to develop the emission factors using a stock change approach.
- The replication of the quantification included recalculation of the following: activity data (the area of each land use category and land use change for each year), emission factors for aboveground live, belowground live, dead wood, litter, and soil pools, program area boundaries (administrative boundary of the Chihuahua, Coahuila, Durango, and Nuevo León states), total emissions of each subcategory (emission factors multiplied by activity data with consideration of decay rates), and the subcategory selection (described above in section 4.1.2 above).

The assessment team took the following steps to assess whether the uncertainty in the emissions baseline has been correctly identified and assessed in accordance with IPCC good practice:

- Reviewed the ERPD (section 4.5.3) to verify that all potential uncertainties arising in the baseline scenario as well as measurement, monitoring and reporting have been identified and assessed in accordance with IPCC good practice.
- Assessed whether a comprehensive approach to mitigate key areas of uncertainty has been addressed in a time-bound plan to increase the completeness and improve data and methods (see section 4.1.3 above for the time-bound plan assessment).
- Conducted independent recalculation and/or tracing of the uncertainties associated with the land use and land cover change, emission factors, and combined uncertainties. Note that a Forward

Action Request has been issued regarding the transparency of the uncertainty analysis (see section 5.2 below).

- Independently determined the ex-ante uncertainty set-aside factor in the table in section 4.6.4 of the Program Requirements to assess whether the correct factor was applied. Independently recalculated the ex-ante estimation of the quantity of total net emission reductions allocated to the Uncertainty Buffer for each ERPA year.

In summary, based on the processes and procedures conducted, the assessment team concludes the following:

- The methods, including assumptions and selection of parameters, used to construct the emissions baseline are in line with the IPCC and best practice approaches.
- The data used to construct the emissions baseline is correct and complete for the subcategories ultimately selected.
- The activity data and emission factors used to construct the emissions baseline apply the best available data, have been accurately quantified and combined to establish an emissions baseline that is free from material error.
- The subcategory selection for the emissions baseline is accurate and in accordance with the ER requirements and includes the land use subcategories with the highest relative emissions that meet the data requirements of ISFL.
- Note that the assessment team has issued a Forward Action Request (see section 5.2 below) regarding the transparency of the emissions baseline uncertainty assessment.

4.4.2 Monitoring Approach

The following findings from Appendix C are relevant to this sub-section:

- NIR 31-32, 35-37

The assessment team took the following steps to assess whether the data and methods proposed for monitoring are consistent enough with the data and methods used for the determination of the baseline to allow for meaningful comparison and calculation of the emission reductions:

- Reviewed and independently identified the key datasets and methods used for the baseline determination which will be needed for continued monitoring.
- Conducted interviews with the program team to better assess the monitoring plans and personnel required for continued monitoring of the program emissions including land use change monitoring and program implementation emissions.
- Reviewed the monitoring approach in section 4.5.1 in the ERPD to determine whether it is consistent with these key datasets and methods used for the baseline determination.
- Reviewed documentation and interviewed program team to determine whether an appropriate party is delegated as responsible for carrying out the monitoring strategy.

The assessment team took the following steps to assess whether the proposed monitoring methods and arrangements are in place as described in the ERPD and are technically capable of collecting the data:

- We independently assessed whether the data needed for monitoring will be continually updated and available by reviewing the monitoring frequency of key sources of activity data such as the national forest inventory (INFyS) and the spatial land use datasets (SAMOF/Collect Earth) for land use change subcategories. The program intends to utilize the same emission factors generated from the INFyS as well as the same SAMOF/Collect Earth points to evaluate land use change. The main source of data needed is ancillary imagery for classification of land use change and through our expert knowledge we confirmed this information will continue to be available.
- We independently assessed using expert knowledge whether the monitoring approaches planned will accurately and completely account for the program's emission reductions and removals due to implementation of key activities relative to the baseline. We conclude the program's monitoring approaches are designed to effectively capture emission reductions and removal associated with land use change.
- As the program intends to utilize the same stock change derived emission factors for the forest remaining forest subcategory for monitoring as it did in the baseline, we conclude that the program will not be able to assess reductions in emissions due to activities aimed at reducing fire and pest/disease disturbances, or the growth enhancements due to more sustainable forest management activities. However, the assessment team contends that this approach is conservative and in accordance with ISFL requirements. See section 5.2 for more information of this observation/area of improvement.
- Applied expert judgement to assess whether the proposed monitoring methods and arrangements are in place as described in the ERPD and are technically capable of collecting the data.
- Conducted interviews with the technical experts on the program team to evaluate whether the team includes the technical capacities for collection and synthesis of monitoring data.

The assessment team took the following steps to assess whether the uncertainty in the data and parameters to be monitored has been correctly identified and assessed:

- Independently identified the sources of uncertainty and compared to those identified in section 4.5.3, Annex 9 and Annex 10 of the ERPD. The main sources of uncertainty identified are those associated with the activity data which will be the only monitored parameter for the land use subcategories included in the current emissions baseline.
- Compared the identified sources of uncertainty for each data and parameter to be monitored to determine whether they were identified following approaches from the most recent IPCC guidance and guidelines.
- Applied expert judgement to conclude that the assessment of sources of uncertainty in construction of the Emissions Baseline is justifiable. However, see 5.2 below for details on a Forward Action Request regarding the demonstration of the uncertainty analysis.

- Compared the monitoring plan to the elements of the time-bound plan described in section 4.1.3 above to assess whether there is consistency in the identification of data and parameters that have the highest uncertainty and that are most critical to improving accuracy and increasing completeness of the accounting scope.

The assessment team took the following steps to assess whether the proposed approach to manage and reduce uncertainty reflects good practice:

- Compared the proposed approach to manage and reduce uncertainty to the guidance set out in the IPCC 2006 Guidelines to determine whether such guidance has been considered and applied.
- Confirmed that the main sources of uncertainty identified relate to the emission factors for the dead wood, litter and soil pools and that appropriate methods to address these uncertainty (use of additional INFyS data when it becomes available) will effectively reduce this uncertainty.
- Applied expert judgement to assess whether the proposed approach to reduce uncertainties reflects good practice and are relevant and feasible for each data and parameter.

In summary, based on the processes and procedures conducted, the assessment team concludes the following:

- The monitoring procedures are appropriate for evaluating the emissions reductions and removals associated with land use changes that the program activities seek to address (reducing deforestation, increasing forest cover). However, the program also seeks to implement activities that enhance carbon storage in forest remaining forest, the assessment team concludes that the monitoring approaches do not evaluate changes in carbon storage on forest remaining forest (changes in emission factors) thus will not capture these enhancements, which is ultimately conservative and in accordance with ISFL requirements (see section 5.2 below for more information on this observation).
- The monitoring procedures are technically capable of collecting the data needed to allow for meaningful comparison and calculation of the emission reductions from the baseline.
- The appropriate institutional framework and organizational structure is in place to make monitoring of the data and parameters feasible.
- The uncertainty in the data and parameters to be monitored has been correctly identified and assessed (see Forward Action Request in section 5.2 below regarding the transparency of uncertainty). The uncertainty set-aside factor has been correctly applied.
- The proposed approach to manage and reduce uncertainty generally reflects good practice.

4.4.3 Ex-Ante Estimation of the Emission Reductions

The following findings from Appendix C are relevant to this sub-section:

- N/A

The assessment team took the following steps to assess whether the assumed effectiveness of the Program in addressing the drivers and its impact on the emissions is justified and based on reasonable assumptions:

- Reviewed the ERDP and supporting documentation to assess the justification of the applied emissions reduction estimation approaches, assumptions, and parameters.
- Conducted interviews with the program team to better understand how the proposed activities will be implemented to address the drivers of deforestation and reduce emissions.
- Applied expert judgement while reviewing the application of methodologies and assumptions used to estimate ex-ante emission reductions.
- Applied expert judgement to independently evaluate the assumed effectiveness of the program (a 30% reduction in emissions compared to the baseline) in addressing the drivers of emissions and their impacts on the emissions.
- Compared the proposed program activities to the National REDD Strategy to determine whether the program is in-line with national strategies and estimated emissions reductions.

In summary, based on the processes and procedures conducted, the assessment team concludes the following:

- The assumed effectiveness of the Program in addressing the drivers and its impact on the emissions has been justified in the ERPD and supporting documentation and is considered technically feasible but also ambitious.
- The proposed program activities are directly in-line with main drivers of deforestation and degradation and build on activities, commodities, and management practices but provides for greater sustainability and conservation activities to complement them through capacity development and diversification. The proposed activities were also the result of a participatory planning process and already has buy in from state and local governments as well as the private sector, thus the assumptions around the effectiveness of the program are justified.
- The program team has the expertise, partnerships, and monitoring procedures and data in place to effectively implement and achieve the projected emissions reductions.

5 Conclusion

5.1 Assessment Opinion

SCS Global Services (SCS) was retained by the Initiative for Sustainable Forest Landscapes (ISFL) of the World Bank Group to perform an independent assessment Mexico's ISFL Emissions Reduction Program against the ISFL Emission Reductions Program Requirements and associated guidelines. During the review of the ERPD, the assessment team was informed by the due diligence processes of the ISFL team in the World Bank Group and others at the World Bank Group to develop the findings and conclusions described in this report.

The conclusions of the assessment engagement differ between the two levels of assurance utilized in the assessment. The conclusions are set out according to each level of assurance in the table below.

Applicable Level of Assurance	Conclusions
Reasonable	With the exception of any potential or actual areas of risk or concern or Forward Action Requests (i.e., currently unresolved material omissions, misstatements, and/or non-conformities) as documented in Section 5.2 below, and based on the processes and procedures conducted by the audit team: ▪ The information provided in the ERPD is correct and complete (i.e., not leaving out information that might affect the opinion of the reader). ▪ The Program, as described in the ERPD, complies with the assessment criteria as described above.
Limited	With the exception of any potential of actual areas of risk or concern or Forward Action Requests (i.e., currently unresolved material omissions, misstatements, and/or non-conformities) as documented in Section 5.2 below, and based on the processes and procedures conducted by the audit team: ▪ There is no evidence that the information provided in the ERPD is incorrect and/or incomplete (i.e., leaving out information that might affect the opinion of the reader). ▪ There is no evidence that the Program, as described in the ERPD, does not comply with the assessment criteria as described above.

The reader is encouraged to refer to Appendix C below for information regarding the level of assurance applied to any indicator of interest.

In addition, the following summary conclusions are made (with the exception of any potential or actual areas of risk or concern or Forward Action Requests (i.e., currently unresolved material omissions, misstatements, and/or non-conformities) as documented in Section 5.2 below) with a limited level of assurance regarding those areas in which the scope of the assessment extends beyond a strict assessment for compliance to the assessment criteria:

Area	Conclusions
Effectiveness of achieved or planned private sector engagement in addressing drivers of emissions	Based on the processes and procedures conducted: ▪ Based on interviews with program partners and review of program activities in place or planned, the ERPD provides a complete description of the planned private sector engagement in addressing drivers of emissions.

Area	Conclusions
	▪ The private sector included at this time includes the expertise necessary, partnerships, and parafiscal funding to enable the described activities. ▪ The private sector included at this time includes support and collaboration from a wholistic range of entities (e.g., dairy industry, forestry industry, agricultural industry), necessary to implement the program activities necessary to address the drivers of emissions.
Risks to (a) program implementation and (b) the potential benefits of planned actions and interventions	Based on the processes and procedures conducted: ▪ As stated above, the experience and knowledge pertaining to project activities, the strong community engagement elements, and the collaboration among government agencies, the private sector, and community level (e.g., ejidos, rural producers, indigenous communities) at this time lay the foundation for the success of the program implementation. ▪ Although a funding gap currently exist, the program has plans to promote greater participation of the private sector for marketing of forest materials, establishing silvopastoral systems, and protecting forests, thus the assessment team believes this to be a low risk factor. ▪ The assessment concluded that anthropogenic factors such as low participation of stakeholders, lack of accessible grievance mechanisms or mechanisms to address conflicts, which could pose challenges for both the implementation of program activities and the effectiveness of the activities. While these represent real risks that would be present for any jurisdictional program, the team has developed mitigation measures such as formulation of coordination agreements and technical annexes for executing program implementation. ▪ A review of literature and interviews with the program team revealed that climatic events such as fire, drought, and pests and disease may pose a risk

Area	Conclusions
	to some subcategories, such to agriculture and natural forests, but several of the program activities are geared towards reducing risks associated with fires and pests (phytosanitary treatments and fire management brigades), and developing more sustainable agroforestry and silvopastoral systems, thus mitigating these natural risks.
Plan for mitigating funding gaps	Based on the processes and procedures conducted: ▪ The assessment team confirmed program's financial plan for the implementation of the ER program is comprehensive and includes mechanisms for funding which relies on public funds as budgeted to the Comision Nacional Forestal (CONAFOR) and the four State Governments within the jurisdiction. ▪ Through review of the financial analyses, the assessment team confirmed that there are funding gaps, including for the entirety of the agroforestry and silvopastoral system interventions, as well as about 20% of the implementation of the other planned interventions. ▪ The program plans to mitigate the funding gap through private sector resource sharing that includes participation in value chains identified, such as marketing of forest materials, establishing silvopastoral systems, and the participation in stakeholders in supporting payment for environmental services which can serve as mechanism to move funds towards rewarding program interventions. ▪ Given the private sector incentives for resources sharing and collaboration (i.e., profitability of the planned interventions), the assessment team concludes that the inability to mitigate the funding gap as a relatively low risk.
Plan whether the identified sources of finance are sufficient to have a meaningful impact on the land use activities and drivers which cause emissions and removals	Based on the processes and procedures conducted: ▪ The identified sources of financing (e.g., national budget as allocated to CONAFOR and State

Area	Conclusions
	Government budget), appear at this time to be sufficient to have a meaningful impact on initial implementation of the emission reduction activities. ▪ The program activities themselves are revenue generating as they are based on sustainably production and sale of timber and nontimber forest products thus incentivizing impactful land use activities and the drivers that cause emissions. ▪ The payment for environmental services program which will internally fund some of the sustainable activities involves the transfer of funds to reward more sustainable activities that enhance water supply.
Financial and economic analyses	Based on the processes and procedures conducted: ▪ The economic analysis provided is clear, comprehensive, and well designed and has been prepared by experts in the field of finance.
Arrangements for flow of funds	Based on the processes and procedures conducted: ▪ The arrangement for flow of funds is well documented in the ERPD and described in the economic analysis. ▪ The flow of funds into the program from the federal government follow well-established rules and procedures in compliance with the country's legal framework. The procedure involves participants submitting proposals for projects in eligible areas and the most viable and highly scored proposals are funded through a formalized agreement. ▪ The flow of benefits from the program activities are included in the detailed benefit plan in the ERPD.
Any known legal or regulatory issues in the program area that can affect the program design, and the implications thereof	Based on the processes and procedures conducted: ▪ No known legal or regulatory issues in the program area that can affect the program design, including benefit sharing, and the implications thereof, were identified by the assessment team.

Area	Conclusions
Effectiveness of the proposed strategy to mitigate and/or minimize, to the extent possible, potential displacement	Based on the processes and procedures conducted: ▪ Based on the documentation provided, the assessment team believes that the claims in the ERPD are accurate regarding this criterion. The project activities have been designed to prevent and mitigate the extent of displacement of emissions outside of the program area. ▪ On-site analysis should occur during the verification phase of this process.

Lead Verifier's Approval	 Vanessa Silva Mascorro, 15 May 2024
Technical Reviewer's Approval	 Raleigh Ricart, 05 June 2024

5.2 Forward Action Requests and Potential or Actual Areas of Risk or Concern

This section contains a summary description of areas of potential opportunity for improvement as well as areas of current non-conformance (Forward Action Requests) or potential risk of non-conformance in the future.

The column headers in the below table have the following meanings:

- No: The number of the area of risk, concern, or Forward Action Request (assigned in consecutive sequence).
- Indicator(s): A cross-reference to any applicable indicators in the assessment checklist (see Appendix C below for more information).
- Finding(s): A cross-reference to the unresolved finding to which the area of risk, concern, or Forward Action Request is related.
- Sec: A cross-reference to the applicable section of the requirement against which the unresolved finding was issued, as pasted from the applicable indicator(s) in Appendix C; note that the one- or two-character alphabetical codes at the beginning of each section reference have the following codes:
    - T : PD Template
    - PR : Program Requirements
    - BR : Buffer Requirements
    - VV: Validation & Verification Requirements
- Requirement Text: The text of the requirement against which the unresolved finding was issued, as pasted from the applicable indicator(s) in Appendix C.
- Forward Action Request OR Potential or Actual Area of Risk or Concern: A description of the potential or actual area of risk or concern.

No.	Indicator(s)	Finding(s)	Sec.	Requirement Text	Forward Action Request or Potential or Actual Area of Risk or Concern

01 (FAR) Uncertainty analyses	PR§4.6.1, Annex 9	NIR 38, 39	RA-41, RA-46	Section 4.6.1 of the ER Requirements states "ISFL ER Programs shall systematically identify and assess sources of uncertainty in the determination of the Emissions Baseline and the monitoring of Emissions and Removals following the most recent IPCC guidance and guidelines. " Section 5.1(6) of the Validation & verification Requirements states that "The Validation and Verification Body shall adhere to the following principles in its Validation/Verification…. e) Transparency: disclose sufficient and appropriate ISFL ER Program-related information truthfully to allow intended users to make decisions with reasonable confidence."	**Forward Action Request:** Section 4.4.2 of the ERPD states "The historical average over the reference period is -12,388,580.05 tCO2e, and its uncertainty is 3.16%." While SOP17 provides a brief overview of the approach for quantifying baseline uncertainty, and the baseline calculation workbooks (03.InventarioGEI_Tierras_ISFL.xlsx; ISFL Baseline v 3.0 - 250722_actualizado.xlsx) show a demonstration of the uncertainty equations, not all equations are clearly defined and referenced in SOP17 or the ERPD. Likewise, the emission factor uncertainty calculations (e.g., DEMO_Base_Deforestacion_FL_AGB_BGB) are not clearly demonstrated or explained from the conglomerado level to the ecoregion/conversion level for all pools. Ultimately the assessment team has found that the quantification of uncertainty is not transparent. This forward action request is to require that the Program Team provide a transparent demonstration of: a) The calculation of overall uncertainty estimates of both: updated baseline and reported emissions reductions estimates presented as part of the first monitoring period report, for

					validation and verification purposes. This particularly refers to: b) The calculation of the Emission Factors uncertainty from the conglomerado up to the ecoregion level for each conversion type for all pools. c) The calculation of the total baseline uncertainty value as well as the annual baseline uncertainties for each of the baseline years (2009 to 2018), that includes a demonstration of the propagation of uncertainty. d) A transparent and updated SOP17 that corresponds to all components of the quantification of the uncertainty (activity data, emission factors, combined uncertainty). All equations applied and combination of uncertainties must be traceable and clearly defined.

02 - Observation on Transparency GHG accounting framework	RA -2	NIR 4, NIR 9, NIR 14, NIR 39	PR 4.1.2	ISFL ER Programs shall, for the purpose of ISFL Reporting, compile a GHG inventory of all AFOLU categories, subcategories, gases and pools in the Program Area (Program GHG Inventory) utilizing existing data that have been collected using best available methods and approaches that are consistent with the most recent IPCC guidance and guidelines. In accordance with the IPCC guidance and guidelines, the Program GHG Inventory shall apply the basic principles of Transparency, Accuracy, Completeness, Consistency over time and Comparability as defined by the IPCC.	**Actual Area of Risk or Concern:** Throughout the validation process, the assessment team issued several findings speaking to the transparency of the Program GHG Inventory and the ability to trace and replicate the data and quantification. The Program often provided the assessment team with numerous intermediate datasets in hardcoded excel spreadsheets making it difficult to trace the flow of data and ultimately recalculate the emission factors. While we understood that this circumstance was a product of the countries complex inventory database, it led to inefficiencies in the assessment process. Therefore, the assessment team has identified this as a process-related risk, which can impact the timing and subsequent costs of the Program assessment. Ensuring a transparent and replicable accounting process has been identified as an area of improvement for this program.
03 – Observation on Monitoring of Forest Remaining Forest	RA-57	NIR 36	PR 4.5.2	Section 4.5.2 of the of the ER Program Requirements states “In estimating the subcategories and their associated Carbon Pools and gases included in the scope for ISFL Accounting, ISFL ER Programs shall	Area of Risk or Concern: To account for the carbon stock changes in forest remaining forest in the baseline, the Mexico program team has applied the stock-difference method in which “Annual biomass change is the difference between the biomass stock at time t2 and time t1, divided by the number of years between

				ensure Methodological Consistency between the Emissions Baseline and the monitored net GHG Emissions." Section 2.3.1.1 of the 2006 IPCC Guidelines pertains to carbon accounting of forest land remaining forest land and states "Equation 2.3 includes the five carbon pools for which stock change estimates are required. This section presents methods for estimating biomass carbon gains, losses and net changes. Gains include biomass growth in aboveground and below-ground components. Losses are categorized into wood fellings or harvest, fuelwood gathering, and losses from natural disturbances on managed land such as fire, insect outbreaks and extreme weather events (e.g., hurricanes, flooding). Two methods are provided for estimating carbon stock changes in biomass."	the inventories (Equation 2.8)" thus inherently accounting for all forest dynamics (gains from growth, losses from harvesting, insects/pests, and fires, which constitute degradation) in the Forest Remaining Forest emission factors generated for the baseline. The program team has indicated that they did not have plans to monitor specifically for degradation or to update the forestland remaining forestland emission factors during the monitoring period. By not monitoring changes in growth rates or degradation during the monitoring period, any program activities intended to reduce emissions or increase removals will not be counted in the FL-FL subcategory. The program indicates that it intends to implement sustainable forest management activities such as fire management, plant sanitation and phytosanitary treatments, reducing illegal logging that could impact emissions by leaving more carbon stored in the FL-FL subcategory. These emission reductions will not be monitored or accounted for ultimately resulting in more conservative emissions reductions which is in accordance with the ISFL Program Requirements but represents an area of potential improvement. This is also a possible area of risk if the forest management activities of the program are

					ineffective and thus an increase in emissions due to events such as fires or illegal logging would not be accounted for.

Appendix A: Assessment Checklist

The column headers in the below checklist tables have the following meanings. See Annex A of SCS' ISFL inception report for more information.

- No: The number assigned to the indicator.
- Sec: The section reference to the applicable requirement text, using the following coding system:
    - T : PD Template
    - PR : Program Requirements
    - BR : Buffer Requirements
- Requirement Text: The text of the applicable requirement.
- Indicator: The text of the indicator.
- Assessment Findings: A summary of the assessment team's findings in respect of the indicator.
- LA (Level of Assurance): R (for reasonable level of assurance) or L (for limited level of assurance)
- CT (Conformance Type), defined as follows:
    - Binary (Type B) means that conformance to the indicator is binary: it has been achieved or not. The B code identifies indicators that are tied to prescriptive requirements within the assessment criteria.
    - Professional Judgment (Type P) means that professional judgment will be applied to determine indicator conformance.
- CC (Conformance Code), using the following codes:
    - For both Type B and Type P:
        - N/A: Not applicable
    - For Type B:
        - C means that the evidence collected by the assessment team suggests that a state of conformance exists with respect to the applicable requirement.
        - NC means that the evidence collected by the assessment team suggests that a state of non-conformance exists with respect to the applicable requirement.
        - FAR means that a Forward Action Request has been issued such that further evidence will be collected by the assessment team at the time of verification to confirm the state of conformance to the applicable requirement.

- For Type P:
  - Ratings of ‘I’, ‘II’ and ‘III’ signify a high, medium and low level of conformance to the indicator, respectively.

Cross-Cutting Documentation Requirements

No.	Sec.	Requirement Text	Indicator	Assessment Findings	LA	CT	CC
CC-01	T§1	Please complete all sections of this PD. If sections of the PD are not applicable, explicitly state that the section is left blank on purpose and provide an explanation why this section is not applicable.	All applicable sections of the PD Template are completed; if any section(s) of the PD Template are not applicable, it is explicitly stated that "this section is left blank on purpose" and an explanation of why the section is not applicable is provided.	Confirmed through review of the ERPD.	L	B	C
CC-02	T§1	Provide definitions of key terms that are used and use these key terms, as well as variables etc., consistently using the same abbreviations, formats, subscripts, etc.	Key terms[5] are defined and used consistently, with the same spelling, formatting and/or abbreviations, throughout the ERPD.	Confirmed through review of the ERPD.	L	B	C
CC-03	T§1	Provide definitions of key terms that are used and use these key terms, as well as variables etc., consistently using the same abbreviations, formats, subscripts, etc.	Mathematical variables are presented consistently, with the same notation, throughout the ERPD.	Confirmed through review of the ERPD.	L	B	C
CC-04	T§1	The presentation of values in the PD, including those used for the calculation of emission reductions, should be in international standard format e.g., 1,000 representing one thousand and 1.0 representing one.	All values in the ERPD are in international standard format, as in the following examples: (a) 1,000 represents one thousand and (b) 1.0 represents one. Values are not presented in the format that reverses the use of the comma and period (e.g., 1.000 representing one thousand).	Confirmed through review of the ERPD.	L	B	C
CC-05	T§1	Please use International System Units (SI units – refer to http://www.bipm.fr/enus/3_SI/si.html) and if other units are used for weights/currency (Lakh/crore etc.),	All values in the ERPD are presented using SI units; if values are presented using different units (which is acceptable at the discretion of the ERPD preparer), such values are	Confirmed through review of the ERPD.	L	B	C

[5] A "key term" has the following attributes: (1) not within the standard American or British English lexicon; (2) important for an understanding of how the Program, as described in the ERPD, is compliant with the assessment criteria; and (3) not defined in the Program Requirements glossary.

No.	Sec.	Requirement Text	Indicator	Assessment Findings	LA	CT	CC
		they should be accompanied by their equivalent S.I. units/norms (thousand/million).	accompanied by a presentation using SI units.				
CC-06	T§1	If the PD contains equations, please number all equations and define all variables used in these equations, with units indicated.	Any equations included in the ERPD contain the following attributes: (1) numbered in sequential order; (2) all variables defined, and (3) units indicated for all variables.	Confirmed through review of the ERPD.	L	B	C

ISFL ER Program Design Requirements

No.	Sec.	Requirement Text	Indicator	Assessment Findings	LA	CT	CC
PD-01	T§2.1.1	Name of the ISFL ER Program	The name of the ER Program is reported in the provided table in Section 2.1.1 of the ERPD.	Confirmed through review of the ERPD.	L	B	C
PD-02	T§2.1.1	Name of the Program Area	The name of the jurisdiction constituting the Program Area is reported in the provided table in Section 2.1.1 of the ERPD.	Confirmed through review of the ERPD.	L	B	C
PD-03	T§2.1.1	Geographic area of the Program Area (hectares)	A "justifiable" estimate of the size of the Program Area (in units of hectares) is reported in the provided table in Section 2.1.1 of the ERPD.	Confirmed through review of the ERPD.	L	B	C
PD-04	T§2.1.1	Population of the Program Area	A "justifiable" estimate of the population of the Program Area is reported in the provided table in Section 2.1.1 of the ERPD.	Confirmed through review of the ERPD.	L	B	C
PD-05	T§2.1.1	Ex-ante estimate of emission reductions (ERs) for the ISFL ER Program (tonnes of CO_2e)	An ex-ante estimate of Emission Reductions for the ISFL ER Program,[6] in units of tCO_2e, is reported in the provided table in Section 2.1.1 of the ERPD. The information provided is consistent with that provided in Section 4.6 of the ERPD.	Confirmed through review of the ERPD.	L	B	C
PD-06	T§2.1.2	Please provide a brief description (roughly 150 words or less) of the rationale for the selection of the	A description of the rationale for the selection of the jurisdiction for the Program Area, including a description of the unique characteristics of the	Confirmed through review of the ERPD.	L	B	C

[6] See indicators RA-60 through RA-62 for requirements for ex-ante estimates of Emission Reductions.

No.	Sec.	Requirement Text	Indicator	Assessment Findings	LA	CT	CC
		jurisdiction for the Program Area for an ISFL ER Program, including its unique characteristics that align with the ISFL Vision.	jurisdiction that align with the ISFL Vision, has been provided in Section 2.1.2 of the ERPD.				
PD-07	T§2.1.3	Please provide a brief summary (roughly 300 words or less) of… The drivers of AFOLU emissions and removals, including deforestation and forest degradation	A summary of the drivers of AFOLU emissions and removals, as identified in indicator PD-27, is provided in Section 2.1.3 of the ERPD.	Confirmed through review of the ERPD.	L	B	C
PD-08	T§2.1.3	Please provide a brief summary (roughly 300 words or less) of… The broader vision of the ISFL ER Program, including the proposed interventions to address AFOLU emissions and the impact they will have in the jurisdiction on sustainable land use	A summary of the broader vision of the Program, including the proposed interventions to address AFOLU emissions and the impact they will have on sustainable land use in the jurisdiction, is provided in Section 2.1.3 of the ERPD.	Confirmed through review of the ERPD.	L	B	C
PD-10	T§2.1.3	Please provide a brief summary (roughly 300 words or less) of… The expected outcomes of the ISFL ER Program and how they will be sustained beyond the lifetime of the ISFL ER Program	A summary of the expected outcomes of the ER Program, and how they will be sustained beyond the lifetime of the ER Program,[7] is provided in Section 2.1.3 of the ERPD.	Confirmed through review of the ERPD.	L	B	C
PD-11	T§2.1.4	Estimate of costs and revenues of planned actions and interventions, including institutional, implementation, and transaction costs	An estimate of costs and revenues of planned actions and interventions, including institutional, implementation, and transaction costs, is reported in the provided table in Section 2.1.4 of the ERPD. The information provided is consistent with that provided in Section 3.1.3 of the ERPD.[8]	Confirmed through review of the ERPD.	L	B	C
PD-12	T§2.1.4	Amount of financing identified/secured financing for planned actions and interventions	The amount of financing identified or secured for planned actions and interventions is reported in the provided table in Section 2.1.4 of the ERPD. The information provided is consistent with that	Confirmed through review of the ERPD.	L	B	C

[7] The "lifetime of the Program," for purposes of this indicator, must extend at least to the end of the ERPA Term, and could optionally extend beyond that period if ER Program activities are planned to take place after the end of the ERPA Term.

[8] See indicators PD-34 through PD-40 for criteria against which financial data are to be assessed.

No.	Sec.	Requirement Text	Indicator	Assessment Findings	LA	CT	CC
			provided in Section 3.1.3 of the ERPD.[Error! Bookmark not defined.]				
PD-13	T§2.1.4	Financing surplus or gap amount	The amount of financing surplus or gap is reported in the provided table in Section 2.1.4 of the ERPD. The information provided is consistent with that provided in Section 3.1.3 of the ERPD.	Confirmed through review of the ERPD.	L	B	C
PD-14	T§2.1.4	Please provide a brief summary (roughly 100 words or less) of the measures proposed to address financing gap, if any and arrangements for flow of funds.	A summary of (1) the measures proposed to address the financing gap (if applicable)[9] and (2) arrangements for flow of funds is provided in Section 2.1.4 of the ERPD. The information provided is consistent with that provided in Section 3.1.3 of the ERPD.	Confirmed through review of the ERPD.	L	B	C
PD-16	T§2.2.2	Organization(s) responsible for managing/implementing the ISFL ER Program (if more than one, please list all)	The indicated details in the template are provided in Section 2.2.1 of the ERPD.	Confirmed through review of the ERPD.	L	B	C
PD-17	T§2.2.3	Partner organizations involved in the ISFL ER Program: Please list existing partner agencies and organizations involved in the design and implementation of the ISFL ER Program or that have executive functions in financing, implementing, coordinating and/or controlling activities that are part of the proposed ER Program	Information regarding the existing partner agencies and organizations involved in the design and implementation of the ER Program or that have executive functions in financing, implementing, coordinating and/or controlling activities that are part of the ER Program is included in the provided table in Section 2.2.3 of the ERPD.	Confirmed through review of the ERPD.	L	B	C
PD-18	T§2.2.4	Please provide a brief description (roughly 150 words or less) of coordination within the government (across ministries/departments) for the management/implementation of the ISFL ER Program. For example, how do ministries focused on environmental issues, agriculture, finance, etc. coordinate formally or	A description of coordination within the government (across ministries/departments) for the management/implementation of the ER Program, as indicated in the PD Template, is provided in Section 2.2.4 of the ERPD.	Confirmed through review of the ERPD.	L	B	C

[9] See indicator PD-41 through PD-44 for criteria against which the plan for mitigating the financing gap (if applicable) is to be assessed.

No.	Sec.	Requirement Text	Indicator	Assessment Findings	LA	CT	CC
		informally on this program, including through coordination platforms or shared responsibilities.					
PD-19		Please provide a brief description (roughly 150 words or less) of coordination between the government and other organizations (including civil society, the private sector, and other stakeholders) for the management/implementation of the ISFL ER Program.	A description of coordination between the government and other organizations (including civil society, the private sector, and other stakeholders) for the management/implementation of the ER Program is provided in Section 2.2.4 of the ERPD.	Confirmed through review of the ERPD.	L	B	C
PD-20	PR§3.1.1	ISFL ER Programs are required to demonstrate that they are undertaken using a jurisdictional and Integrated Landscape Management approach, in accordance with the ISFL's Vision.	The ER Program design is aligned with the Integrated Land Management approach, including collaboration among various stakeholders with the purpose of achieving sustainable landscapes.	Confirmed through review of the ERPD.	L	P	I
PD-21			The ER Program design is aligned with concepts described in the ISFL Vision, including its intention to reduce greenhouse gas emissions at the jurisdictional scale.	Confirmed through review of the ERPD.	L	P	I
PD-22	PR§3.2.1	The design of the ISFL ER Program shall be informed by the contribution of key sources and sinks to the total GHG emissions and removals in the Program GHG Inventory (described in section 4.1).	The subcategories included in the Step 1 selection (see indicators RA-16 through RA-19) are identified for the purposes of ER Program design.	Confirmed through review of the ERPD.	L	B	C
PD-23	PR§3.2.2	For the analysis of trends, ISFL ER Programs shall identify the key drivers of AFOLU emissions and removals, by performing a qualitative historical analysis (or quantitative if data are available) to identify those subcategories for which emissions or removals have changed significantly over the base period, and a qualitative analysis of the	Subcategories that have been subject to significant increases in emissions or decreases in removals during the Baseline Period (see indicator RA-20 for guidance regarding specification of the Baseline Period) are identified in an analysis of trends using one of the following approaches: 1. A quantitative analysis, if quantitative data are available to support such an analysis.	Confirmed through review of the ERPD, calculation workbook, and supporting data and documentation.	L	B	C

No.	Sec.	Requirement Text	Indicator	Assessment Findings	LA	CT	CC
		subcategories likely to show a significant increase of emissions or decrease of removals in the future.	2. A qualitative analysis,[10] if quantitative data are not available to support a quantitative analysis. The conclusions drawn from the analysis (i.e., the specific identification of subcategories) are "justifiable".				
PD-24			Subcategories that are likely to show a significant increase in emissions or decrease in removals in the relatively near future[11] are identified in the analysis of trends.[12] The conclusions drawn from the analysis (i.e., the specific identification of subcategories) are "justifiable".	Confirmed through review of the ERPD, calculation workbook, and supporting data and documentation.	L	B	C
PD-25			The data constituting inputs to the analysis of trends are the "best available" data.	Confirmed through review of the ERPD, calculation workbook, and supporting data and documentation.	L	P	I
PD-26			The analysis of trends has appropriately identified any subcategories not included in the Step 1 selection meeting one or more of the following criteria: 1. The subcategory has been associated with a significant increase in emissions or a significant decrease in removals during the Baseline Period.	Confirmed through review of the ERPD, calculation workbook, and supporting data and documentation.	L	P	I

[10] The qualitative analysis may (1) be based on expert judgement and (2) include consideration of whether emissions from a subcategory have decreased or removals have increased through the use of mitigation techniques, such as technology adoption or a coordinated change in land management practices.

[11] The temporal scale of the analysis should probably roughly align with the anticipated duration of the ERPA Term unless there is good reason to do otherwise. The intent is that the projection include all phases of the ERPA Term, not just the first phase, in order to appropriately consider any circumstances that may not occur in the immediate future but can reasonably be projected to occur by the end of the ERPA Term.

[12] The qualitative analysis may (1) be based on expert judgement and (2) include consideration of any barriers that prevent mitigation policies and measures to be implemented in the absence of the proposed Program (i.e., it is permissible to project likely future conditions under a scenario in which such barriers remain in place).

No.	Sec.	Requirement Text	Indicator	Assessment Findings	LA	CT	CC
			2. The subcategory is likely to be associated with such an increase in emissions or decrease in removals during the relatively near future.[13]				
PD-27	PR§3.2.2 ; T§3.1.1	For the analysis of trends, ISFL ER Programs shall identify the key drivers of AFOLU emissions and removals, by performing a qualitative historical analysis (or quantitative if data are available) to identify those subcategories for which emissions or removals have changed significantly over the base period, and a qualitative analysis of the subcategories likely to show a significant increase of emissions or decrease of removals in the future. Please provide a brief description… of the identified drivers of land use change that contribute to GHG emissions and removals associated with AFOLU (e.g., deforestation and forest degradation and other aspects of land use change) in the Program Area… include more information on the drivers of AFOLU emissions and removals in Annex 1.	The key drivers of land use change associated with the subcategories identified in indicators PD-23 through PD-26 are identified in a "justifiable" fashion and described in the ERPD, as follows: 1. A brief description of identified drivers is provided in Section 3.1.1 of the ERPD. 2. A longer description of identified drivers is provided in Annex 1 of the ERPD.	Confirmed through review of the ERPD.	L	B	C
PD-28	PR§3.2.1	The design of the ISFL ER Program shall be informed by the contribution of key sources and sinks to the total GHG emissions and removals in the	The subcategories identified in indicator PD-22, and the key drivers of land use change identified in indicators PD-23 through PD-27, have been considered in design of the ER Program (i.e.,	Confirmed through review of the ERPD and discussions with the program team.	L	B	C

[13] An example of such a subcategory would be Forest Land to Cropland, in the case where deforestation rates within the jurisdiction have historically been low but where a significant improvement in access, such as with the recent completion of the Interoceanic Highway between Brazil and Peru, is projected to be accompanied by an increase in deforestation rates.

No.	Sec.	Requirement Text	Indicator	Assessment Findings	LA	CT	CC
		Program GHG Inventory (described in section 4.1) and an analysis of trends. Together these shall be the basis to specify interventions to address the key drivers of AFOLU emissions and removals and to identify the entities that would undertake them.	consideration has been given to the design of activities that are intended to mitigate the emissions or reduced removals associated with any such subcategories or drivers).				
PD-29			One of the following is true for every subcategory identified in indicator PD-22 and/or every key driver of land use change identified in indicators PD-23 through PD-27: 1. One or more ER Program activities has been specifically designed to mitigate the emissions or reduced removals associated with the subcategory or driver. 2. Otherwise, a compelling rationale can be provided in support of the decision not to address the emissions or reduced removals associated with the subcategory or driver in the ER Program design.	Confirmed through review of the ERPD and discussions with the program team.	L	P*	I
PD-30	T§3.1.2	Please provide a description (roughly 1,000 words or less) of planned actions and interventions (including existing, improved, and/or new activities; investments; measures; and governance, regulation, and/or policy interventions) for the ISFL ER Program. Include: i. A description of how these actions and interventions impact the main factors influencing emissions or address the drivers of land use change, deforestation, and forest	A description is provided in Section 3.1.2 of the ERPD regarding the planned actions and interventions[14], including the following: 1. A description of how said actions and interventions impact the main factors of land use change, deforestation, and forest degradation in the subcategories targeted by the program. 2. A description of the following: a. The priority placed on each of the planned actions and interventions based on	Confirmed through review of the ERPD and discussions with the program team.	L	B	C

[14] It is acceptable to group actions and interventions for purposes of satisfying this indicator, so long as the clarity of the analysis is not degraded (e.g., it is not necessarily that a separate description be provided regarding how each action or intervention impacts "the main factors influencing emissions or address the drivers of land use change, deforestation").

No.	Sec.	Requirement Text	Indicator	Assessment Findings	LA	CT	CC
		degradation (identified in a. above) in the subcategories targeted by the ISFL ER Program ii. A description of the prioritization and timelines of the planned actions and interventions based on implementation risks for the activities and their potential benefits.	implementation risks for the activities and their potential benefits. b. The timelines of the planned actions and interventions based on implementation risks for the activities and their potential benefits.				
PD-31			Partnerships have been entered into with private sector actors, or there are concrete plans to pursue such partnerships.	Confirmed through review of the ERPD and discussions with the program team.	L	P*	II
PD-32			Where partnerships have been entered into or are planned, these partnerships are likely to be effective in addressing the drivers of emissions.	Confirmed through review of the ERPD and discussions with the program team.	L	P*	II
PD-33			Risks to (a) ER Program implementation and (b) the potential benefits of planned actions and interventions have been adequately considered in planning the actions and interventions, and appropriate mitigation mechanisms have been incorporated into Program design, where feasible.	Confirmed through review of the ERPD and discussions with the program team.	L	P*	II
PD-34	T§3.1.3[15]	Please outline the financing plan for the ISFL ER Program. A guidance note on the preparation of financing plans for REDD+ and landscape emission reduction programs provides the details of the steps to be followed in the preparation of the financing plan. Please include the following information:	A specific time period covered by the financing plan has been identified, and this time period is "justifiable". It is generally expected that this period commences at the date of effectiveness of the ER Program (as defined by ER Program personnel) and extends past the end of the ERPA Term;[16] where a shorter time period is covered by the financing plan, the following are true:	Confirmed through review of the ERPD and the detailed financial analysis, and discussions with the program team.	L	P*	II

[15] Assessment of all indicators related to T§3.1.3 will be determined by consultation with the World Bank Group.

[16] From Section 1 of Annex 2 of the Financing Plan Note: "It is useful to define the Program period of the financing plan which may cover the period from the date of effectiveness of an ER Program until the end of Program implementation which is expected to be longer than the period covered under the emission reduction payment agreement (ERPA). Therefore, the Program period of the financing plan needs to be realistic and consider the duration and circumstances of Program implementation."

No.	Sec.	Requirement Text	Indicator	Assessment Findings	LA	CT	CC
		i. Costs of program implementation (sum of implementation costs, institutional costs and transaction costs) ii. Sources of financing (public and private sources, reinvestment of revenue from program and amount of ER revenue proposed for use in program implementation) iii. Financing surplus or gap of the ER program; and options for addressing financing gap, if any	1. The time period covered by the financing plan is appropriate to the circumstances of the ER Program. 2. The time period covered by the financial plan is unlikely to result in the conclusion that the ER Program enjoys a financing surplus where use of a longer time period would result in the conclusion that the ER Program is faced with a financing gap.				
PD-35			A "justifiable" estimate of the costs of ER Program implementation (sum of implementation costs, institutional costs and transaction costs) is reported in the provided table in Section 3.1.3 of the ERPD.	Confirmed through review of the ERPD and the financial analysis document, and discussions with the program team.	L	B	C
PD-36			The estimate of the costs of ER Program implementation is comprehensive; that is, it (1) covers the entire time period covered by the financing plan (as assessed in indicator PD-34) and (2) includes all of the types of costs identified in Section 2.2.1 of the Financing Plan Note unless any omitted costs are not relevant to ER Program implementation.	Confirmed through review of the ERPD and the financial analysis document, and discussions with the program team..	L	P*	I
PD-37			A "justifiable" determination of the sources of financing is provided in the provided table in Section 3.1.3 of the ERPD.	Confirmed through review of the ERPD and the financial analysis document, and discussions with the program team.	L	B	C
PD-38			1. The quantity of unsecured financing has been conservatively determined; i.e. it	Confirmed through review of the ERPD and the financial analysis document, and	L	P	II

No.	Sec.	Requirement Text	Indicator	Assessment Findings	LA	CT	CC
			includes only funding sources that are very likely to materialize. 2. Unsecured financing[17] that is unlikely to flow during the 2-3 years from the start of an ER Program or until after the first verification event has been excluded as a source of funding (such funding may be included in the sensitivity analysis) unless a compelling rationale can be provided for its inclusion. 3. Documentary evidence can be provided to support any claimed secured financing. 4. Financing that will not flow until after the time period covered by the financing plan (as assessed in indicator PD-34) is excluded from the reported information.	discussions with the program team.			
PD-39			The identified sources of finance are sufficient to have a meaningful impact on the land use activities and drivers which cause emissions and removals, as determined in indicator PD-27.	Confirmed through review of the ERPD and the financial analysis document, and discussions with the program team.	L	P*	I
PD-40			A "justifiable" estimate of the financing surplus or gap of the ER Program, calculated as the difference between funding financing available and ER Program cost (both for each year of the time period covered by the financing plan and across time periods) is reported in the provided table in Section 3.1.3 of the ERPD.	Confirmed through review of the ERPD and the financial analysis document, and discussions with the program team.	L	B	C

[17] The Financing Plan Note suggests unsecured financing be defined as "The sources of financing that are anticipated during Program period but cannot be verified at the beginning of an Program."

No.	Sec.	Requirement Text	Indicator	Assessment Findings	LA	CT	CC
PD-41			If funding gaps exist, a plan for mitigating them is presented in Section 3.1.3 of the ERPD.	Confirmed through review of the ERPD and the financial analysis document, and discussions with the program team.	L	B	C
PD-42			If funding gaps exist, the plan for mitigating them, as presented in Section 3.1.3 of the ERPD, is concrete, making clear the specific actions to be taken to mitigate gaps.	Confirmed through review of the ERPD and the financial analysis document, and discussions with the program team..	L	P*	III
PD-43			If funding gaps exist, the plan for mitigating them, as presented in Section 3.1.3 of the ERPD, is time-bound, with specific milestones provided for additional funding to be secured.	Confirmed through review of the ERPD and the financial analysis document, and discussions with the program team.	L	P*	III
PD-44			If funding gaps exist, the plan for mitigating them, as presented in Section 3.1.3 of the ERPD, is realistic and reasonably capable of being implemented.	Confirmed through review of the ERPD and the financial analysis document, and discussions with the program team.	L	P*	III
PD-45	T§3.1.3	Please briefly describe the following (roughly 150 words or less): i. Financial and economic analysis (e.g.,, NPV, IRR) ii. Sensitivity analysis (to assess the influence of changes in costs, revenues, funding sources and discount rates on program financing)	A "justifiable" financial analysis and economic analysis, as generally described in Section 2.7 of the Financing Plan Note[18], is described in Section 3.1.3 of the ERPD.	Confirmed through review of the ERPD and the financial analysis document, and discussions with the program team.	L	B	C
PD-46			The discount rate used for the financial analysis has the following attributes:	Confirmed through review of the financial	L	P*	I

[18] In assessing against these indicators, the assessment team is not to assess against the Financing Plan Note, but merely to confirm that described analysis follows the general form as set out in the Financing Plan Note.

No.	Sec.	Requirement Text	Indicator	Assessment Findings	LA	CT	CC
		iii. Proposed fund flow arrangements	1. The selection of the discount rate is "justifiable". 2. The discount rate is reflective of the expectations of the Program Entity for return on long-term investments[19], as determined using one of the following sources of information: a. An internal discount rate used by the Program Entity in financial planning and analysis. b. The interest rate charged by financial institutions in the host country on long term loans for forestry or agriculture or other land use projects.[20] c. Any other source that, as accurately as possible, reflects the expectations of the Program Entity for return on long-term investments.	analysis and discussions with the program team.			
PD-47			The calculation of net present value or internal rate of return in the financial analysis is "justifiable" and is carried out according to good practice in the field of financial investment analysis.	Confirmed through review of the financial analysis and discussions with the program team.	L	P*	I
PD-48			Any values for externalities[21] in the economic analysis are "justifiable" (the "base" prices for carbon, as set out in Section 2.7.4 of the Financing Plan Note, are automatically deemed "justifiable").	Confirmed through review of the financial analysis and discussions with the program team.	L	P*	I
PD-49			The calculation of net present value or internal rate of return in the economic analysis is	Confirmed through review of the financial	L	P*	I

[19] Such an expectation is referred to as the "time value of money" in the economics literature.
[20] As suggested in Section 2.7.3.1 of the Financing Plan Note.
[21] Externalities, in this context, are costs and benefits not directly paid by or flowing to the Program Entity, respectively.

No.	Sec.	Requirement Text	Indicator	Assessment Findings	LA	CT	CC
			"justifiable" and is carried out according to good practice in the field of financial investment analysis.	analysis and discussions with the program team.			
PD-50			A "justifiable" sensitivity analysis[22] (to assess the influence of changes in costs, revenues, funding sources and discount rates on ER Program financing), as generally described in Section 2.7 of the Financing Plan Note, is described in Section 3.1.3 of the ERPD.	Confirmed through review of the ERPD and the financial analysis document, and discussions with the program team.	L	B	C
PD-51			The range of discount rates used for the sensitivity analysis is "justifiable" and adequately captures the range of variability that could reasonably be expected in the discount rate.[23]	Confirmed through review of the financial analysis and discussions with the program team.	L	P*	I
PD-52			The "parameters" included in the sensitivity analysis include changes in costs, revenues, financing sources, discount rates, and other ER Program specific "parameters" that have significant influence on the ER Program.	Confirmed through review of the financial analysis and discussions with the program team.	L	P*	II
PD-53			The impact of a "justifiable" range of upper thresholds for costs, and a "justifiable" range of lower thresholds for benefits, are tested in the uncertainty analysis to assess whether there is an impact on the outcome of the analysis.	Confirmed through review of the financial analysis and discussions with the program team.	L	P*	II
PD-54			Key variables that have major influence on costs, revenues, cash flow and the calculated net present value or internal rate of return are identified through the uncertainty analysis, and the identification of such variables is reasonable.	Confirmed through review of the financial analysis and discussions with the program team.	L	P*	II
PD-55			The proposed fund flow arrangements are described in Section 3.1.3 of the ERPD.	Confirmed through review of the ERPD and the financial analysis document, and	L	B	C

[22] The assessment criteria does not clarify whether it is required that the uncertainty analysis pertain to the financial analysis, the economic analysis, or both; therefore, the uncertainty analysis may pertain to only one, or both, of the above.

[23] The default range of -/+2 percent as lower and upper bound discount rates, as suggested in Section 2.7.3.3 of the Financing Plan Note, should automatically be assigned a conformance ranking of I for purposes of this indicator.

No.	Sec.	Requirement Text	Indicator	Assessment Findings	LA	CT	CC
				discussions with the program team.			
PD-56			The description of the proposed fund flow arrangements in 3.1.3 of the ERPD provides a description of plans for the dissemination of funds from the sale of Emission Reductions between any relevant entities involved in operation of the Program.	Confirmed through review of the ERPD and the financial analysis document.	L	B	C
PD-57			The proposed fund flow arrangements, as described in Section 3.1.3 of the ERPD, are appropriate in light of the formal and informal institutional arrangements between entities involved in operation of the Program.	Confirmed through review of the ERPD and discussions with the program team.	L	P*	I
PD-58	TAnnex2	Please include the summary financing plan according to the template below.	The summary financing plan is included, according to the provided template, in Annex 2 of the ERPD.[24] The information provided is more detailed than, but consistent with, the information provided in Section 3.1.3 of the ERPD (e.g., the same total ER Program costs are reported in the two sections).	Confirmed through review of the ERPD and the financial analysis document, and discussions with the program team.	L	B	C
PD-59			The presentation of information in the financing plan included in Annex 2 of the ERPD follows the categories set out in the Financing Plan Note[25] unless a compelling rationale can be provided in support of a deviation from the categories set out in the Financing Plan Note.	Confirmed through review of the ERPD and discussions with the program team.	L	P	II
PD-60	T§3.1.4[26]	Please provide an analysis (roughly 500 words or less) of the planned actions and interventions in the context of relevant local, regional and	A "justifiable" analysis of the planned actions and interventions in the context of relevant legal requirements[27] is provided in Section 3.1.4 of the ERPD.	Confirmed through review of the ERPD and discussions with the program team.	L	B	C

[24] In areas where there exists lack of clarity regarding how the provided template is to be filled out, any reasonable interpretation of the provided template will be considered acceptable for purposes of this indicator.
[25] For example, the determination of what constitutes "multilateral" funding follows Section 2.3.2 of the Financing Plan Note.
[26] Assessment of all indicators related to T§3.1.4 will be determined by consultation with the World Bank Group.
[27] The term "legal requirements," in the context of the indicators in this checklist, is very broad and includes local, regional and national laws, statutes and regulatory frameworks, including relevant international conventions and agreements.

No.	Sec.	Requirement Text	Indicator	Assessment Findings	LA	CT	CC
PD-61		national laws, statutes and regulatory frameworks, including relevant international conventions and agreements. Please identify any potential compliance issues of the actions and interventions with these laws, statutes, regulatory frameworks, conventions and agreements; and identify legal and regulatory gaps. If applicable discuss how these issues will be addressed.	The following information is provided in Section 3.1.4 of the ERPD: 1. A "justifiable" analysis of whether any of the planned actions and interventions has the potential to result in noncompliance with a relevant legal requirement. 2. If any such potential has been identified, a description of the situation of potential noncompliance and the proposed means for addressing it.	Confirmed through review of the ERPD and supporting documentation, and discussions with the program team.	L	B	C
PD-62			The following information is provided in Section 3.1.4 of the ERPD: 1. A "justifiable" analysis of whether there are any legal or regulatory gaps that may impact the implementation of the planned actions and interventions (e.g., if there is lack of regulatory clarity on the management responsibilities of the various agencies involved in implementation). 2. If any such gap has been identified, a description of the situation and the proposed means for addressing it.	Confirmed through review of the ERPD and supporting documentation, and discussions with the program team.	L	B	C
PD-63			The planned actions and interventions are free from the actual or potential compliance issues in respect of relevant legal requirements or, if this is not the case, an appropriate mitigation plan with a reasonable possibility of success is in place to address any issues.	Confirmed through review of the ERPD and supporting documentation, and discussions with the program team.	L	P*	I

No.	Sec.	Requirement Text	Indicator	Assessment Findings	LA	CT	CC
PD-64			The planned actions and interventions are free from actual or potential entanglement with legal and/or regulatory gaps or, if this is not the case, an appropriate mitigation plan with a reasonable possibility of success is in place to address any issues.	Confirmed through review of the ERPD and supporting documentation, and discussions with the program team.	L	P*	I
PD-65	T§3.1.5; PR§3.2.5	Please describe (roughly 500 words or less) the following: i. GHG sources and sinks that may be impacted by the proposed ISFL ER Program and an assessment of their associated risk for displacement ii. A strategy for mitigating and/or minimizing, to the extent possible, potential displacement, prioritizing key sources of displacement risk iii. How the ISFL ER Program's planned actions and interventions have been designed to address displacement	1. A "justifiable" identification of the subcategories[28] that can reasonably be projected to be impacted by the Program[29] is provided in Section 3.1.5 of the ERPD. 2. For each subcategory identified in step (1) above, a "justifiable" assessment of the risk of the subcategory for Displacement[30] is provided in Section 3.1.5 of the ERPD.	Confirmed through review of the ERPD and discussions with the program team.	L	B	C
PD-66			A strategy for mitigating and/or minimizing, to the extent possible, potential displacement, prioritizing key sources of displacement risk, is provided in Section 3.1.5 of the ERPD.	Confirmed through review of the ERPD and discussions with the program team.	L	B	C
PD-67			A "justifiable" assessment is provided in Section 3.1.5 of the ERPD regarding how the ER Program's planned actions and interventions have been designed to address Displacement.	Confirmed through review of the ERPD and discussions with the program team.	L	B	C
PD-68			The planned actions described in Section 3.1.5 of the ERPD are likely to be effective in to mitigating and/or minimizing potential Displacement.	Confirmed through review of the ERPD and discussions with the program team.	L	P*	I

[28] The term "sources and sinks" is used in the Program Requirements and the PD Template, but review of the IPCC 2006 Guidelines suggests that these terms are used somewhat interchangeably with the term "category" (of which a subcategory would be a component).

[29] Note that the list of such subcategories may or may not be identical to the list of subcategories eligible for ISFL Accounting. It is quite possible that the ER Program will impact subcategories that are currently not included in the accounting scope.

[30] Emissions occurring outside the host country are not considered to be Displacement unless it is completely evident that they are a consequence of land use activities moving from inside the Program Area to an area outside the Program Area.

No.	Sec.	Requirement Text	Indicator	Assessment Findings	LA	CT	CC
PD-142	T§3.6.2	Please indicate whether the ISFL ER Program, or any part of the Program Area, has transferred, or is planning to transfer, any ERs to, or received or is planning to receive otherwise payment for, ERs from any other GHG mitigation initiative. This would include parts of the Program Area that are registered or are seeking registration under project or program level standards such as the Clean Development Mechanism (CDM), the Verified Carbon Standard (VCS), the Green Climate Fund (GCF) or others.	A "justifiable" search for any instance whereby the ER Program, or any part of the Program Area, has transferred, or is planning to transfer, any ERs to, or received or is planning to receive otherwise payment for, ERs from any other GHG mitigation initiative[31] has been performed and Section 3.6.2 of the ERPD contains an indication of whether any such instances were noted.	Confirmed through review of the ERPD and discussions with the program team.	L	B	C
PD-143		Please also indicate any actions that might not be included in the ISFL ER Program but which could address the drivers of land use change, deforestation, and forest degradation within the Program Area and that are generating ERs that may be transferred to, or be otherwise paid for by, other GHG mitigation initiatives (e.g., improved cook stoves programs under the CDM).	Section 3.6.2 of the ERPD contains a description of any actions that might not be included in the ER Program but which could address the drivers of land use change, deforestation, and forest degradation within the Program Area and that are generating ERs that may be transferred to, or be otherwise paid for by, other GHG mitigation initiatives (e.g., improved cook stoves programs under the CDM).	Confirmed through review of the ERPD and discussions with the program team.	L	B	C
PD-144		Where the ISFL ER Program, or any part of the Program Area, has been registered under any other GHG mitigation initiative, provide the registration number(s) and details for each of these.	Where the ER Program, or any part of the Program Area, has been registered under any other GHG mitigation initiative the following are provided for each such instance in Section 3.6.2 of the ERPD: 1. Registration number(s), if relevant.	Confirmed through review of the ERPD, a broad search of other GHG mitigation initiatives in Mexico, and discussions with the program team.	L	B	C

[31] Any parts of the Program Area in which individual projects or jurisdictional programs have been registered, or are currently seeking registration, under greenhouse gas programs or schemes such as the Clean Development Mechanism (CDM), the Verified Carbon Standard (VCS) or the Green Climate Fund (GCF), must be identified for purposes of this indicator.

No.	Sec.	Requirement Text	Indicator	Assessment Findings	LA	CT	CC
			2. Project/Program ID numbers, if relevant. 3. Any other details that are important to understand the extent of any potential for double-counting (or references to where such information is publicly available), including the following: a. The spatial extent of the project or Program Area. b. The monitoring or reporting period(s) for which credit issuance has been sought and/or obtained and, for each monitoring or reporting period, the number of credits sought and/or obtained, if known to the Program Entity.				
PD-147	T§3.6.3	In addition, please indicate the choice and implementation of an ER Transaction Registry to ensure that any ERs from planned actions and interventions under the ISFL ER Program are not accounted for/registered more than once; and that any ER from the planned actions and interventions under the ISFL ER Program sold and transferred to the ISFL are not used again by any entity for sale, public relations, compliance or any other purpose.	Section 3.6.3 of the ERPD identifies the ER Transaction registry to be used and describes the implementation status of such use.	Confirmed through review of the ERPD and confirmation by the World Bank staff. .	L	B	C
PD-148	PR§3.7.1	ISFL ER Programs shall work with the host country to select an appropriate arrangement to avoid double counting, including double issuance,	Evidence is provided that an appropriate arrangement has been selected in coordination and consultation with the host country order to fulfill the following objectives:	Confirmed through review of the ERPD and discussions with the program team.	L	B	C

No.	Sec.	Requirement Text	Indicator	Assessment Findings	LA	CT	CC
		double selling/use, or double claiming, in order to track the emission reductions to ensure that any emission reductions that have been generated, monitored and verified under the ISFL ER Program and paid for by the ISFL are not used again by any entity for sale, public relations, compliance or any other purpose unless otherwise agreed by the parties to the ERPA and, where relevant, consistent with any applicable guidance adopted under the Paris Agreement. For this purpose, ISFL ER Programs will identify a Transaction Registry to register, track, and as appropriate retire or cancel ER units generated under the ISFL ER Program.	1. Avoid double counting, including double issuance, double selling/use, or double claiming. 2. Track the Emission Reductions to ensure that any Emission Reductions that have been generated, monitored and verified under the ER Program and paid for by the ISFL are not used again by any entity for sale, public relations, compliance or any other purpose unless otherwise agreed by the parties to the ERPA and, where relevant, consistent with any applicable guidance adopted under the Paris Agreement.	However, see Forward Action Request in Section 5.2(10) above.			
PD-149			If the World Bank's registry system is not to be used as a Transaction Registry...				
PD-150			There is a good likelihood that the Transaction Registry to be used by the ER Program will be operational by the time of verification.	Confirmed through review of the ERPD and discussions with the program team and World Bank staff.	L	P*	I
PD-151			The Transaction Registry to be used by the ER Program will have an appropriate procedure in place to address double-counting, such as may occur where voluntary carbon projects may potentially be located within the jurisdiction within which the ER Program is operating.	Confirmed through review of the ERPD and discussions with the program team and World Bank staff.	L	P*	I
PD-152			The Transaction Registry to be used by the ER Program will encompass all of the necessary sectoral scopes pertaining to the ER Program (e.g., the Transaction Registry permits crediting of Emission Reductions pertaining to both	Confirmed through review of the ERPD and discussions with the program team. .	L	P*	I

No.	Sec.	Requirement Text	Indicator	Assessment Findings	LA	CT	CC
			avoided deforestation and livestock management).				
PD-153			The Transaction Registry to be used by the ER Program will be sufficient, secure and robust.	Confirmed through review of the ERPD and discussions with the program team.	L	P*	I
PD-154	PR§3.7.2	Based on national needs and circumstances, the Transaction Registry might be complemented with the use of a (national) Program and Projects Data Management System that supports registering of and reporting on projects/programs.	If applicable (i.e., if an ER Program and Project's Data Management System has been or will be implemented), the ER Program and Project's Data Management System is or will be sufficient, secure, and robust.	Confirmed through review of the ERPD and discussions with the program team.	R	P	I

Requirements for Greenhouse Gas Reporting and Accounting

No.	Sec.	Requirement Text	Indicator	Assessment Findings	LA	CT	CC
RA-01	PR§4.1.1	ISFL ER Programs shall report on all AFOLU related emissions and removals in the Program Area (ISFL Reporting).	The Program GHG Inventory reports on all emissions and removals associated with each category identified as "AGRICULTURE, FORESTRY, AND OTHER LAND USE" (i.e., with a category code beginning with 3) in Table 8.2, Volume 1, Chapter 8 of the IPCC 2006 Guidelines.	Confirmed through review of the calculation workbook and supporting data.	R	B	C
RA-02	PR§4.1.2, PR§4.1.4	ISFL ER Programs shall, for the purpose of ISFL Reporting, compile a GHG inventory of all AFOLU categories, subcategories, gases and pools in the Program Area (Program GHG Inventory) ... The Program GHG Inventory should be comparable in its	If a national-level GHG inventory reporting document[32] exists, either one of the following two options is the case: 1. Both of the following are true: a. All categories and subcategories listed in the	Confirmed through review of the calculation workbook, supporting data, and supporting documentation.	R	B	C

[32] E.g., the National GHG Inventory, the Biennial Report or formally submitted REDD+ readiness documentation such as the Forest Reference Emissions Level.

No.	Sec.	Requirement Text	Indicator	Assessment Findings	LA	CT	CC
		use of definitions, categories and subcategories with national processes such as the national GHG inventory, REDD+ and the Biannual Update Report. The Program GHG Inventory Programs may select definitions, categories, or subcategories that are different from the ones that have been used in national processes, if this increases the likelihood of being able to assess the impacts of ISFL interventions. In that case, an explanation should be provided to clarify how methodological consistency will be maintained with the national GHG inventory so that Program GHG Inventory can be integrated with and inform the national GHG inventory.	national-level GHG inventory reporting document are also included in the Program GHG Inventory; and b. The definitions used in the Program GHG Inventory are the same as those used in the national-level GHG inventory reporting document. 2. Otherwise, a compelling rationale for any variation relative to the national processes can be provided, unless all of the following are true: a. The variation relative to the national processes increases the likelihood of being able to assess the impacts of ISFL interventions[33]. b. An explanation has been provided to clarify how methodological consistency will be maintained with the national GHG inventory so that Program GHG Inventory can be integrated with and inform the national GHG inventory (e.g., any definitions used in the Program GHG inventory are consistent with, and/or readily nest into, the definitions used in the national GHG inventory).				

[33] E.g., a broad transition category such as Land Converted to Cropland in the national-level GHG inventory reporting document is sub-divided into Forest Land Converted to Cropland (FC) and Grassland Converted to Cropland (GC) in the Program GHG Inventory, thus allowing for more accurate quantification of emissions (this is the example provided in Volume 4, Chapter 3, Section 3.2 of the IPCC 2006 Guidelines).

No.	Sec.	Requirement Text	Indicator	Assessment Findings	LA	CT	CC
RA-03	PRAnnex1	ISFL ER Programs may choose to use the terminology from their national greenhouse inventory [in lieu of the table in Annex 1] as long as the principles of these ISFL ER Program Requirements are adhered to (for example the level of aggregation an analysis is performed) and the documents submitted to the ISFL clearly outline the countries' own terminology and different levels of aggregation.	Subcategories are differentiated to at least the level of specificity set out in Annex 1 of the Program Requirements.[34]	Confirmed through review of the calculation workbook, supporting data, and supporting documentation.	R	B	C
RA-04			Where subcategories are differentiated to a finer level of detail than is set out in Annex 1 of the Program Requirements, this differentiation has the potential to increase the accuracy and/or completeness of the accounting of emissions and removals.	Confirmed through review of the calculation workbook, supporting data, and supporting documentation.	R	B	C
RA-05	PR§4.1.2	ISFL ER Programs shall, for the purpose of ISFL Reporting, compile a GHG inventory of all AFOLU categories, subcategories, gases and pools in the Program Area (Program GHG Inventory) utilizing existing data that have been collected using best available methods and approaches that are consistent with the most	The Program GHG Inventory has been compiled in a manner consistent with the IPCC 2006 Guidelines[35].	Confirmed through review of the calculation workbook, supporting data, and supporting documentation.	R	B	C

[34] For example, in respect of enteric fermentation by livestock, it is necessary to discriminate between fermentation by the major types of livestock (e.g., cattle, sheep and swine).

[35] In this context, "consistent with" means that the selection of subcategories included in the Step 1 selection (see indicators RA-16 through RA-19) is equivalent to the selection that would have resulted had the IPCC 2006 Guidelines been duly followed to the letter. This may require the assessment to independently recompile the inventory according to the guidance of the IPCC 2006 Guidelines and determine whether there is a difference in the Step 1 selection.

No.	Sec.	Requirement Text	Indicator	Assessment Findings	LA	CT	CC
RA-06		recent IPCC guidance and guidelines. In accordance with the IPCC guidance and guidelines, the Program GHG Inventory should apply the basic principles of transparency, accuracy, completeness, consistency over time and comparability as defined by the IPCC.	In compiling the Program GHG Inventory, the following inventory quality indicators established by the IPCC 2006 Guidelines[36] are adhered to, as applicable, unless a compelling rationale can be provided to support a deviation from these indicators: **Transparency**: There is sufficient and clear documentation such that individuals or groups other than the inventory compilers can understand how the inventory was compiled and can assure themselves it meets the good practice requirements for national greenhouse gas emissions inventories. **Completeness**: Estimates are reported for all relevant categories of sources and sinks, and gases. Geographic areas within the scope of the national greenhouse gas inventory are recommended in these Guidelines. Where elements are missing their absence should be clearly documented together with a justification for exclusion. **Consistency**: Estimates for different inventory years, gases and categories are made in such a way that differences in the results between years and categories reflect real differences in emissions. Inventory annual trends, as far as possible, should be calculated using the same method and data sources in all years and should aim to reflect the real annual fluctuations in emissions or removals and not be subject to	Confirmed through review of the calculation workbook, supporting data, and supporting documentation.	R	P	II

[36] Volume 1, Chapter 1, Section 1.4

No.	Sec.	Requirement Text	Indicator	Assessment Findings	LA	CT	CC
			changes resulting from methodological differences. **Comparability**: The national greenhouse gas inventory is reported in a way that allows it to be compared with national greenhouse gas inventories for other countries. This comparability should be reflected in appropriate choice of key categories, and in the use of the reporting guidance and tables and use of the classification and definition of categories of emissions and removals. **Accuracy**: The national greenhouse gas inventory contains neither over- nor under-estimates so far as can be judged. This means making all endeavors to remove bias from the inventory estimates.				
RA-07	PR§4.1.3	The Program GHG Inventory shall utilize best available methods and existing data. This may include the use of Activity Data Proxies if needed, and IPCC Tier 1 data and methods if no data are available to apply higher Tier methods.	In compiling the Program GHG Inventory, the "best available"[37] methods and existing data are utilized.	Confirmed through review of the calculation workbook, supporting data, and supporting documentation.	R	B	C
RA-08	PR§4.1.5	The Program GHG Inventory shall be compiled during ISFL ER Program design and every second year during the ERPA Term following the national GHG inventory process.	A Program GHG Inventory has been compiled during ER Program design.	Confirmed through review of the calculation workbook, supporting data, and supporting documentation.	R	B	C

[37] In this case, "available" means data that were readily available at the time of inventory compilation and did not require substantive additional cost or other resources in order to acquire (this definition supersedes the generalized definition provided in the "General Guidance" section of this checklist, above). It is expected that, in many cases, assessment teams will see data from older GHG inventories utilized in the Program GHG Inventory, and this is acceptable to the intended users in the absence of ready availability of more accurate and/or up-to-date data. Activity Data Proxies (see definition of "Activity Data Proxy" in the Program Requirements) or Tier 1 data and methods may be used if more accurate data and methods are not available.

No.	Sec.	Requirement Text	Indicator	Assessment Findings	LA	CT	CC
RA-09	T§4.1.1	Please provide a short description (maximum three pages) of the approach used to compile the GHG inventory of all AFOLU categories, subcategories, gases and pools in the Program Area (Program GHG Inventory). Please provide… A description of the general approach applied to compile the Program GHG Inventory including: o an overview of the definitions, categories and subcategories used; o a general overview of the type, Tier and vintages of the data sources used (details to be provided in the next section);	A description of the general approach applied to compile the Program GHG Inventory is provided in Section 4.1.1 of the ERPD.	Confirmed through review of the calculation workbook and ERPD.	R	B	C
RA-10	T§4.1.1	Please provide a short description (maximum three pages) of the approach used to compile the GHG inventory of all AFOLU categories, subcategories, gases and pools in the Program Area (Program GHG Inventory). Please provide… an overview of the definitions, categories and subcategories used;	An overview description of the definitions, categories and subcategories used to compile the Program GHG Inventory is provided in Section 4.1.1 of the ERPD.	Confirmed through review of the calculation workbook and ERPD.	R	B	C
RA-11	T§4.1.1	Please provide a short description (maximum three pages) of the approach used to compile the GHG inventory of all AFOLU categories, subcategories, gases and pools in the Program Area (Program GHG Inventory). Please provide… a general overview of the type, Tier and vintages of the data sources used (details to be provided in the next section);	A general description of the type, Tier and vintages of the data sources used to compile the Program GHG Inventory is provided in Section 4.1.1 of the ERPD.	Confirmed through review of the calculation workbook and ERPD.	R	B	C

No.	Sec.	Requirement Text	Indicator	Assessment Findings	LA	CT	CC
RA-12	T§4.1.1	Please provide a short description (maximum three pages) of the approach used to compile the GHG inventory of all AFOLU categories, subcategories, gases and pools in the Program Area (Program GHG Inventory). Please provide… If applicable, an overview of definitions, categories, or subcategories that are different from the ones that have been used in national processes and an explanation that clarifies how methodological consistency could be maintained with the national GHG inventory.	If any definitions, categories, or subcategories that are different from the ones that have been used in national processes (as determined in indicator RA-02), an overview of such, and an explanation that clarifies how methodological consistency could be maintained with the national GHG inventory, has been provided in Section 4.1.1 of the ERPD.	Confirmed through review of the calculation workbook, supporting data, and supporting documentation..	R	B	C
RA-13	PR§4.1.7	The results of the Program GHG Inventory shall at least be reported at the level of subcategories with their associated carbon pools and gases…	The Program GHG Inventory, as reported in Annex 6 of the ERPD, includes estimates of emissions or removals, for the applicable inventory year(s), for every subcategory included in the scope of the Program GHG Inventory.	Confirmed through review of the calculation workbook and the ERPD.	R	B	C
RA-14	PR§4.1.7	…the activity data, emission factors, methods, information on the underlying assumptions used, and results shall be provided to the national government of the program to inform the national GHG inventory as appropriate.	1. An inventory report document, reporting on the compilation of the Program GHG Inventory in a sufficient level of detail that a reader having expert knowledge of the IPCC 2006 Guidelines could recompile the inventory based on the information provided, has been presented in Annex 6 of the ERPD. 2. Evidence is provided that the contents of Annex 6 of the ERPD have been received by appropriate personnel at the agency or ministry responsible for compiling the national GHG inventory for the host country within which the ER Program is located.	Confirmed through review of the calculation workbook and the ERPD.	R	B	C

No.	Sec.	Requirement Text	Indicator	Assessment Findings	LA	CT	CC
RA-15	PR§4.3.1, PR§4.3.2	ISFL ER Programs shall identify the subcategories eligible for ISFL Accounting in an ERPA Phase according to the following 3 steps: Step 1: Initial selection of subcategories; Step 2: Review of the available data and methods for the subcategories from the initial selection against the quality and baseline setting requirements for ISFL Accounting; Step 3: Final selection of the subcategories eligible for ISFL Accounting. The identification of subcategories eligible for ISFL Accounting shall be performed during program design and shall be updated before the start of each ERPA Phase.	Subcategories eligible for ISFL Accounting in an ERPA Phase are identified during ER Program design according to three steps, termed Steps 1-3[38].	Confirmed through review of the calculation workbook and the ERPD.	R	B	C
RA-16	PR§4.3.3; T§4.1.2	ISFL ER Programs shall list all the subcategories from the Program GHG Inventory, with the associated carbon pools and gases, in order of the relative magnitude of contribution of these subcategories to the absolute level of the total GHG emissions and removals in the Program GHG Inventory.	The following procedure, or a different procedure that, in conjunction with other procedures, results in an identical Step 1 selection and identical reporting within the ERPD, has been followed: 1. Using information in the Program GHG Inventory, determine the GHG emissions or removals associated with each subcategory included in the scope of the Program GHG Inventory. This value is the "Net emissions and removals" as referenced in the provided table in Section 4.1.2 of the PD	Confirmed through independent recalculation of the program GHG inventory and review of the ERPD.	R	B	C

[38] The outcome of each step is a list of selected subcategories. For each step, this list is referred to as "the Step X selection" in these indicators, where X is the number associated with each step. For example, the list of subcategories that is an outcome of Step 1 is referred to as "the Step 1 selection."

No.	Sec.	Requirement Text	Indicator	Assessment Findings	LA	CT	CC
			Template (Table 5)[39]. In completing this step, ensure that net emissions are represented as a positive value and net removals are represented as a negative value.[40] 2. Identify the greenhouse gases associated with the subcategory and, if any carbon pools[41] are associated with the subcategory, identify those as well. 3. Calculate the absolute value of each quantity determined in step (1) above. 4. Rank the absolute values calculated in step (3) above, and the associated subcategories, from highest to lowest. 5. Sum the absolute values calculated in step (3) above. This sum is the "absolute level of the total GHG emissions and removals in the Program GHG Inventory" as referenced in Table 5[42]. 6. Divide each value calculated in step (3) above by the value calculated in step (5) above and multiply by 100 to convert to a percentage; this value is reported in Table 5 as the "Relative contribution to the absolute level of the total GHG				

[39] The table in question is referred to as Table 5 in the PD Template and will be referred to as such within this checklist, for purposes of brevity. If additional tables have been added to the ERPD under assessment, said table may be been assigned a different number.

[40] This is consistent with the convention set out in the IPCC 2006 Guidelines. For example, Section 2.2.3, Chapter 2, Volume 4 of the IPCC 2006 Guidelines states that "…increases in C stocks, i.e. positive (+) stock changes, represent a removal (or 'negative' emission) from the atmosphere, while decreases in C stocks, i.e. negative (-) stock changes, represent a positive emission to the atmosphere."

[41] "Carbon pool," for these purposes, means one of five pools identified in Table 1.1, Section 1.3, Chapter 1, Volume 4 of the IPCC 2006 Guidelines (above-ground biomass, below-ground biomass, dead wood, litter and soil organic matter), noting that it is permissible for the definitions of specific pools used in the Program GHG Inventory to be different from those set out in Table 1.1 (per the guidance provided in Section 1.2.2).

[42] This phrase is present both in Section 4.3.3 of the Program Requirements and Section 4.1.2 of the PD Template. It is ambiguously worded, so the assessment team may see different interpretations of it, but SCS has confirmed with the World Bank that the interpretation provided in this indicator is the intended one. It is also the interpretation affirmed in the final sentence of footnote 6 within the PD Template.

No.	Sec.	Requirement Text	Indicator	Assessment Findings	LA	CT	CC
			emissions and removals in the Program GHG Inventory." 7. Populate Table 5 with the list determined in the above steps. Note the following regarding the "Total" row: a. The value for "Net emissions and removals" must be given as the sum calculated in step (5) above, for consistency with the presentation of information in Section 4.2.1 of the ERPD. b. The value for "Relative contribution to the absolute level of the total GHG emissions and removals in the Program GHG Inventory" must be 100% (any other value indicates a calculation error).				
RA-17	PR§4.3.4; T§4.2.1	From this list, all ISFL ER Programs shall initially select the following subcategories: i. Any subcategories involving conversions from or to forest land; ii. Forest land remaining forest land; iii. Any subcategories involving conversions between land-use categories other than forest land that, cumulatively with the conversions from or to forest land, amount to 90% of the absolute level of the total GHG emissions and removals associated with all land use conversions in the Program GHG Inventory; and	The following procedure, or a different procedure that, in conjunction with other procedures, results in an identical Step 1 selection and identical reporting within the ERPD, has been followed: 1. From Table 5, identify any subcategories associated with conversions[43] from or to forestland. For each such subcategory, transcribe the information in the two left-most columns in Table 5 to the corresponding columns in the first provided table in Section 4.2.1 of the PD	Confirmed through independent recalculation of the program GHG inventory, independent selection of subcategories based on the program GHG, and review of the ERPD.	R	B	C

[43] "Conversion," as used in this indicator, means a change from one land-use category to another, consistent with the usage of this term on page 3.7, Chapter 3, Volume 4 of the IPCC 2006 Guidelines.

No.	Sec.	Requirement Text	Indicator	Assessment Findings	LA	CT	CC
		iv. The single most significant of the remaining subcategories in order of the relative magnitude of contribution of these subcategories to the absolute level of the total GHG emissions and removals in the Program GHG Inventory.	Template (Table 6)[44], preserving the ranking of subcategories as provided in Table 5.[45] 2. From Table 5, identify any subcategories associated with conversions between land-use categories other than forest land. For each such subcategory, transcribe the information in the two left-most columns in Table 5 to the corresponding columns in Table 6, preserving the ranking of subcategories as provided in Table 5, as in step (1) above. 3. For each subcategory in Table 6, calculate the absolute value of the value in the "Net emissions and removals." Note that this information is not directly reported in Table 6. 4. Sum the absolute values calculated in step (3) above. This sum is reported in Table 6 as the "Total absolute GHG emissions and removals associated with all land use conversions in the Program GHG Inventory." 5. Divide each value calculated in step (3) above by the value calculated in step (4) above and multiply by 100 to convert to a percentage; this value is reported in Table 6 as the "Relative contribution to the total absolute GHG emissions and removals associated with all land use conversions in the Program GHG Inventory."				

[44] The table in question is referred to as Table 6 in the PD Template and will be referred to as such within this checklist, for purposes of brevity. If additional tables have been added to the ERPD under assessment, said table may be been assigned a different number.

[45] I.e., the ranking of the subcategories in Table 5 must be the same as the relative ranking of those same subcategories in Table 6.

No.	Sec.	Requirement Text	Indicator	Assessment Findings	LA	CT	CC
			6. For each subcategory in Table 6, populate the "Cumulative contribution to the total absolute GHG emissions and removals associated with all land use conversions in the Program GHG Inventory" column by summing, from top to bottom, all values of the "Relative contribution to the total absolute GHG emissions and removals associated with all land use conversions in the Program GHG Inventory" up to and including the subcategory in question.[46] 7. Include the following in the Step 1 selection: a. Any subcategories from Table 6 involving conversions from or to forest land. b. Forest land remaining forest land.[47] c. Any subcategories from Table 6 involving conversions between land-use categories other than forest land meeting the following criteria: i. The associated value of "Cumulative contribution to the total absolute GHG emissions and				

[46] An example of this operation is given in Table 4.5, Section 4.5, Chapter 4, Volume 1 of the IPCC 2006 Guidelines. Columns F and G in Table 4.5 correspond to the columns entitled "Relative contribution to the total absolute GHG emissions and removals associated with all land use conversions in the Program GHG Inventory" and "Cumulative contribution to the total absolute GHG emissions and removals associated with all land use conversions in the Program GHG Inventory" in Table 6, respectively.

[47] If the subcategory "Forest land remaining forest land" has been further disaggregated in the Program GHG Inventory (e.g., if this subcategory has been disaggregated into subcategories pertaining to forest type), the reference to "Forest land remaining forest land" in this indicator should be read as referring to all of the subcategories that, together, can be aggregated as "Forest land remaining forest land."

No.	Sec.	Requirement Text	Indicator	Assessment Findings	LA	CT	CC
			removals associated with all land use conversions in the Program GHG Inventory" is less than 90.000%. ii. The subcategory is the first subcategory encountered in Table 6, when reading from top to bottom, for which the associated value of "Cumulative contribution to the total absolute GHG emissions and removals associated with all land use conversions in the Program GHG Inventory" is greater than or equal to 90.000%. d. The first subcategory encountered in Table 5, when reading from top to bottom, that is not already included in the Step 1 selection through application of the above steps.				
RA-18	PR§4.3.5	Additional non-forest related subcategories may be included at the discretion of the ISFL ER Program if the quality requirements in Section 4.2 are met, provided there is a clear rationale for including these subcategories in terms of improving ISFL ER Program mitigation performance.	If a voluntary decision is made to include any non-forest related subcategories in the Step 1 selection, additional to those included in the Step 1 selection through application of the above indicators, a "justifiable" determination has been made that there is a reasonable expectation that Emission Reductions related to the subcategory will be generated within the ERPA Term.	Confirmed through review of the calculation workbook and the ERPD.	R	B	C

No.	Sec.	Requirement Text	Indicator	Assessment Findings	LA	CT	CC
RA-19	T§4.2.1	For additional non-forest related subcategories included at the discretion of the ISFL ER Program, provide a clear rationale for including these subcategories in terms of improving ISFL ER Program mitigation performance.	The second table in Section 4.2.1 of the PD Template is populated with a list of non-forest related subcategories that have been voluntarily included in the Step 1 selection, along with a justification for such inclusion.	Confirmed through review of the ERPD.	R	B	C
RA-20	PR§4.2.2, PR§4.2.5-4.2.6, PR§4.3.7, PR§4.3.8, PR§4.3.9	ISFL ER Programs shall review the historic activity data and emission factors available for the subcategories selected in step 1, and the methods used to collect these activity data and emission factors against the quality and baseline setting requirements for ISFL Accounting listed in Section 4.2. ISFL ER Programs shall account for the total net emission reductions across eligible subcategories by estimating the baseline and monitoring emissions and removals for the eligible subcategories using at minimum IPCC Tier 2 methods and data. Subcategories are considered to meet Tier 2 if all the significant pools and gasses are estimated using Tier 2 methods and data. For Subcategories referenced in paragraph 4.3.4ii, jurisdiction-specific Activity Data Proxies may be considered if Tier 2 methods and data are not available to meet the requirement of paragraph 4.2.2.	The following procedure, or a different procedure that, in conjunction with other procedures, results in an identical Step 3 selection, has been followed for each subcategory included in the Step 1 selection, in order to determine whether each subcategory will (a) be retained in the selection (in which case it is termed a "retained subcategory" and considered to have "RET status" or (b) be provisionally considered for removal from the selection (in which case it is termed a "provisionally removed subcategory" and said to have "PREM status"): 1. Identify the section(s) of Volume 4 of the IPCC 2006 Guidelines that contains guidance required for quantification of emissions or removals related to the subcategory[48]. For each area where applicable guidance is provided, review the descriptions of higher tier methods[49]. 2. Note the following requirements for quantification of baseline emissions:	Confirmed through independent review and recalculation of activity data and emission factors.	R	B	C

[48] For example, for subcategories pertaining to land conversion to cropland, one would refer to Chapter 5.3, "Land Converted to Cropland." One would also refer to other portions of the IPCC 2006 Guidelines as needed. For example, if biomass is burned in the process of converting forest land to cropland, one would refer to Chapter 5, Section 5.3.4 of the IPCC 2006 Guidelines for quantification guidance.

[49] Following IPCC convention, "higher tier" refers to either Tier 2 or Tier 3.

No.	Sec.	Requirement Text	Indicator	Assessment Findings	LA	CT	CC
		The Emissions Baseline should be constructed based on the average annual historical GHG emissions and removals (or, where legacy effects are significant, the GHG emissions and removals resulting from average annual historic activities if it can be documented that this is more conservative for the relevant subcategory(ies) and the required data is available) over a baseline period (Baseline Period) of approximately 10 years. This Emissions Baseline should be constructed based on at least two data points. The end date for the Baseline Period for each ERPA Phase is the most recent date prior to two years before the submission of the ISFL ER Program document for each ERPA Phase for independent technical assessment. An alternative start-date of the Baseline Period could be allowed only with a convincing justification, and is not more than 15 years before the end date of the Baseline Period. For Subcategories listed in paragraph 4.3.4iv, if 10 years of historical data are not available at the beginning of the first ERPA Phase to construct the Emissions Baseline, a Baseline Period of 5 years may be considered for the	a. Data must be available to quantify an average annual estimate of GHG emissions and removals across the Baseline Period[50], using at least two data points, according to one of the following methods: i. Direct quantification of average annual historical GHG emissions and removals within the Program Area during the Baseline Period; or ii. Quantification of GHG emissions and removals resulting from average annual historic activities within the Program Area during the Baseline Period where all of the following criteria apply: 1. Legacy effects[51] are likely to impact the Emissions Baseline. 2. Required data are				

[50] See step (2)(b) below for requirements regarding the determination of the Baseline Period.

[51] Legacy effects are emissions during the Baseline Period that are a result of land-use change that occurred before the start of the Baseline Period. Legacy effects are most likely to occur in the below-ground biomass, dead wood and soil organic matter pools, for which emissions attributable to land-use change may occur over extended periods of time.

No.	Sec.	Requirement Text	Indicator	Assessment Findings	LA	CT	CC
		first ERPA Phase with sufficient justification, with the requirement to construct the Emissions Baseline using an approximate 10-year Baseline Period for subsequent ERPA Phases where possible.	available, following the requirements on data quality set out below, in order to implement the approach. b. The Baseline Period must meet the following temporal requirements: i. The Baseline Period must be approximately[52] 10 years in length, unless all of the following are true: 1. The subcategory was added to the Step 1 selection per indicator step (7)(d) in indicator RA-17. 2. Sufficient data for a Baseline Period of approximately 10 years are not available				

[52] For the purposes of this indicator, "approximately" refers to a period of time within 365 days of the indicated number of years (e.g., "approximately 10 years" means a period of time that is exactly between 9 and 11 years).

No.	Sec.	Requirement Text	Indicator	Assessment Findings	LA	CT	CC
			at the beginning of the first ERPA Phase. 3. Sufficient data for a Baseline Period of at least 5 years[53] are available at the beginning of the first ERPA Phase. 4. The Baseline Period is set to between 5 and 10 years in length. 5. A compelling rationale[54] is provided regarding the propriety of a Baseline Period of between 5 and 10 years for this subcategory. 6. Where possible, a commitment				

[53] Baseline Periods less than five full years (e.g., in general, five consecutive periods of 365 days) in length are not permitted.

[54] It is expected that the most common reasons that may be given for a shorter Baseline Period will be related to lack of data availability. The assessment team should closely scrutinize any claims made but should be prepared to accept any justifiable explanation for lack of feasibility.

No.	Sec.	Requirement Text	Indicator	Assessment Findings	LA	CT	CC
			is made to construct the Emissions Baseline using an approximate 10-year Baseline Period for subsequent ERPA Phases. ii. Both of the following must be true regarding the date falling exactly two years before the date of submittal of the ERPD for quality review by the World Bank (referred to in this step (2) as the "date of interest"): 1. The Baseline Period must end on or earlier than the day just before the date of interest. 2. If the Baseline Period does not end on the day just before the date of				

No.	Sec.	Requirement Text	Indicator	Assessment Findings	LA	CT	CC
			interest, the Baseline Period must end as recently as possible prior to the day just before the date of interest, and good reason must be provided for why the Baseline Period cannot end on the day just before the date of interest. iii. If the start date of the Baseline Period is not approximately 10 years before the end of the baseline period, all of the following are true: 1. A compelling rationale can be provided regarding why it would be				

No.	Sec.	Requirement Text	Indicator	Assessment Findings	LA	CT	CC
			infeasible[55] for the start of the Baseline Period to be within approximately 10 years of the end of the baseline period. 2. The start date of the Baseline Period is not more than 15 years before the end data of the Baseline Period. 3. Use the following procedure for determining whether the subcategory "meets Tier 2" (i.e., can be quantified using higher tier methods) and, thus, adheres to the requirements of this step (3): a. Refer to Table 5 to identify any greenhouse gases or carbon pools (referred to in the remainder of this indicator as				

[55] It is expected that the most common reasons that may be given for lack of feasibility will be related to lack of data availability, but perhaps other reasons may be given for lack of feasibility. The assessment team should closely scrutinize any claims made but should be prepared to accept any justifiable explanation for lack of feasibility.

No.	Sec.	Requirement Text	Indicator	Assessment Findings	LA	CT	CC
			"G/Ps") associated with the subcategory.[56] b. Of the G/Ps identified in step (3)(a) above, assess whether there are any G/Ps for which higher tier methods are not available for the entire process of quantifying both (a) baseline emissions (in consideration of the data requirements for baseline quantification as identified in step (2) above) and (b) monitoring emissions related to the subcategory. c. If no such G/Ps exist, the subcategory meets Tier 2; skip to step (4). Otherwise, the following significance testing procedure must be applied: i. Using information in the Program GHG Inventory, determine the GHG emissions or removals associated with each greenhouse gas or carbon pool identified in step (3)(a) above. ii. Calculate the absolute value of each quantity determined in step (3)(c)(i) above. iii. Rank the absolute values calculated in				

[56] For any subcategory with one or more associated carbon pools, the greenhouse gas CO_2 must be disregarded for purposes of assessing whether the subcategory meets Tier 2 (double-counting in the significance testing would otherwise result).

No.	Sec.	Requirement Text	Indicator	Assessment Findings	LA	CT	CC
			step (3)(c)(ii) above, and the associated G/Ps, from highest to lowest. iv. Sum the absolute values calculated in step (3)(c)(ii) above. v. Divide each value calculated in step (3)(c)(ii) by the value calculated in step (3)(c)(iv) above and multiply by 100 to convert to a percentage. This is the relative contribution to the absolute level of the total GHG emissions and removals in the subcategory. vi. Work through the list of G/Ps in sequential order from top to bottom, adding, for each G/P, the value calculated in step (3)(c)(v) for that G/P to the sum of the corresponding values across all G/Ps that are higher-ranked (i.e., that appear higher in the ranked				

No.	Sec.	Requirement Text	Indicator	Assessment Findings	LA	CT	CC
			list).[57] The result of this operation, for each G/P, is the calculation of the cumulative contribution of that G/P to the total absolute GHG emissions and removals. vii. Identify all G/Ps meeting at least one of the following criteria (such G/Ps are considered "significant"): 1. Having an associated relative contribution to the absolute level of the total GHG emissions and removals in the subcategory, as calculated in step (3)(c)(v) above, that is greater than				

[57] This is the same operation as that set out in Step (6) of indicator RA-17. An example of this operation is given in Table 4.5, Section 4.5, Chapter 4, Volume 1 of the IPCC 2006 Guidelines.

No.	Sec.	Requirement Text	Indicator	Assessment Findings	LA	CT	CC
			or equal to 25.000%. 2. Having an associated cumulative contribution to the absolute level of the total GHG emissions and removals in the subcategory, as calculated in step (3)(c)(vi) above, that is less than 60.000%. 3. Being the first G/P encountered, when reviewing the list of values calculated in step (3)(c)(vi) from top to bottom, for which the calculated value is greater than or equal to 60.000%.				

No.	Sec.	Requirement Text	Indicator	Assessment Findings	LA	CT	CC
			viii. For each G/P identified in step (3)(c)(vii) above, determine whether higher tier methods are available for the entire process of quantifying both (a) baseline emissions (in consideration of the data requirements for baseline quantification as identified in step (2) above) and (b) monitoring emissions related to the subcategory. 1. If an affirmative determination is made for each G/P identified in step (3)(c)(vii) above, the subcategory meets Tier 2. 2. Otherwise, the subcategory does not meet Tier 2. 4. If the subcategory is related to land use change[58], determine whether the				

[58] This step is not applicable to subcategories not related to land use change.

No.	Sec.	Requirement Text	Indicator	Assessment Findings	LA	CT	CC
			following requirements for quantification of activity data, in respect of Approaches 1, 2 and 3 as described in Volume 4, Chapter 3, Section 3.3.1 of the IPCC 2006 Guidelines, can be adhered to for the entire process of quantifying both (a) baseline emissions (in consideration of the data requirements for baseline quantification as identified in step (2) above) and (b) monitoring emissions related to the subcategory: a. Quantification of activity data using Approach 1 is not permitted. b. Activity data using must be quantified using Approach 3, unless this is not possible, in which case Approach 2 may be used, provided that ancillary information is available that allows to land-use conversions to be tracked over time. 5. Determine whether the subcategory meets Tier 2, through application of the procedure set out in step (3) above, and adheres to any applicable requirements for land representation as set out in step (4) above. a. If yes, the subcategory is assigned RET status. b. If not: i. If the sub-category in question is “forest land remaining forest land” and all of the following are true, the				

No.	Sec.	Requirement Text	Indicator	Assessment Findings	LA	CT	CC
			sub-category is assigned RET status. 1. The only issue is that sufficient activity data[59] are not available to meet the requirements of higher tier methods for each G/P identified in step (3)(c)(vii) above. 2. Data from an Activity Data Proxy are available to serve as a substitute for the missing activity data in the implementation of a higher tier method, and are used for this purpose. 3. In respect of baseline emissions,				

[59] "Activity data" is defined in Volume 1, Chapter 1 of the IPCC 2006 Guidelines as "information on the extent to which a human activity takes place"; such data are most frequently calculated using units of land area (e.g., hectares).

No.	Sec.	Requirement Text	Indicator	Assessment Findings	LA	CT	CC
			quantification follows guidance for baseline quantification set out in step (2) above. ii. Otherwise, the subcategory is assigned PREM status. 6. The outcome of the above steps is a list of subcategories with a status identifier (either "RET" or "PREM") attached to each); this is termed the Step 2 selection.				
RA-21	PR§4.3.11-4.3.13	For each ERPA Phase, ISFL ER Programs shall only account for those subcategories for which step 2 has shown that the historic activity data and emission factors available, and the methods used to collect these activity data and emission factors, meet the quality and baseline setting requirements for ISFL Accounting listed in Section 4.2 while taking into account the provisions of paragraph 4.3.8 and 4.3.9. If a subcategory selected in step 1 has historic data available to construct an Emission Baseline over a Baseline Period of approximately 10 years but these data do not meet the other quality requirements of Section 4.2, it can only be included for accounting in the ERPA Phase if all the quality requirements can be met through the	The following procedure, or a different procedure that, in conjunction with other procedures, results in an identical Step 3 selection, has been followed for each subcategory included in the Step 2 selection: 1. If the subcategory has a status of RET, it is included in the Step 3 selection. 2. If the subcategory has a status of PREM: a. If the subcategory was assigned a status of PREM for the sole reason that, while historic data available to construct an Emission Baseline over a Baseline Period of approximately 10 years do exist, these data do not meet the requirements set out in steps (3) and (4) of indicator RA-20, the subcategory is included in the Step 3 selection	Confirmed through independent review and recalculation of activity data and emission factors.	R	B	C

No.	Sec.	Requirement Text	Indicator	Assessment Findings	LA	CT	CC
		application of improved methods and data. ISFL ER Programs that intend to include such a subcategory need to ensure that the quality requirements can be met at the latest at the end of the ERPA Phase. In this case, ISFL ER Programs shall provide an interim Emissions Baseline at the beginning of the ERPA Phase using best available data to be able to provide ex-ante estimations of the Emission Reductions. Each relevant subcategory selected in step 1 that does not have sufficient historic data available to construct an Emission Baseline over a Baseline Period of approximately 10-year period at the start of an ERPA Phase (with the exception of the subcategories that meet the requirements of 4.3.9), cannot be included for accounting and the calculation of the emission reductions and removals in that ERPA Phase. In this case the ISFL ER Program shall monitor the emissions for that subcategory in accordance with the quality requirements of Section 4.2 for the ERPA Phase and these monitored data collected during the ERPA Phase (and potentially earlier ERPA Phases) shall be used to estimate the Emissions Baseline during the subsequent ERPA Phase in order to fulfill the baseline period requirements outlined in Section 4.2	if a "justifiable" determination is made that it will be possible to produce an Emissions Baseline adhering to the requirements of the same steps (3) and (4) by no later than the end of the first ERPA Phase. Otherwise, the subcategory is not included in the Step 3 selection. b. If the subcategory was assigned PREM status because, at least in part, historic data available to construct an emission baseline over a Baseline Period of approximately 10 years do not exist, the subcategory is not included in the Step 3 selection. c. If the subcategory was assigned PREM status for any reason other than given in steps (2)(a)-(b) above, the subcategory is not included in the Step 3 selection.				
RA-22	T§4.2.2	For each of the subcategories selected in step 1, provide a summary of the	For each of the subcategories included in the Step 1 selection, the provided table in Section	Confirmed through review of the ERPD.	R	B	C

No.	Sec.	Requirement Text	Indicator	Assessment Findings	LA	CT	CC
		review of the available data and methods for the subcategories against the quality and baseline setting requirements for ISFL Accounting using the table template below. Copy and complete the table for each individual subcategory	4.2.1 of the PD Template is populated (the table is populated uniquely for each such subcategory) with summary information regarding the review of the available data and methods against the quality and baseline setting requirements for ISFL Accounting.				
RA-23	TAnnex 7	For each of the selected subcategories in Section 4.2.1: • Identify the parameters that were used to determine the activity data and emission factors in the calculation of the emissions and removals for that subcategory; • For each parameter used to determine activity data, describe the historic time series available for that parameter including how they relate to the proposed start date and end date of the Baseline Period (see Section 4.4.1); • Provide details on the source of the parameters (e.g., official statistics) or a description of the method for determining the parameter (e.g., for parameters derived from remote sensing images describe the process applied including details such as the type of sensors and the details of the images used). If proxies have been used, describe the data sources for the proxies and their application to estimate activity data; • Provide details on the spatial level of the parameters (local, regional, national or international) and if they allow for spatially explicit observations	The following information is included in Annex 7 of the ERPD for each of the subcategories included in the Step 1 selection: 1. Identification of the "parameters: used to determine the activity data and emission factors in the calculation of the emissions and removals for the subcategory 2. For each "parameter" identified in (1) above: a. If the "parameter" is used to determine activity data, a description of the historic time series available for that "parameter", including how the available time series relates to the start date and end date of the Baseline Period b. Details on the data source for the "parameter", following one of the below options, as applicable: i. If the "parameter" has been measured, a description of the	Confirmed through review of the ERPD and calculation workbooks.	R	B	C

No.	Sec.	Requirement Text	Indicator	Assessment Findings	LA	CT	CC
		of land-use categories and land-use conversions; • Provide an analysis if the parameters comply with the requirements on the use of, at minimum, IPCC Tier 2 methods and data. For parameters used for land use change-related subcategories, also provide an analysis if they data allows for the use of Approach 3 for land representation.	method for determining the "parameter" (e.g., for "parameters" derived from remote sensing images describe the process applied including details such as the type of sensor and the types of imagery used). ii. If proxies have been used, describe the data sources for the proxies and their application to estimate activity data. iii. For other data sources (e.g., literature or expert judgment), provide a description of the source of the data. c. If the "parameter" is spatial in nature, details on the level to which it applies (local, regional, national or international) and clarification as to whether the "parameter" allows for spatially explicit observations of land-use categories and land-use conversions.				

No.	Sec.	Requirement Text	Indicator	Assessment Findings	LA	CT	CC
			d. An analysis as to whether the "parameter" complies with the requirements on the use of, at minimum, IPCC Tier 2 methods and data. e. If the "parameter" is used for land use change-related subcategories, an analysis as to whether data provided by the "parameter" allows for the use of Approach 3 for land representation.				
RA-24	T§4.2.3	Based on the analysis above, complete the table below by listing all subcategories from step 1 and identifying those subcategories for which step 2 has shown that the historic activity data and emission factors available, and the methods used to collect these activity data and emission factors, meet the quality and baseline setting requirements for ISFL Accounting.	In the provided table in Section 4.2.3 of the PD Template, list all subcategories included in the Step 1 selection and populate the table according to its instructions, with those subcategories included in the Step 3 selection (and only such subcategories) being identified as "Eligible for ISFL Accounting"[60].	Confirmed through review of the ERPD and calculation workbooks.	R	B	C
RA-25	PR§4.3.1; T§4.3; TAnnex 8	[For] Each relevant subcategory selected in step 1 that does not have sufficient historic data available to construct an Emission Baseline over a Baseline Period of approximately 10-year period at the start of an ERPA Phase (with the exception of the	A description of the time-bound plan to increase the completeness of the scope of accounting and improve data and methods for the subsequent ERPA Phases during the ERPA Term is provided in Section 4.3 of the PD Template, and the full plan itself is provided in Annex 8 of the PD Template.	Confirmed through review of the ERPD, calculation workbooks, and discussions with the program team.	R	B	C

[60] The distinction in the provided table between "Emissions Baseline setting requirement(s)," "Methods and data requirement(s)" and "Spatial information requirement(s)" is not clear, so the assessment team should be flexible regarding how these columns are filled out. The factors of primary importance are that all subcategories included in the Step 1 selection are included in the table and that the "Eligible for ISFL Accounting?" column is correctly populated in respect of whether or not each subcategory is included in the Step 3 selection.

No.	Sec.	Requirement Text	Indicator	Assessment Findings	LA	CT	CC
		subcategories that meet the requirements of 4.3.9)… the ISFL ER Program shall monitor the emissions for that subcategory in accordance with the quality requirements of Section 4.2 for the ERPA Phase and these monitored data collected during the ERPA Phase (and potentially earlier ERPA Phases) shall be used to estimate the Emissions Baseline during the subsequent ERPA Phase in order to fulfill the baseline period requirements outlined in Section 4.2. For subcategories that were included in Section 4.2.1 above as part of the initial selection (step 1) but were not eligible for ISFL Accounting, please provide a summary of the time bound plan (approximately 500 words) to increase the completeness of the scope of accounting, improve data and methods and start collecting data to be able to estimate the Emissions Baseline for the subsequent ERPA Phases during the ERPA Term. Also, discuss those subcategories selected in step 1 that have historic data available to construct an Emission Baseline over a Baseline Period of approximately 10 years but where these data do not meet the other quality requirements and identify if all the quality requirements can be met through the application of improved methods and	The time-bound plan, and the description thereof, have the following attributes: 1. For any subcategory included in the Step 1 selection but not included in the Step 3 selection, concrete actions are identified that will meet the following objectives: 2. Increase the completeness of the scope of accounting. 3. Improve data and methods. 4. Start collecting data to be able to estimate the Emissions Baseline for one or more subsequent ERPA Phases during the ERPA Term. 5. For any subcategory identified in step (2)(a) of indicator RA-21: 6. If the subcategory was included in the Step 3 selection, it is affirmed that all the quality requirements can be met through the application of improved methods and data by the end of the first ERPA Phase[61] and concrete actions are identified that will result in the subcategory being granted RET status, upon application of the procedure set out in indicator RA-20, by the end of the first ERPA Phase. 7. If the subcategory was not included in the Step 3 selection, this is clearly				

[61] For such subcategories, this is a precondition for inclusion in the Step 3 selection.

No.	Sec.	Requirement Text	Indicator	Assessment Findings	LA	CT	CC
		data at the latest at the end of the current ERPA Phase. Please include the full-time bound plan in Annex 8 below.	stated and the information requested in (1)(a)-(c) above is provided.				
RA-26			The time-bound plan to increase the completeness of the scope of accounting and improve data and methods for the subsequent ERPA Phases during the ERPA Term, as described in Section 4.3 of the ERPD and provided in full in Annex 8 of the ERPD, has the following attributes:				
RA-27			The time-bound plan is **specific**, with actions to be taken and responsible parties clearly identified.	Confirmed through review of the ERPD and discussions with the program team.	R	P*	I
RA-28			The time-bound plan is **measurable**: describing actions to be taken with a sufficient level of detail that it will be possible to objectively measure progress towards any objectives.[62]	Confirmed through review of the ERPD and discussions with the program team.	R	P*	I
RA-29			The time-bound plan is **achievable**: feasible given resources that can reasonably be assumed to be available to the Program Entity.	Confirmed through review of the ERPD and discussions with the program team.	R	P*	II
RA-30			The time-bound plan is **relevant**, with the largest amount of planned effort granted to subcategories that of the highest priority for eligibility for ISFL Accounting.[63]	Confirmed through review of the ERPD and discussions with the program team.	R	P*	I
RA-31			The time-bound plan is **time-bound**, with specific milestones provided by which key implementation actions will be completed.	Confirmed through review of the ERPD and discussions with the program team.	R	P*	II
RA-32			The time-bound plan is likely to increase the completeness of the scope of accounting.	Confirmed through review of the ERPD	R	P*	I

[62] For example, of the two planned actions described below, the second is more measurable than the first.

1. "We will acquire updated medium-resolution imagery for the Program Area."
2. "We will acquire cloud-free medium-resolution imagery from the Landsat-8 sensor as it becomes available, with an objective of having wall-to-wall coverage of the Program Area by 31 March 2019."

[63] The determining of priority is to be made by the Program Entity.

No.	Sec.	Requirement Text	Indicator	Assessment Findings	LA	CT	CC
				and discussions with the program team.			
RA-33			The time-bound plan is likely to improve data and methods for the subsequent ERPA Phases.	Confirmed through review of the ERPD and discussions with the program team.	R	P*	I
RA-34	PR§1; PR§4.4.1	For each ERPA Phase, ISFL ER Programs shall determine an Emissions Baseline comprising those subcategories that are eligible for ISFL Accounting in the ERPA Phase as determined by the steps in Section 4.3. ISFL ER Programs are expected to demonstrate conformity with this document and apply general principles of… conservativeness in order to be able to receive result-based finance from the ISFL.	For each subcategory included in the Step 3 selection, the following are true, as applicable, regarding the Emissions Baseline for the first ERPA Phase ("the First Phase Baseline"): 1. The First Phase Baseline has been constructed, in respect of the subcategory, following the requirements set out in step (2) of indicator RA-20. 2. If the subcategory was determined to meet Tier 2 in step (3) of indicator RA-20, only higher tier methods are used to construct the First Phase Baseline for any greenhouse gases or carbon pools identified in step (3)(c)(vii) of the same indicator (no Tier 1 methods are used for such greenhouse gases or carbon pools). 3. If the subcategory is related to land use change, the requirements of step (4)(a)-(b) of indicator RA-20 are adhered to in constructing the First Phase Baseline. 4. If step (5)(b)(i) of indicator RA-20 applies to the subcategory, the requirements in step (5)(b)(i)(1)-(3) of	Confirmed through review of the ERPD and calculation workbooks.	R	B	C

No.	Sec.	Requirement Text	Indicator	Assessment Findings	LA	CT	CC
			the same indicator are adhered to in constructing the First Phase Baseline. 5. If step (2)(a) of indicator RA-21 applies to the subcategory, an Interim Emissions Baseline is produced for the sub-category using "best available" data and incorporated into the First Phase Baseline for purposes of ex-ante quantification of Emission Reductions.				
RA-35			The First Phase Baseline is constructed through summation of the individual subcategory-specific baselines across all subcategories included in the Step 3 selection.	Confirmed through review of the ERPD and calculation workbooks.	R	B	C
RA-36			The following guidance is applied in constructing the First Phase Baseline, as applicable: 1. The good practice suggestions of the IPCC 2006 Guidelines. 2. The guidance of Sections 3-5 of GFOI.	Confirmed through review of the ERPD and calculation workbooks, and independent recalculation of the baseline.	R	P	II
RA-37			The First Phase Baseline has been constructed using conservative methodological assumptions and approaches in order to ensure that Emission Reductions are not over-estimated (i.e., to err on the side of underestimating baseline emissions).[64]	Confirmed through review of the ERPD and calculation workbooks, and independent recalculation of the baseline.	R	P	I

[64] This language paraphrases Section 3.7 of ISO 14064-2:2006. Note, however, the following:

1. The principle of conservativeness does not necessarily imply that choices leading to a higher Emission Baseline are made at every turn. It simply requires that, in the face of uncertainty, methodological assumptions and approaches are selected that err on the side of over-estimating the baseline.
2. As referenced in this indicator, the principle of conservativeness does not extend to the selection of data sources, such as emission factors. It is not expected, for example, that where an uncertainty range around an emission factor is provided in the literature, the lower bound of that range will be selected for use in quantification. Uncertainty in data sources will be accounted for in the calculation of the uncertainty set-aside factor, per Section 4.6 of the Program Requirements.

No.	Sec.	Requirement Text	Indicator	Assessment Findings	LA	CT	CC
RA-38			Where legacy effects are likely to be present, these have been accounted for in construction of the First Phase Baseline through appropriate implementation of the accounting approach set out in step (2)(a)(ii) in indicator RA-20.	Confirmed through review of the ERPD and calculation workbooks, and independent recalculation of the baseline.	R	P	II
RA-39			In constructing the First Phase Baseline, all emissions from the below-ground biomass, dead wood, litter and soil organic matter carbon pools following land-use change are not assumed to be instantaneous or to occur within a short period of time, but are projected using a decay function over a "justifiable" period of time.[65]	Confirmed through review of the ERPD and calculation workbooks, and independent recalculation of the baseline.	R	P	I
RA-40			Emissions Baselines for ERPA Phases after the first ERPA Phase, as reported in Section 4.4.2 of the PD Template, are "justifiable" in light of (a) projected trends in average emissions (over future Baseline Periods as relevant to future ERPA Phases) within the Program Area and (b) subcategories that were not included in the Step 3 selection that are predicted to become eligible for ISFL Accounting in respect of future ERPA Phases.	Confirmed through review of the ERPD and calculation workbooks, and independent recalculation of the baseline.	L	P	I
RA-41	PR§4.6.1	ISFL ER Programs shall systematically identify and assess sources of uncertainty in the determination of the Emissions Baseline… following most recent IPCC guidance and guidelines…	A "justifiable" assessment of sources of uncertainty in the construction of the Emissions Baseline for the first ERPA Phase has been carried out; this assessment has the following attributes: 1. The assessment is systematic, in that it proceeds in a methodical manner	Confirmed through review of the ERPD and calculation workbooks, and independent recalculation of the baseline uncertainty. However, due to a lack of transparency in	R	B	FAR

[65] Page 3.9 of Chapter 3, Volume 4 of the 2006 IPCC Guidelines suggests a default time period of 20 years for "dead organic matter and soil carbon stocks to reach equilibrium following land-use conversion" and, therefore, a default time period of 20 years will automatically be considered justifiable for purposes of this indicator. However, time periods other than 20 years may also be justifiable.

No.	Sec.	Requirement Text	Indicator	Assessment Findings	LA	CT	CC
			through the various components of the quantification process and assesses uncertainty independently for each component. 2. The classification of uncertainties is undertaken using the "eight broad causes of uncertainty" identified in Section 3.1.5 of Chapter 3, Volume 1 of the IPCC 2006 Guidelines; an exhaustive identification of all instances of each of these causes of uncertainty is provided.	the assessment of uncertainty, the assessment team was not able to fully replicate the uncertainty calculation leading to a Forward Action Request detailed in Section 5.2.			
RA-42	PR§4.6.1	ISFL ER Programs shall, to the extent feasible, follow a process of managing and reducing uncertainty in the determination of the Emissions Baseline…	A "justifiable" assessment has been undertaken regarding how uncertainty in the construction of the Emissions Baseline for the first ERPA Phase can be managed and reduced, given the means that can reasonably be made available to the Program Entity. This assessment has been acted upon.	Confirmed through review of the ERPD and calculation workbooks, and independent recalculation of the baseline uncertainty.	R	B	C
RA-43			The guidance set out in Section 3.1.6 of Chapter 3, Volume 1 of the IPCC 2006 Guidelines has been duly considered in assessing how uncertainty in the construction of the Emissions Baseline for the first ERPA Phase can be managed and reduced.	Confirmed through review of the ERPD and supporting data and documentation, and independent recalculation of the baseline.	R	P	II
RA-44			The "best available" data have been used in the construction of the Emissions Baseline for the first ERPA Phase.	Confirmed through review of the ERPD and supporting data and documentation, and independent recalculation of the baseline.	R	P	I
RA-45	T§4.4.1	Building on the information provided in 4.2 above, please provide a short description (maximum two pages) of	The following information is provided in Section 4.4.1 of the ERPD:	Confirmed through review of the ERPD and supporting data	R	B	C

No.	Sec.	Requirement Text	Indicator	Assessment Findings	LA	CT	CC
		the approach used for estimating the Emissions Baseline. Please provide: • A description of the general approach applied to estimate the Emissions Baseline in the current ERPA Phase • Identification and assessment of uncertainty in the determination of the Emissions Baseline. • The Baseline Period(s) used in the construction of the Emissions Baseline for the current ERPA Phase by indicating the start-date and the end-date for the Baseline Period(s). If different Baseline Periods are used for different subcategories, explain how this meets the requirements. • In case an interim Emissions Baseline is provided at the beginning of the ERPA Phase, identify those subcategories that led to the use of the interim baseline and describe how best available data have been used. • Ex-ante estimate, including assumptions made, of how the Emissions Baseline will change in future ERPA Phases.	1. A description of the general approach applied to estimate the Emissions Baseline in the current ERPA Phase.[66] 2. Identification and assessment of uncertainty in the determination of the Emissions Baseline 3. The start date(s) and end date(s) of the Baseline Period(s) used in the construction of the Emissions Baseline for the current ERPA Phase 4. If different Baseline Periods are used for different subcategories, clarification regarding how this meets any relevant clauses of the Program Requirements. 5. In case an interim Emissions Baseline is provided at the beginning of the ERPA Phase, identification of those subcategories that led to the use of the interim baseline and a description of how "best available" data have been used. 6. An ex-ante estimate of how the Emissions Baseline will change in future ERPA Phases (with a description of any assumptions made in producing the estimate).	and documentation, and independent recalculation of the baseline.			
RA-46	TAnnex 9	Please provide a step-by-step calculation of the Emissions Baseline. Provide a transparent, complete, consistent and accurate description of the approaches, methods, and	A step-by-step calculation of the Emissions Baseline, including the following information, is provided in Annex 9 of the ERPD:	Confirmed through review of the ERPD and supporting data and documentation, and independent	R	B	FAR

[66] All references to the "current ERPA Phase" refer to the first ERPA Phase.

No.	Sec.	Requirement Text	Indicator	Assessment Findings	LA	CT	CC
		assumptions used and provide an overview of the activity data and emission factors used in a way that is sufficiently detailed to enable the reconstruction of the Emissions Baseline. Identify and asses the sources of uncertainty in the determination of the Emissions Baseline and describe actions that have been taken to manage or reduce uncertainty Attach any spreadsheets, spatial information, maps and/or synthesized data used in the calculation.	1. A transparent, complete, consistent and accurate description of the approaches, methods, and assumptions used 2. An overview of the activity data and emission factors used in a way that is sufficiently detailed to enable the reconstruction of the Emissions Baseline. 3. An identification and assessment of the sources of uncertainty in the determination of the Emissions Baseline and a description of actions that have been taken to manage or reduce uncertainty. Any spreadsheets, spatial information, maps and/or synthesized data used in the calculation of the Emissions Baseline are incorporated by reference to Annex 9.	recalculation of the baseline. However, due to a lack of transparency in the assessment of uncertainty, the assessment team was not able to fully replicate the uncertainty calculation leading to a Forward Action Request detailed in Section 5.2.			
RA-47	T§4.4.2	Provide the estimate of the Emissions Baseline in the table below.	An estimate of the Emissions Baseline is provided, for each ERPA Phase included in the ERPA Term, in the provided table in Section 4.4.2 of the PD Template.	Confirmed through review of the ERPD and the calculation workbook.	R	B	C
RA-48	T§4.5.1	Please provide a description (two pages or less) of the methods and standards for generating, recording, storing, aggregating, collating and reporting data on monitored parameters, including equations if necessary.	Section 4.5.1 contains a description of the methods and standards[67] for generating, recording, storing, aggregating/collating and reporting data on monitored “parameters”, including equations if necessary.	Confirmed through review of the ERPD and the calculation workbook.	R	B	C
RA-49	T§4.5.2	Please provide a description or flow diagram (one page or less) indicating	Section 4.5.2 of the ERPD contains a description or flow diagram indicating how the monitoring	Confirmed through review of the ERPD.	R	B	C

[67] The definition of “standard” that applies to here is (from Merriam-Webster): “something set up and established by authority as a rule for the measure of quantity, weight, extent, value, or quality.” For example, when speaking of collection of remotely sensed data, a standard for pixel size (such as 30 meters) could be described in the ERPD.

No.	Sec.	Requirement Text	Indicator	Assessment Findings	LA	CT	CC
		how the monitoring system will operate and who will be responsible for monitoring the parameters.	system will operate and who will be responsible for monitoring the "parameters".				
RA-50	TAnnex 10; PR§4.6.1	Using the table provided, clearly describe all the data and parameters to be monitored (copy table for each parameter).	Using the table provided[68] in Annex 10 of the ERPD a clear description is provided of all the data and "parameters" to be monitored (copy table for each "parameter").	Confirmed through review of the ERPD.	R	B	C
RA-51		ISFL ER Programs shall systematically identify and assess sources of uncertainty in the… monitoring of emissions and removals following most recent IPCC guidance and guidelines…	A "justifiable" assessment of sources of uncertainty in the monitoring of emissions and removals has been carried out and documented in Annex 10 of the ERPD (under "Identification of sources of uncertainty for this "parameter"…"); this assessment has the following attributes: 1. The assessment is systematic, in that it proceeds in a methodical manner through the various "parameters" used in quantification and assesses uncertainty independently for each component. 2. The classification of uncertainties is undertaken using the "eight broad causes of uncertainty" identified in Section 3.1.5 of Chapter 3, Volume 1 of the IPCC 2006 Guidelines; an exhaustive identification of all instances of each of these causes of uncertainty is provided.	Confirmed through review of the ERPD and calculation workbook, and discussions with the program team.	R	B	C
RA-52	T§4.5.3	The details on all data and parameters to be monitored in Annex 10 below should also provide a systematic identification and assessment of	A "justifiable" assessment has been undertaken, and documented in Section 4.5.3 of the ERPD, regarding how uncertainty in the monitoring of emissions and removals can be managed and	Confirmed through review of the ERPD and discussions with the program team.	R	B	C

[68] An overly-stringent interpretation of the table in Annex 10 would not be in anyone's best interest. While clarity in how the table is populated is important, brevity should be permitted so long as clarity is not degraded. References to external documents (e.g., if a certain section of a Standard Operating Procedures document is referenced under "Quality Assurance/Quality Control procedures to be applied") should be permitted, so long as the external documents are clearly provided.

No.	Sec.	Requirement Text	Indicator	Assessment Findings	LA	CT	CC
		uncertainty in the data and parameters to be monitored. Based on the information provided in the Annex, indicate how uncertainty will be managed and reduced in the monitoring of emissions and removals (roughly 500 words or less). ISFL ER Programs shall, to the extent feasible, follow a process of managing and reducing uncertainty in the… monitoring of emissions and removals.	reduced, given the means that can reasonably be made available to the Program Entity.				
RA-53			The guidance set out in Section 3.1.6 of Chapter 3, Volume 1 of the IPCC 2006 Guidelines has been duly considered in assessing how uncertainty in the monitoring of emissions and removals can be managed and reduced.	Confirmed through review of the ERPD and discussions with the program team.	R	P	II
RA-54			The "best available" data have been used in the monitoring of emissions and removals.	Confirmed through review of the ERPD and discussions with the program team.	R	P	II
RA-55			The following guidance is applied in constructing the monitoring of emissions and removals, as applicable: 1. The good practice suggestions of the IPCC 2006 Guidelines. 2. The guidance of Sections 3-5 of GFOI.	Confirmed through review of the ERPD and discussions with the program team.	R	P	I
RA-56	PR§4.2.2-4.2.3; PR§4.5.1	ISFL ER Programs shall estimate all the subcategories and their associated carbon pools and gases included in the scope for ISFL Accounting following the quality requirements in Section 4.2. ISFL ER Programs shall account for the total net emission reductions across eligible subcategories by estimating the baseline and monitoring emissions and removals for the eligible subcategories using at minimum IPCC Tier 2 methods and data. Subcategories are considered to meet Tier 2 if all the significant12 pools and gasses are estimated using Tier 2 methods and data. ISFL ER Programs are encouraged to improve data and	For each subcategory included in the Step 3 selection, the following are true, as applicable, regarding the planned monitoring data and methods as described in Section 4.5 and Annex 10 of the ERPD: 1. If the subcategory was determined to meet Tier 2 in step (3) of indicator RA-20, only higher tier methods are planned for monitoring emissions from any greenhouse gases or carbon pools identified in step (3)(c)(vii) of the same indicator (no Tier 1 methods are planned for such monitoring). 2. If the subcategory is related to land use change, the requirements of step (4)(a)-	Confirmed through review of the ERPD and supporting data and documentation, and independent recalculation of the baseline.	R	B	C

No.	Sec.	Requirement Text	Indicator	Assessment Findings	LA	CT	CC
		methods, and to move to a higher tier over time, as possible. For accounting emission reductions from land use change-related subcategories, Approach 3 should be used for land representation; Approach 2 may be used if this is not possible if ancillary information is available that allows to track land over time.	(b) of indicator RA-20 are adhered to in monitoring emissions.				
RA-57	PR§4.5.2	In estimating the subcategories and their associated carbon pools and gases included in the scope for ISFL Accounting, ISFL ER Programs shall ensure methodological consistency between the Emissions Baseline and the monitored net GHG emissions. Methodological consistency implies that same methods and datasets have been used to calculate the Emission Baseline and the actual GHG emissions and removals. In case methods and/or datasets differs, methodological approaches provided by IPCC Guidelines to ensure time series consistency are applied."	One of the following is true: 1. The planned monitoring methods and data as described in Section 4.5 and Annex 10 of the ERPD are identical to the methods and data that have been used to calculate the Emissions Baseline (with the obvious exception that the temporal scope differs: the monitored data will pertain to the ERPA Phase to which the monitoring applies, while the baseline data pertained to the Baseline Period). 2. There are differences between the planned monitoring methods and data as described in Section 4.5 and Annex 10 of the ERPD and the methods and data that have been used to calculate the Emissions Baseline, in which case either the description in Section 4.5 contains a commitment to either update the Emissions Baseline to use the same methods and data to be used	Confirmed through review of the ERPD and data/supporting documentation, and through discussions with the program tea that the planned monitoring methods are identical to those for the Emissions Baseline, aside for a lack of monitoring of Emission Factors (see Observation in Section 5.2).	R	B	C

No.	Sec.	Requirement Text	Indicator	Assessment Findings	LA	CT	CC
			in monitoring[69], or to use one of the splicing techniques described in Sections 5.3.3-5.3.3.6 of Chapter 5, Volume 1 of the IPCC 2006 Guidelines in order to ensure time series consistency.				
RA-58	PR§4.4.2; PR§4.5.1	The Emissions Baseline shall be expressed as tonnes of CO2e per year. The measured [monitored] emissions and removals shall be expressed as tonnes CO2e per year.	Each Emissions Baseline reported in the ERPD is expressed as metric tons (i.e., megagrams) of CO2-equivalent per year. Greenhouse gases are converted using 100-year global warming potentials derived from one of the two following sources. 1. The IPCC's Second Assessment Report, which has the following global warming potentials: a. Carbon dioxide: 1 b. Methane: 21 c. Nitrous oxide: 310 2. The IPCC's Fourth Assessment Report, which has the following global warming potentials: a. Carbon dioxide: 1 b. Methane: 25 c. Nitrous oxide: 298	Confirmed through review of the ERPD and supporting data and documentation, and independent recalculation of the baseline that the IPCC Second Assessment Report GWPs were applied.	R	B	C
RA-59			If a process for quantifying monitored emissions in terms of CO2e per year is documented within the ERPD, that process utilizes the same global	Confirmed through review of the ERPD.	R	B	C

[69] Noting, however, that revisions to the baseline during the ERPA Phase should be limited to the following:

- Replacement of emission factors used in the construction of the Emissions Baseline by others that have improved accuracy.
- Corrections to historical activity data resulting from improvements in data accuracy.

No.	Sec.	Requirement Text	Indicator	Assessment Findings	LA	CT	CC
			warming potentials that are used in construction of the Emissions Baseline.				
RA-60	T§4.6	Please provide a simplified ex-ante estimation of the expected Emission Reductions of the ISFL ER Program. Where the calculation requires monitored data that is not available yet, use best estimates based on expected impacts of the ER Program and data that might be available from other actions (either in the country or in other countries). List all assumptions, and provide the values used for each parameter and the sources for these data. Summarize the outcome in the table below.	Section 4.6 of the ERPD contains a simplified ex-ante estimate of the expected Emission Reductions of the ER Program for each year of the ERPA Term, having the following attributes: 1. Where the calculation of the ex-ante estimate requires monitored data that are not available yet, best estimates are used based on the expected impacts of the ER Program and/or data from similar circumstances. 2. All assumptions are listed. 3. For each "parameter" included in the analysis, the value(s) used and data sources are provided. 4. The provided table in Section 4.6 is populated.	Confirmed through review of the ERPD and supporting ex-ante calculation workbooks.	R	B	C
RA-61			Assumptions regarding the following, as incorporated into the ex-ante estimate presented in Section 4.6 of the ERPD, are "justifiable": 1. The effectiveness of the ER Program in addressing the key drivers of land use change, as identified in indicator PD-27, considering the planned actions and interventions of the ER Program (as assessed in indicators PD-28 through PD-33) and the financing plan (as assessed in indicators PD-34 through PD-58).	Confirmed through review of the ERPD and supporting ex-ante calculation workbooks, and discussions with the program team.	L	P*	II

No.	Sec.	Requirement Text	Indicator	Assessment Findings	LA	CT	CC
			2. The impact of the ER Program on emissions within the Program Area, considering the factors identified in (1) above.				
RA-62	PR§4.5.3	ISFL ER Programs determine the total net emission reductions across the eligible subcategories by comparing monitored emissions and removals with a baseline as follows: Actual GHG net emissions minus Net Emission Baseline for the Program Area equals Net emission reductions	For each year of the ERPA Term, the total net Emission Reductions are calculated by taking the ex-ante estimate of actual GHG net emissions and subtracting the Emissions Baseline applicable to the corresponding ERPA Phase; the subtraction operation described above is carried out correctly.	Confirmed through independent recalculation and review of the ERPD.	R	B	C
RA-63	PR§4.6.1	Good practice requires that bias be prevented wherever possible, such as by using appropriate QA/QC procedures. Where biases cannot be prevented, it is good practice to identify and correct them when	Sources of bias[70] that can reasonably be projected to impact the estimate of the total net Emission Reductions are identified, and steps are taken to correct them to the extent practical.	Confirmed through review of the ERPD and discussions with the program team.	R	P	I

[70] In the context of this indicator, a "source of bias" is a factor resulting in divergence between the Emission Reductions that will be calculated for each year of the ERPA Term and the theoretically knowable (but, for practical purposes, unknowable) difference between the following quantities:

1. The emissions from the Program Area during the year in question that are attributable to the subcategories eligible for ISFL Accounting.
2. The average yearly emissions from the Program Area during the Baseline Period(s) that were attributable to the subcategories eligible for ISFL Accounting. In practice, some bias in the constructed Emissions Baseline is inevitable, for a multitude of reasons.

The following should be noted:

1. For all practical purposes, bias in the estimated Emission Reductions are inevitable.
2. The focus of this indicator is on bias in the estimated Emission Reductions, rather than on bias in the individual components of that estimate (e.g., in the Emissions Baseline). In theory, if the Emissions Baseline and the monitored emissions were both "off" by the same quantity, the biases would compensate and the estimate of the Emission Reductions would be free from bias.
3. At the time of the assessment, it may not be possible for all sources of bias to be identified and corrected, as only the Emissions Baseline is finalized and the quantification of monitored emissions has yet to occur. Therefore, at this time, the focus should be on identifying and correcting sources of bias in the Emissions Baseline and, to the extent that sources of bias can reasonably be projected to impact the monitoring of emissions based on the monitoring plan as described in Section 4.5 and Annex 10 of the ERPD, such sources of bias are also addressed.

No.	Sec.	Requirement Text	Indicator	Assessment Findings	LA	CT	CC
		developing a mean estimate of the emission reductions. In particular, the point estimate of the emission reductions that is used for requesting payment should be free of biases as much as it is practical and possible.					
RA-64	T§4.7.1	Please provide an assessment (roughly 500 words or less) of the anthropogenic and natural risk of Reversals that might affect emission reductions during the ERPA Term and, as feasible, the potential risk of Reversals after the end of the last ERPA Phase.	A "justifiable" assessment of the anthropogenic and natural risk of Reversals that might affect Emission Reductions during the ERPA Term and, as feasible, the potential risk of Reversals after the end of the last ERPA Phase, is provided in Section 4.7.1 of the ERPD.	Confirmed through review of the ERPD and supporting documentation, and discussions with the program team.	R	B	C
RA-65	T§4.7.2; BR§7.2	Please provide an ex-ante assessment of the level of risk of Reversals, using the ISFL approved risk assessment and buffer tool. The Reversal risk assessment tool shall be used to determine the Reversal Set-Aside Percentages based on the two identified risk factors. The risk indicators in the second column of Table 2 below are indicative and non-exclusive and are provided as an example to show how to assess the risk of Reversal for each of the risk factors. The risk of Reversal is assessed for both risk factors (A and B) as high, medium or low with associated Reversal Set-Aside Percentages. The Reversal Set-Aside Percentage for the whole ER Program is calculated as the	1. An ex-ante assessment of the level of risk of Reversals is provided in Section 4.7.2 of the ERPD. 2. This estimate is calculated as the sum of the reversal set-aside percentages identified in Result A and Result B of Table 2 in the Buffer Requirements.	Confirmed through review of the ERPD and independent recalculation of the reversal set aside.	L	B	C
RA-66			The reversal set-aside percentages identified in Result A and Result B of Table 2, for purposes of the ex-ante estimate reported in Section 4.7.2 of the ERPD, have been determined in a "justifiable" manner.[71]	Confirmed through review of the ERPD and discussions with the program team.	L	B	C

[71] Note that the risk indicators provided in Table 2 of the Buffer Requirements are simply examples. The assessment against this indicator should have both an element of (1) assessing the select risk indicators (i.e., assessing whether the selected indicators the applicable indicators in the context of the ER Program) and (2) assessing the level of risk assigned to each risk factor.

No.	Sec.	Requirement Text	Indicator	Assessment Findings	LA	CT	CC
		sum of the Reversal Set-Aside Percentages for both of the Risk Factors.					

Appendix B: Audit Plan

Program	Mexico's ISFL Emissions Reduction Program
Program Entity	Ministry of Environment and Natural Resources
Program Location	States of Coahuila, Chihuahua, Durango and Nuevo Leon
Date last updated	May 15th, 2024

Introduction

This plan provides a description of the assessment services to be performed in respect of the Emission Reductions Program Document (ERPD) submitted for review by SCS Global Services (SCS). The structure of the assessment (e.g., the assessment objectives, scope and criteria), as described in this report, is established in SCS' inception report (version 2-4), which was updated in March 2021 and approved as final by the World Bank Group. The reader is directed to SCS' inception report for further background information.

Assessment Objectives

The objectives of the assessment are as follows:

- Ensure, according to the applicable level of assurance (see Section 4, below), that the information provided in the ERPD is correct and complete (i.e., not leaving out information that might affect the opinion of the reader)
- Conduct an independent assessment of the conformance against the approved ER Program Requirements and associated guidelines
- Apply expert judgement to evaluate the feasibility of program design aspects and identify areas of improvement to inform the World Bank Group's and ISFL Contributors' review of the ER Program.

Assessment Scope

The scope of the assessment entails review as required to achieve the above objectives; the following areas will be particularly emphasized. In some cases, consideration of the areas indicated below extends the scope of the assessment beyond a strict assessment for conformance to the assessment criteria.

Aspect	Expected Scope of the Assessment
Drivers of AFOLU emissions and removals	▪ Correctness and completeness of the analysis on historic and future trends (qualitative and quantitative) in drivers of AFOLU emissions and removals ▪ Expert judgement of the analysis, including the barriers to mitigation
Description and justification of the ISFL ER Program's planned actions and interventions	▪ Expert judgement whether the proposed actions and interventions address drivers of emissions and are informed by the contribution of key sources and sinks to the total GHG emissions and removals in the Program GHG Inventory and the analysis of trends ▪ Expert judgement of continued private sector engagement achieved or planned in addressing drivers of emissions ▪ Expert judgement of risks to implementation and potential benefits of planned actions and interventions
Financing plan for implementing the planned actions and interventions of the ISFL ER Program	▪ Correctness and completeness of information on the transaction costs and the identified funding gaps for the ISFL ER Program and the plan for mitigating gaps ▪ Expert judgement whether the identified sources of finance are sufficient to affect the land use activities and drivers of emissions and removals ▪ Expert judgement of the financial and economic analyses, discount rates, and flows of funds
Analysis of laws, statutes, and other regulatory frameworks	▪ Correctness and completeness of the information provided in the program document ▪ Expert judgement to identify any known legal or regulatory issues in the program area that can affect the program design.
Risk for displacement	▪ Correctness and completeness of the information provided in the analysis of displacement risk ▪ Expert judgement on the effectiveness of the proposed strategy to mitigate and/or minimize, to the extent possible, potential Displacement
Participation under other GHG initiatives	▪ Correctness and completeness of the information provided whether parts of the program area, or projects in the program area, are included in other GHG initiatives and if this creates a risk of double counting, and/or double payment
Data management and registry systems to avoid multiple claims to ERs	▪ If applicable, expert judgement whether the Program and Projects Data Management System is sufficient, secure, and robust ▪ If the ISFL ER Program is not using the World Bank's transaction registry for FCPF and ISFL ER Programs, expert judgement whether the transaction registry is sufficient, secure, and robust

Aspect	Expected Scope of the Assessment
	▪ If applicable, expert judgement of the data management and registry systems to recognize nested projects and avoid multiple claims to ERs
ISFL Reporting	▪ Assess whether the GHG Inventory is comparable in its use of definitions, categories and subcategories with national processes such as the national GHG inventory, REDD+ and the Biannual Update Report ▪ Assess whether the best available data sets, methods, models and assumptions have been used in the ISFL Reporting and that the inventory applies the general IPCC principles of transparency, completeness, consistency, accuracy and comprehensiveness
Selection of subcategories for accounting	▪ Correctness and completeness of the data and information provided on the choice of the subcategories ▪ Assess whether the quality and baseline setting requirements have been applied correctly and the choice of the subcategories is correct and justified ▪ Assess whether all significant pools and sources of greenhouse gas emissions are included. If a major carbon pool/ or gas is excluded, assess whether this has been sufficiently explained and justified, provided it is not a significant pool
Emissions baseline	▪ Assess whether the methods used to construct are in line with the IPCC and best practice approaches as defined, for example by the GFOI ▪ Correctness and completeness of the data used to construct the baseline ▪ Assess whether the baseline requirements have been applied correctly and the Emissions Baseline estimate is calculated correctly ▪ Assess whether the uncertainty in the Emissions Baseline has been correctly identified and assessed in accordance with IPCC good practice
Time bound plan to increase the completeness of the scope of accounting and improve data and methods for the subsequent ERPA Phases during the ERPA Term	▪ Expert judgement whether the proposed plan is feasible, addresses priority subcategories and is likely to increase the completeness of the scope of accounting and improve data and methods for the subsequent ERPA Phases
Ex-ante estimation of the emission reductions	▪ Expert judgement if the assumed effectiveness of the program in addressing the drivers and its impact on the emissions is justified and based on reasonable assumptions
Monitoring approach	▪ Assess whether the data and methods proposed for monitoring are consistent enough with the data and methods used for the determination of the baseline to allow for meaningful comparison and calculation of the emission reductions

Aspect	Expected Scope of the Assessment
	▪ Assess whether the proposed monitoring methods and arrangements are in place as described in the Program Document and are technically capable of collecting the data ▪ Assess whether the uncertainty in the data and parameters to be monitored has been correctly identified and assessed and if the proposed approach to manage and reduce uncertainty reflects good practice
Reversals	▪ Correctness and completeness of the data and assumption used in the assessment of the reversal risk ▪ Assess whether the ISFL Buffer Requirements have been applied correctly

Assessment Criteria and Good Practice Guidance

The criteria for the assessment are as follows:

- The approved ISFL ER Program Requirements, Version 2.0, April 2021 ("the Program Requirements")
- The following associated guidelines:
    - ISFL Buffer Requirements, Version 2.0, April 2020 ("the Buffer Requirements")
    - ISFL Program Document Template, Version 2, January 2020[72]

The following guidance documents (or collections of documents) will be considered to contain *good practice* in undertaking the assessment, though said documents are not formally considered to be part of the assessment criteria. Where professional judgment may be applied in assessing against the indicators set out in the checklist set out in Annex A of SCS' inception report ("the assessment checklist"), methodological approaches that appropriately follow *good practice* will automatically be assumed to meet the intent of a given indicator.[73]

- 2006 IPCC Guidelines for National Greenhouse Gas Inventories ("the IPCC 2006 Guidelines")
- The following ISFL Program documents:
    - Guidance Note on the Preparation of Financing Plan of REDD+ and Landscape Emission Reduction Programs, Version 1.0, August 2017 ("the Financing Plan Note")
    - Guidance Note on the Ability of Program Entity to Transfer Title to Emission Reductions, Version 1.0 March 2018 ("the Title Transfer Note")

[72] Noting that any guidance within the PD Template pertaining to brevity or word count will not be considered part of the auditable criteria, though said guidance will be referenced in determination of the level of detail that should be within the ERPD.

[73] This does not necessarily preclude methodological approaches that do not follow good practice. It does, however, mean that additional professional judgment will be required to determine whether such methodological approaches are in conformance with the assessment criteria.

  - Guidance Note on Application of IPCC Guidelines for Subcategories and Carbon Pools Where Changes Take Place Over a Longer Time Period, Version 1.0, March 2021 ("the Carbon Pools Note")
- GFOI 2020, Integration of remote-sensing and ground-based observations for estimation of emissions and removals of greenhouse gases in forests: Methods and Guidance from the Global Forest Observations Initiative, Edition 3.0, Food and Agriculture Organization, Rome ("GFOI")

Level of Assurance

Both a reasonable and limited level of assurance have been selected for the assessment work described in this plan and are determined at the indicator level as set out in the assessment checklist.

Treatment of Materiality

Where one or more discrepancies are identified during the course of assessment activities, the following criteria will be abled in order to determine whether said discrepancies are material:

- In respect of quantitative matters, discrepancies will be identified and quantified by the audit team based on the audit team's recalculation, based on the guidance found in the indicators in the assessment checklist. Where the methodology used in production of the ERPD does not follow the guidance in the assessment checklist, a discrepancy between the output produced by the audit team and the information reported in the ERPD will likely result, and any such discrepancies will be evaluated for materiality according to the following criteria:
  - A discrepancy in the Program GHG Inventory and/or the process used to select subcategories eligible for ISFL Accounting (including a discrepancy in the ordering of subcategories by total GHG emissions and removals on an absolute basis) will be considered material if it results in an incorrect determination of the subcategories eligible for ISFL Accounting.
  - A 1.00% materiality threshold applies to any over-estimation of the Emissions Baseline.[74]
- Regarding reporting of information in the ERPD:
  - Any errors in the reporting of factual information in the ERPD will be considered material if the incorrectly reported information is directly or indirectly required to be reported in the ERPD by the assessment criteria.

Any discrepancies identified as material through application of the above criteria will be treated as non-conformities in the assessment process. Any discrepancies not identified as material through application

[74] The materiality analysis will be carried out by first calculating the difference between the reported Emissions Baseline and the assessment team's calculation of the same quantity, and then dividing by the reported Emissions Baseline. If the resulting quantity is greater than 1.00%, the discrepancy is considered material. Otherwise, the discrepancy is not considered material. Under-estimation of the Emissions Baseline will not be considered a material discrepancy.

of the above criteria will inherently be considered immaterial. It is possible that discrepancies may be identified that do not need to be corrected immediately but that will require corrective action or mitigation at some later time. Under this situation, a special type of finding, termed an Observation, will be issued by SCS (see "Description of SCS' Findings Process," below, for more information).

Description of Assessment Process

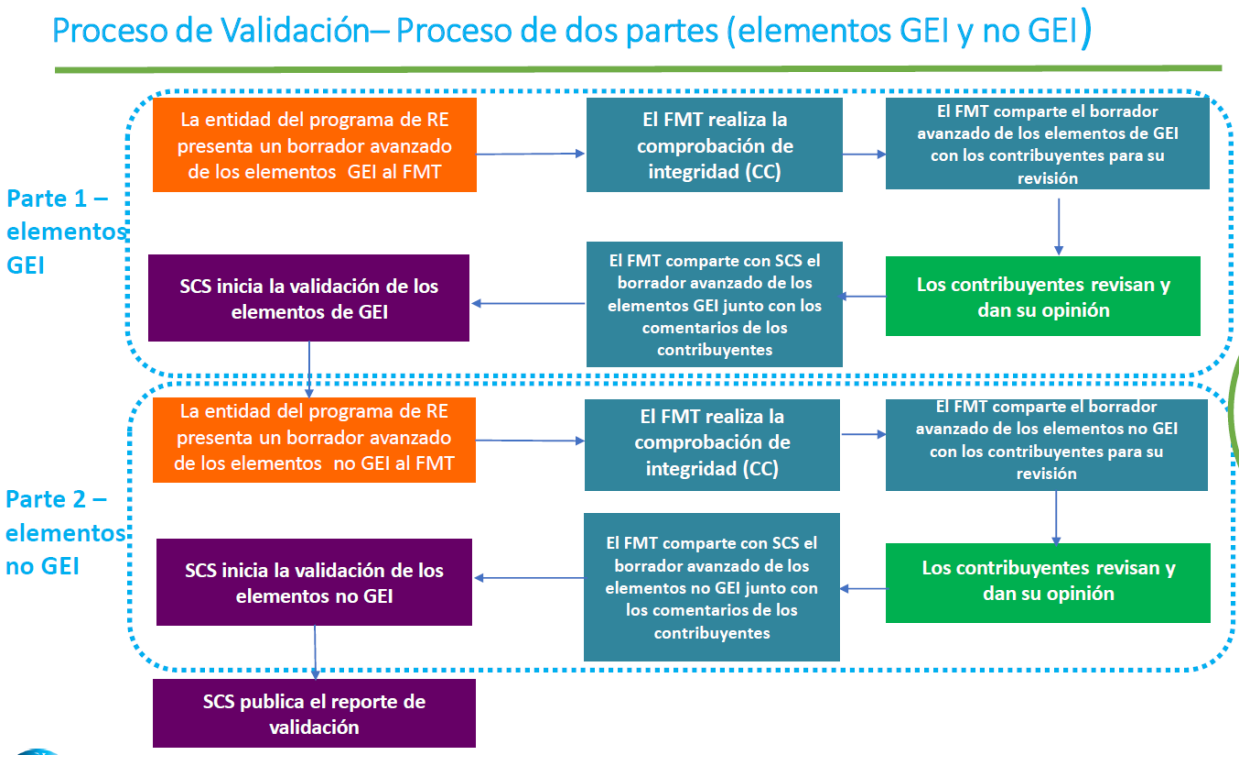
Introduction

The planned assessment services will be performed through a combination of document reviews, interviews with relevant personnel, and on-site inspections.

The scope of this assessment has been divided into two phases:

(1) Part 1: GHG elements

(2) Part 2: Non-GHG elements



Project Kickoff

The assessment process will begin with a "kickoff call" or conference call. This meeting is an opportunity for introductions as well as a chance to ensure that all parties involved are fully informed regarding the

basic parameters of the assessment engagement (e.g., scope, criteria, materiality threshold, level of assurance) and to clarify expectations regarding the assessment timeline. A preliminary Gantt chart and logistics regarding milestones as well as any upcoming in-person or remote office meeting(s) and the one site visit will be discussed during the kickoff call. The Gantt chart will be updated throughout the assessment process as it is subject to changes based on the completion of milestones by participants.

The kickoff call was conducted on 29 November 2021.

Document Review and Desk Review Findings

Upon receipt of relevant project documentation, including the ERPD, a document review will take place. During this phase of the assessment, the assessment team will likely request additional documentation and information to support this review. The objectives of the document review are as follows:

- Assess conformance for any requirements against which it is possible to check conformance as a desk-based exercise, and:
    - Where conformance is confirmed, document such in the assessment checklist
    - Where clear evidence of nonconformance is identified, document such in the assessment findings (see below)
    - Where more information is needed to clarify whether conformance has been attained, the following options may be taken:
        - Issue a finding (see below)
        - Follow up with a more in-depth investigation during subsequent meeting(s) and/or the site visit
- Identify any circumstances that would threaten the integrity of the planned site visit

The outcomes of the document review are the following:

- A round or more of "desk review findings,"[75] highlighting any clearly identified areas of nonconformance or formally identifying any areas in which additional information is required in order to assess conformance
- Inputs to inform the development of the risk assessment and sampling plan (see below)

It is important to note that one possible outcome of the document review is that the assessment team determines that the ER Program is not yet ready for the site visit. In such cases, the assessment team would have identified "red flags" which would lead them to determine that the site visit would be premature. Should this situation arise, the assessment team would promptly alert the ISFL team in the World Bank Group of the "red flag" issues and work with them to develop an appropriate course of action. Examples of issues that could preclude a site visit are as follows:

[75] See "Description of SCS' Findings Process," below, for a description of the types of findings issued by SCS.

- Documents submitted by ER Program personnel contain non-conformances of a nature that indicate potential ER Program-wide deficiencies or areas of significant risk.
- Documents submitted by ER Program personnel contain significant areas of incomplete information.
- Documents submitted by ER Program personnel fail to meet professional standards (e.g., poor/unclear organization, writing or translation).

In the absence of such "red flag" issues, the assessment team will alert the ISFL team in the World Bank Group of the intent to proceed with the site visit, and will await approval prior to initiating site visit preparation (e.g., booking airline tickets and coordinating with ER Program personnel). Once clearance is received, there will be a one month to one and a half month window following the delivery of the desk review findings to allow for adequate preparation.

Office Meetings and Site Visit

Office meetings

The office meeting(s) will consist of program personnel being invited to explain various elements of the ERPD and to demonstrate to the assessment team the manner in which assessment criteria have been met. The assessment team will work with personnel being interviewed to identify means of independent confirmation of important assertions (in a manner that does not jeopardize the independence of the assessment engagement).[76] This process will proceed most smoothly when personnel being interviewed are ready to actively engage with the assessment team to provide the requested information. In this sense, personnel being interviewed are invited to work collaboratively with the assessment team to demonstrate, based upon the agreed upon level of assurance, that the criteria requirements have been complied with and that the ERPD is free from material discrepancy.

Site Visit

It is anticipated that the site visit will take place within approximately one month to one and one-half months after SCS receives the draft phase 2, non-GHG elements. Although the focus of the site visit will be on the Phase 2, non-GHG elements, if the audit team has been unable to reach a reasonable level of assurance on any phase 1, GHG-elements, additional phase 1 elements may be included in the scope of the site-visit.

One site visit will be conducted to accomplish the following objectives:

- Hold office meetings that are most efficiently held in-person.
- Undertake direct physical observations and/or measurements, and/or hold confirmatory interviews with stakeholders.

[76] For example, if it is asserted that certain emissions data originated from a certain government agency, the assessment team may request assistance in making independent contact with said agency.

In planning for the site visit, the assessment team may require different types of assistance as part of this process, including the following:

- Logistical assistance (e.g., transportation, locating safe food and drinking water, and securing safe lodging)
- Assistance facilitating interviews and meeting with stakeholders during the site visit

The assessment team will provide its own accommodation and transport, especially in the main cities.

At the end of the site visit, a closing meeting will be held. The purpose of the closing meeting will be for the assessment team to present their findings and observations, including providing positive feedback, and discuss next steps in the process. The closing meeting will also revisit the Gantt chart and the associated remaining milestones.

Whereas, actual time on site will be ER Program dependent, site visit activities will be limited to the following:[77]

- Interviews with ER Program personnel, including related to identification of any known legal or regulatory issues in the Program Area that can affect the ER Program's design
- Interviews with individuals responsible for conducting stakeholder consultations
- Interviews with knowledgeable individuals regarding the agents and drivers of deforestation
- Assessment of the ER Program's planned actions and interventions
- Office meetings to determine conformance with the Program Requirements
- Ground-truthing any data for which remotely sensed imagery has been used in the estimating carbon stocks (Phase 1 element, as needed)
- Field sampling for ER Programs in which physical sampling was employed to estimate carbon stocks (Phase 1 element, as needed)

The assessment teams will not conduct stakeholder interviews regarding the extent or nature of stakeholder consultation,[78] to reduce duplication of efforts (in respect of the World Bank Group's due diligence processes).

Site Visit Findings

A round of findings, termed the "site visit findings" will be issued after the site visit. In conjunction with the desk review findings, the site visit findings constitute the comprehensive listing of all outstanding issues that have been identified as part of the assessment process. It is anticipated that site visit findings will be issued within approximately one to two weeks after the end of the site visit. (This entails

[77] Site visits will occur for all ER Programs and an individual ER Program site visit shall not exceed 20 person-days. Additional person-days and/or site visits, if needed, are outside the scope of SCS' proposal.
[78] Per email guidance provided by World Bank Group personnel on 8 February 2019 and 11 February 2019.

an approximately three and one-half month time period from SCS' receipt of the phase 2, non-GHG elements to issuance of site visit findings.)

Report Writing

In the assessment report, the assessment team will document how conformance with the assessment criteria has been assessed. The assessment report will be supported with the assessment checklist.

Technical Review

An independent technical review will be carried out. This technical review is not intended to be a second iteration of the assessment process, but emphasizes review of the assessment team's activities, findings and conclusions, as well as a review of the assessment report. While the review is targeted more at review of the assessment documentation than the ERPD, it is always possible that additional discrepancies could come to light during the technical review, which may result in issuance of new findings.

Release of Report

Once the technical reviewer has signed off on the assessment report, a draft assessment report and opinion will be submitted to the ISFL team in the World Bank Group. SCS will modify the draft assessment report based on feedback from the ISFL team in the World Bank Group and will then submit a final assessment report and opinion. A videoconference with ISFL Contributors to discuss the assessment findings will also take place at this time.

Description of SCS' Findings Process

Findings Overview

Findings are the formal mechanism used by SCS to either (a) require corrective action, (b) request additional information, analysis or justification or (c) identify areas of risk or concern. Findings will be issued against the relevant text of the assessment criteria (not necessarily against the specific language of the applicable indicator in the assessment checklist); any additional good practice guidance will also be cited.

The findings are issued to ER Program personnel using a proprietary workbook-based approach, termed the Findings Presentation Workbook. This gives ER Program personnel the opportunity to respond to the findings and allows for efficient and transparent tracking of the current status of each finding. With each round of findings (one from the desk review and one from the site visit), the assessment team will typically go over the findings via conference call or webinar with the entity being assessed to ensure that the findings are understood.

Throughout the engagement, SCS strives to keep ER Program personnel informed of the findings and potential findings as soon as any issue arises. This can be done by phone, e-mail or virtual communication such as Skype and Zoom, but should be documented by sending an updated version of the Findings Presentation Workbook. The assessment team will also communicate the potential impact of material findings to ER Program personnel. ER Program personnel will be given a deadline, based on the agreed upon Gantt chart, for providing a written response. After the response is received, the assessment team will evaluate the submission and determine if adequate information has been provided to correct the non-conformity or if additional findings should be issued.

In special cases, findings may be withdrawn if the assessment team finds that the finding itself is no longer relevant.

Certain circumstances may arise under which the steps set out below (report writing, technical review and release of the assessment report) will be completed even though open findings persist.

Potential triggers for issuance of an assessment report and opinion while findings are open are as follows:

- The assessment team receives communication from the World Bank Group and/or the Program Entity indicating a decision not to respond (or respond further, in the case that a response has already been provided) to one or more open findings.
- It is the judgment of the assessment team, in consultation with other parties to the process, that closure of one or more findings would be infeasible, given the time and resources available to the ER Program personnel.
- One or more findings remain open and the time required for issuance and review of responses to findings exceeds the number of days set out in SCS' financial proposal.

Should this situation arise, SCS will consult with the World Bank Group and the Program Entity regarding whether to proceed with issuance of an assessment report and opinion.[79]

When an assessment report and opinion is issued while findings are open, any outstanding issues will be detailed in a designated section entitled "Potential or Actual Areas of Risk or Concern." Here, the assessment team will document conclusions as they relate to any unresolved findings. This section can be considered a summary description of areas of potential opportunity for improvement as well as areas of current non-conformance or potential risk of non-conformance in the future.

Categorization of Assessment Findings

The following discusses the types of findings that may arise from the assessment process.

New Information Requests (NIRs)

[79] However, SCS reserves the right to proceed with issuance of an assessment report and opinion while findings are open at its sole discretion.

When the assessment team determines that they have not been furnished with sufficient information to make a decision regarding conformance, a New Information Request (NIR) will be issued. After the response is received, the assessment team will evaluate the submission and determine if adequate information has been provided or if additional findings (NIR, NCR, OBS) should be issued.

Non-Conformity Reports (NCRs)

When the assessment team has identified (1) a clear non-conformity with respect to a specific indicator (where a given indicator is of the "binary" conformance type) or (2) a material discrepancy (see "Treatment of Materiality", above, for more information), a Non-Conformity Report (NCR) will be issued. Closure of an NCR requires that the assessment team be provided with evidence that the underlying issue resulting in issuance of the NCR has been duly addressed. While SCS' Auditor Code of Conduct precludes consulting as to how to address non-conformities, the assessment team is encouraged to provide a thorough explanation of the basis of any non-conformities or material discrepancies observed, including a detailed explanation regarding (1) the nature of any discrepancies observed and/or (2) how applicable requirements have not been complied with.

Observations (OBSs)

An OBS indicates one or more of the following:

- An area where immaterial discrepancies exist between the observations, data testing results or professional judgment of the assessment team and the information reported or utilized (or the methods used to acquire such information) within the ERPD.
- An area where the expert judgement of the assessment team suggests that there are opportunities for improvement in the areas falling within the assessment scope.
- An area which may become a non-conformity in the future.

Where an OBS is written against an indicator of the "professional judgement" conformance type, the OBS will be written when a low (III) or medium (II) conformance rating has been assigned. The General Guidance section in the assessment checklist contains more detail regarding the two conformance types and ratings.

Forward Action Requests (FARs)

When the assessment team finds that one or more NIR or/and NCR have not been closed after significant[80] efforts made by the Program Entity to provide sufficient evidence to resolve the underlying issue, a FAR is issued. A FAR can be issued only after having discussed it with the World Bank and upon the approval of the Fund Manager/FMT. FAR will be turned into World Bank Conditions of Effectiveness that need to be fulfilled by ER Programs during the Conditions Fulfillment period following the signature of the ERPA to ensure the FAR is addressed prior to the submission of the first ER Monitoring Report.

[80] Significant effort can be considered when more than three rounds of findings are needed to close one or more NIR or/and NCR or by an ad hoc decision made by the ISFL Fund Manager

A FAR shall be addressed during the first monitoring event, and a VVB shall provide a positive opinion as part of the first verification report.

Audit Team

The following audit team has been assembled to provide the audit services described in this plan:

- Lead Auditor: Vanessa Mascorro
- Auditor: Alexa Dugan
- Technical Reviewer: Dr. Raleigh Ricart

Dates of Substantive Meetings, Interviews and/or Site Visits

The planned meetings, interviews and/or site visits are listed in the table below. In accordance with SCS' inception report, this table includes the following information:

- Individuals/groups/organizations to be interviewed
- Locations/communities to be visited

c	Attendees	Purpose
1 February 2022	World Bank Group, World Bank FMT, Program Participants, SCS	Kick off call: Introductions, scope and criteria review, logistical planning
28 February 2022	World Bank Group, World Bank FMT, Program Participants, SCS	Data and documentation organization and overview call
3 March 2022	World Bank Group, World Bank FMT, Program Participants, SCS	Data and documentation organization and overview call
27 April 2022	World Bank Group, World Bank FMT, Program Participants, SCS	EF & Remote Sensing call
29-30 August 2022	World Bank Group, World Bank FMT, Program Participants, SCS	GHG/Land quantification review demonstration
6 February 2024	World Bank Group, World Bank FMT, Program Participants, SCS	Assessment and interviews about Non-GHG Components - Drivers of AFOLU ERs - ER Planned Actions and Interventions - Financing Plan - Risk for Displacement
9 February 2024	World Bank Group, World Bank FMT, Program Participants, SCS	Assessment and interviews about Non-GHG Components - Analysis of laws, statutes and other regulatory frameworks - Participation in Other GHG Initiatives - Data Management and Registry Systems to avoid Multiple Claims of ERs

13 February 2024	World Bank Group, World Bank FMT, Program Participants, SCS	Assessment and interviews about Non-GHG Components - Monitoring Plan - Improvement Plan - Uncertainty Analysis

Meeting Agendas

Note: Per the terms of the technical proposal, the following will be met with regard to site visit expectations:

- Sufficient food and water shall be provided for maintenance of the assessment team's comfort and health during all phases of the on-site assessment activities. Food and water that is provided shall not be a cause of illness among the assessment team members
- Assistance with obtaining transportation and lodging shall be provided to the assessment team as necessary to participate in the audit activities set out in the plan
- Assessment team members shall not be placed in life-threatening situations, given all due care and precaution on the part of the assessment team
- Some assessment tasks may take longer than anticipated due to a variety of factors. ER Program personnel shall make themselves available, within reason, to assist with assessment activities in the evening hours as needed to ensure that all assessment activities can be completed during the time of the site visit.

28 February 2022; Internet-Based Meeting	
Time	Interviews, Document and Data Review (Reference to V4 of ERPD, MEXICO-ISFL_FourthDraft_GTSMRV_16022022.pdf)
2:30	**Emissions Baseline (PR§4.4) – GHG data/documentation** ▪ Program personnel to provide an overview of the calculation of the Emissions Baseline, by: o Walking the audit team through the baseline emissions workbooks and how they ultimately were used to arrive at the values in Box 2 of table 4.4.2 of the ERPD. The audit team must be able to replicate all of your calculations. For this reason, it a best practice to share spreadsheets with active cell formulas o Demonstrate how the emission factors were calculated for the various land use classes and pools from the inventory data o Provide more information about the source of the allometric models & carbon conversions used. Also please provide a species crosswalk as it appears the data in the workbook Estimacion_C_BA_BS_MP_Toc_ReMue only show species codes. o Demonstrate (and provide PDFs) of the sources of allometric equations and wood densities. o Explain the different land use classes (e.g., what is the difference between CLp, CLa and)? ▪ Program personnel to explain whether legacy emissions from prior to the baseline period have been included. ▪ Program personnel to describe how emissions in the new steady state system after conversion from forest were accounted for as required by the ISFL Guidance Note on Application of IPCC Guidelines ▪ ***Be prepared to share screens and directly point to parameters and key values in the supporting documentation***
3:30	Adjourn

3 March 2022; Internet-Based Meeting	
Time	Interviews, Document and Data Review (Reference to V4 of ERPD, MEXICO-ISFL_FourthDraft_GTSMRV_16022022.pdf)
12:30	**Emissions Baseline (PR§4.4) – spatial data** ▪ Program team to walk the audit team through how Collect Earth datasets were generated to determine land use change during the baseline period. Be prepared to share screens ▪ Program team to demonstrate the plot counting procedure to determine the area by stratum was conducted. ▪ Program team to provide demonstration of the stratification and how sub-strata were determined. ▪ Program team to provide more information regarding the spatial datasets provided such as the source of the boundary data and how it was utilized, the spatial projection utilized by the team for data processing, how the Collect Earth Grid points were distributed within the program area boundary, etc. ▪ Program team to provide more information how the Program area of 58,652,760 ha was determined (note that the audit team calculated an area of 58,308,438 ha from the shapefile provided - Ecoreg_Equidis_MGM16_nal_densificada_ISFL.shp) ▪ ***Be prepared to share screens and directly show audit team how area based LULC change estimates were calculated from the spatial data***
2:30	Adjourn

Non-GHG Interviews; Internet-Based Meetings Dates: 6 - February - 2024 to 13 - February - 2024	
Date	Interviews, Document and Data Review
6 – February 2024	▪ AFOLU Drivers of Deforestation (section 3.1.1) ▪ ER Actions and interventions planned in the program (section 3.1.2) ▪ Financing Plan (Section 3.1.3 and Annex 2) ▪ Displacement Risks (section 3.1.5)
9 – February 2024	▪ Analysis of laws, statutes, and other regulatory frameworks (section 3.1.4) ▪ Participación en Otras Iniciativas GEI (sección 3.7.2)

	▪ Gestión de datos y sistemas de registro para evitar la doble contabilidad (sección 3.7.3)
13 – February 2024	▪ Monitoring Plan (sections 4.5.1 and 4.5.2 of the ERPD) ▪ Improvement Plan (Annex 8) ▪ Uncertainty Analysis (section 4.5.3)

Client/Responsible Party Contact

Name of Program Entity	Ministry of Environment and Natural Resources
Contact Individual	Jose Armando Alanis De La rosa
Contact Information	jalanis@conafor.gob.mx

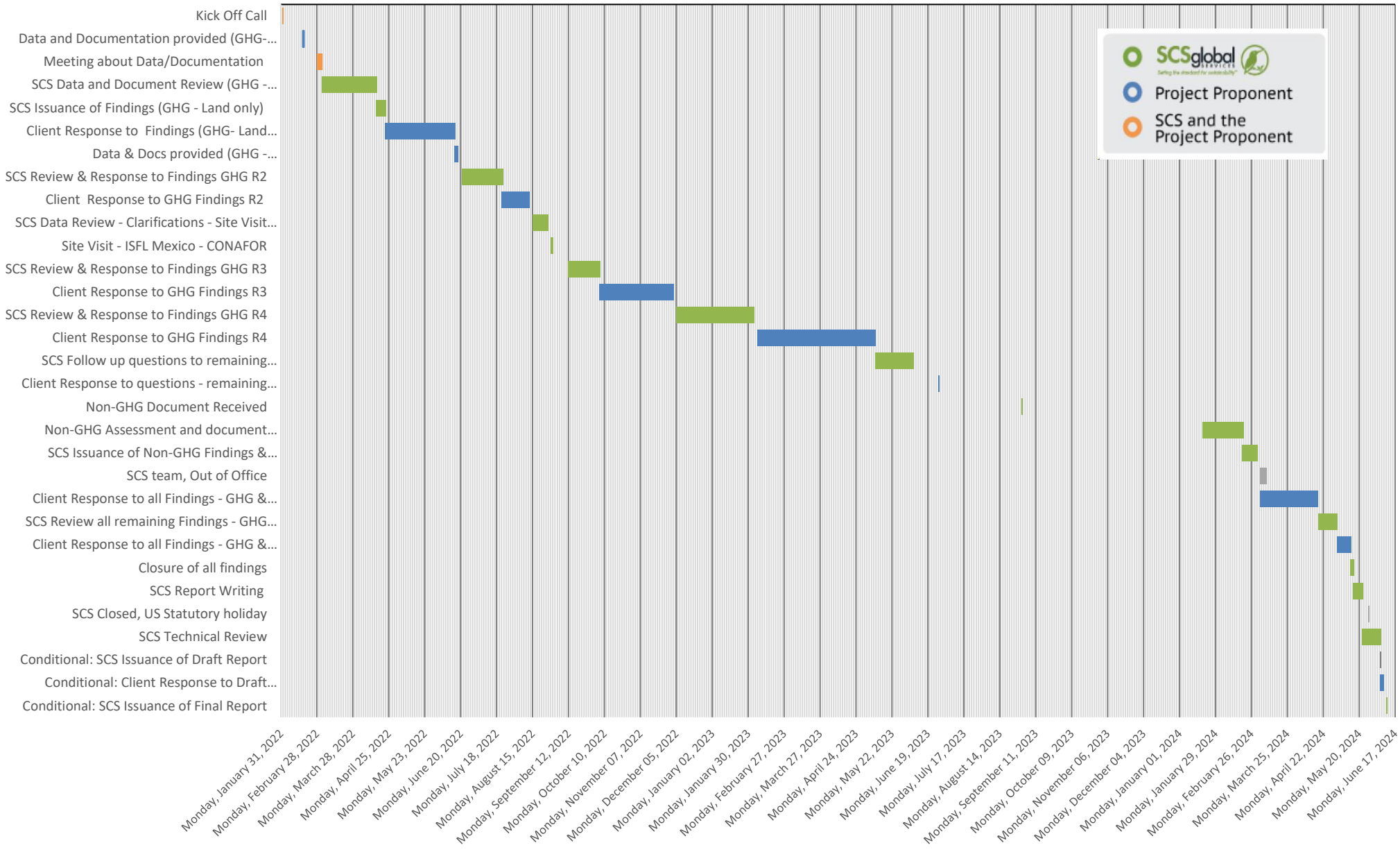
Audit Schedule

An indicative schedule for the assessment, based on the best knowledge currently available to the assessment team, is included below. This timetable is subject to updates during the assessment process, and such updates will be provided directly to program personnel via email.

* Note that the table below shows the last schedule provided to the program team during the audit. The timeline may have been altered due to delays in closing final findings, updating the ERPD, and/or completing the Technical Review.

Milestone	Start Date	End Date
Kick Off Call	Tuesday, February 01, 2022	Tuesday, February 01, 2022
Data and Documentation provided (GHG-land only)	Thursday, February 17, 2022	Thursday, February 17, 2022
Meeting about Data/Documentation	Monday, February 28, 2022	Thursday, March 03, 2022
SCS Data and Document Review (GHG - Land only)	Friday, March 04, 2022	Friday, April 15, 2022
SCS Issuance of Findings (GHG - Land only)	Friday, April 15, 2022	Friday, April 22, 2022
Client Response to Findings (GHG- Land only)	Friday, April 22, 2022	Wednesday, June 15, 2022
Data & Docs provided (GHG - Livestock/aggregated sources)	Wednesday, June 15, 2022	Friday, June 17, 2022
SCS Review & Response to Findings GHG R2	Tuesday, June 21, 2022	Friday, July 22, 2022
Client Response to GHG Findings R2	Friday, July 22, 2022	Friday, August 12, 2022
SCS Data Review - Clarifications - Site Visit Planning	Monday, August 15, 2022	Friday, August 26, 2022
Site Visit - ISFL Mexico - CONAFOR	Monday, August 29, 2022	Tuesday, August 30, 2022
SCS Review & Response to Findings GHG R3	Monday, September 12, 2022	Thursday, October 06, 2022

Client Response to GHG Findings R3	Thursday, October 06, 2022	Friday, December 02, 2022
SCS Review & Response to Findings GHG R4	Monday, December 05, 2022	Friday, February 03, 2023
Client Response to GHG Findings R4	Monday, February 06, 2023	Monday, May 08, 2023
SCS Follow up questions to remaining GHG findings	Tuesday, May 09, 2023	Wednesday, June 07, 2023
Client Response to questions - remaining GHG findings	Tuesday, June 27, 2023	Tuesday, June 27, 2023
Non-GHG Document Received	Thursday, August 31, 2023	Thursday, August 31, 2023
Non-GHG Assessment and document review	Friday, January 19, 2024	Monday, February 19, 2024
SCS Issuance of Non-GHG Findings & remaining GHG	Monday, February 19, 2024	Friday, March 01, 2024
SCS team, Out of Office	Monday, March 04, 2024	Friday, March 08, 2024
Client Response to all Findings - GHG & Non-GHG	Monday, March 04, 2024	Wednesday, April 17, 2024
SCS Review all remaining Findings - GHG & Non-GHG	Thursday, April 18, 2024	Thursday, May 02, 2024
Client Response to all Findings - GHG & Non-GHG R2	Friday, May 03, 2024	Monday, May 13, 2024
Closure of all findings	Monday, May 13, 2024	Wednesday, May 15, 2024
SCS Report Writing	Wednesday, May 15, 2024	Wednesday, May 22, 2024
SCS Closed, US Statutory holiday	Monday, May 27, 2024	Monday, May 27, 2024
SCS Technical Review	Wednesday, May 22, 2024	Wednesday, June 05, 2024
SCS Issuance of Draft Report	Wednesday, June 05, 2024	Wednesday, June 05, 2024
Client Response to Draft Report	Wednesday, June 05, 2024	Friday, June 07, 2024
SCS Issuance of Final Report	Monday, June 10, 2024	Monday, June 10, 2024


Kick Off Call
Data and Documentation provided (GHG-...
Meeting about Data/Documentation
SCS Data and Document Review (GHG -...
SCS Issuance of Findings (GHG - Land only)
Client Response to Findings (GHG- Land...
Data & Docs provided (GHG -...
SCS Review & Response to Findings GHG R2
Client Response to GHG Findings R2
SCS Data Review - Clarifications - Site Visit...
Site Visit - ISFL Mexico - CONAFOR
SCS Review & Response to Findings GHG R3
Client Response to GHG Findings R3
SCS Review & Response to Findings GHG R4
Client Response to GHG Findings R4
SCS Follow up questions to remaining...
Client Response to questions - remaining...
Non-GHG Document Received
Non-GHG Assessment and document...
SCS Issuance of Non-GHG Findings &...
SCS team, Out of Office
Client Response to all Findings - GHG &...
SCS Review all remaining Findings - GHG...
Client Response to all Findings - GHG &...
Closure of all findings
SCS Report Writing
SCS Closed, US Statutory holiday
SCS Technical Review
Conditional: SCS Issuance of Draft Report
Conditional: Client Response to Draft...
Conditional: SCS Issuance of Final Report
SCSglobal
Project Proponent
SCS and the Project Proponent
Monday, January 31, 2022
Monday, February 28, 2022
Monday, March 28, 2022
Monday, April 25, 2022
Monday, May 23, 2022
Monday, June 20, 2022
Monday, July 18, 2022
Monday, August 15, 2022
Monday, September 12, 2022
Monday, October 10, 2022
Monday, November 07, 2022
Monday, December 05, 2022
Monday, January 02, 2023
Monday, January 30, 2023
Monday, February 27, 2023
Monday, March 27, 2023
Monday, April 24, 2023
Monday, May 22, 2023
Monday, June 19, 2023
Monday, July 17, 2023
Monday, August 14, 2023
Monday, September 11, 2023
Monday, October 09, 2023
Monday, November 06, 2023
Monday, December 04, 2023
Monday, January 01, 2024
Monday, January 29, 2024
Monday, February 26, 2024
Monday, March 25, 2024
Monday, April 22, 2024
Monday, May 20, 2024
Monday, June 17, 2024

Appendix C: List of Findings

Please see Section 3.5 above for a description of the findings issuance process and the categories of findings issued. It should be noted that all language under “Recipient Response” is a verbatim transcription of responses provided to the findings by ER Program personnel.

NIR 1 Dated 14 Apr 2022
Standard Reference: ER Program Requirements
Document Reference: Ecoreg_Equidist_MGM16_Superficie.xlsx; ecort08gw.shp
Finding: Section 4.1.3 of the ER Program Requirements states that "The Program GHG Inventory shall utilize best available methods and existing data." In the workbook provided, Ecoreg_Equidist_MGM16_Superficie.xlsx, sheet Ecoreg_Equidist_MGM16_Superficie.xlsx, Sup_Estratos-Equidis, column H30, the total reported area of the program area is 58,627,833 ha. However, the assessment team recalculated the total area in the shapefile (ecort08gw.shp) provided and found that it is 58,308,438 ha. In an email from the program team on 18 March 2022 the following was indicated "La superficie en el campo "Area_2" coincide con la estimada para el área del proyecto tomando en cuenta el elipsoide wgs84 (Fig 1) y el Sistema de Referencia de Coordenadas Mexico ITRF2008 (Fig 2), este cálculo toma en cuenta la curvatura de la tierra. Esta difiere del cálculo hecho con base en el área planimétrica que realizamos posteriormente en el campo "sup", donde se asume que la superficie se calcula en un área plana." The assessment team understands this difference, however, a fundamental geographic principle is that you can only calculate area, perimeter and length for projected data files. Data files that are in a geographic coordinate system, with units in decimal degrees (latitude and longitude) cannot have their area, perimeter or length calculated (See https://desktop.arcgis.com/en/arcmap/latest/manage-data/tables/calculating-area-length-and-other-geometric-properties.htm) unless they are transformed into a projected coordinate system.
Therefore, the area reported in the ERPD and utilized in the calculations workbooks does not accurately reflect the actual program area. Please provide additional justification and demonstration of the actual area.
Project Personnel Response: Coincidimos con el principio de calcular las superficies sobre los archivos con el sistema de coordenadas ya proyectado. En la respuesta pasada se omitió señalar la proyección del archivo; como podrán observar, el archivo que se compartió "Eco_Equi_4edos_ISFL" tiene un sistema de coordenadas proyectado con la proyección Cónica Conforme de Lambert con los atributos para México (1er Paralelo base 17.5°, 2o Paralelo base 29.5°, Meridiano central –102°, Latitud de origen de la proyección 12°, Falso este 2500 000 metros, Falso norte 0.0 metros) y Datum WGS84.

La diferencia encontrada en las superficies se debe al método de cálculo y no al sistema de coordenadas proyectado. Con el archivo ya proyectado, se pueden calcular las superficies mediante dos métodos: el método planimétrico y el método geodésico (https://support.esri.com/es/Technical-Article/000024973, https://support.esri.com/es/technical-article/000025805). El método planimétrico o planar considera la distancia euclidiana en línea recta calculada en un sistema de coordenadas cartesianas 2D. El método geodésido considera la distancia geodésica que se calcula en un espacio esférico 3D como la distancia a lo largo de la superficie curvada del mundo y se considera más precisa para superficies extensas (https://pro.arcgis.com/es/pro-app/2.8/tool-reference/spatial-analyst/geodesic-versus-planar-distance.htm).

La superficie de 58,308,438.097804 ha que coincide con la superficie calculada por el equipo evaluador corresponde a la superficie estimada con el método planímetrico. El área que México usó para los cálculos fue utilizando el método geodésico, con el que se obtiene una superficie total de 58,627,833 ha. México ha mantenido la consistencia usado las superficies calculadas con este método geodésico en las estimaciones nacionales para todos los reportes internacionales (Ver Anexo 1).

Auditor Response: Thank you for clarifying that the area was calculated using the geodesic area function. With this information the audit team has calculated the geodesic area as 58627833.3475 of the project area states from the shapefile ecort08gw.shp. We confirmed that this corresponds to the total area reported in the workbook Ecoreg_Equidist_MGM16_Superficie.xlsx, sheet Sup_Estratos-Equidist, cell H30. However this area does not correspond to the area that was reported in sections 2.1.1 and 2.1.2 of the PD, which indicate a total program area of 58,652,760 hectares. Furthermore, the audit team has not received any shapefile "Eco_Equi_4edos_ISFL.shp." Thus, there are still discrepancies between the total program area reported in the ERPD (58,652,760 ha) and the total area used for the calculations and shown in the shapefile Ecoreg_Equidis_MGM16_nal_densificada_ISFL.shp (58,627,833 ha)

Please provide more information regarding the reasons for these discrepancies.
Project Personnel Response 2: Como se menciona en la respuesta del equipo auditor, el área calculada con la función geodésica coincide con el área utilizada en el libro de Cálculo Ecoreg_Equidist_MGM16_Superficie.xlsx, las diferencias con las áreas reportadas en las secciones 2.1.1 y 2.1.2 se debe a que en dichas secciones se usaron fuentes oficiales disponibles a nivel estatal, como por ejemplo el siguiente link: https://www.inegi.org.mx/contenidos/productos/prod_serv/contenidos/espanol/bvinegi/productos/nueva_estruc/702825197766.pdf, mientras que para implementar todos los cálculos se usó la información espacial disponible y que tambien es un insumo oficial, sin embargo, como es notorio difiere de la información publicada en las fichas. Asimismo, en el siguiente http://file.cnf.gob.mx/auditoria_scs/Shapefiles/Eco_Equi_4edos_ISFL/ se encuentra el shapefile Eco_Equi_4edos_ISFL.shp, el campo con la superficie calculada con la función de área geodésica es "AREA_2" y la cual es la que se ha usado para realizar todas las estimaciones ISFL. Una alternativa es ajustar las superficies en las secciones 2.1.1 y 2.1.2 con las superficies usadas para las estimaciones, explicando claramente que difieren con otras fuentes oficiales.
Auditor Response 2: Thank you for explaining the source of the differences. The audit team agrees with the proposed approach. The areas reported in the ERPD must match the areas used in the estimations. Please update accordingly.
Project Personnel Response 3: Las áreas reportadas en las secciones 2.1.1 y 2.1.2 del documento del ERPD, se aactualizarán de acuerdo a la propuesta.
Auditor Response 3: The auditors confirmed that the ERPD was updated with footnotes explaining why there are such differences in the areas reported in section 2.1.1 and 2.1.2 of the ERPD. This is sufficient to close the finding.
Bearing on Material Misstatement or Conformance (M/C/NA): C

NIR 2 Dated 14 Apr 2022
Standard Reference: ER Program Requirements
Document Reference: BD_Malla Densificada Nacional ISFL 29-09-21_ecorregiones.xlsx
Finding: Section 4.1.2 of the ER Program Requirements states that "ISFL ER Programs shall, for the purpose of ISFL Reporting, compile a GHG inventory of all AFOLU
categories, subcategories, gases and pools12 in the Program Area (Program GHG Inventory) utilizing existing data that have been collected using best available methods and approaches that are consistent with the most recent IPCC guidance and guidelines. In accordance with the IPCC guidance and guidelines, the Program GHG Inventory shall apply the basic principles of Transparency, Accuracy, Completeness, Consistency over time and Comparability as defined by the IPCC." In the workbook BD_Malla Densificada Nacional ISFL 29-09-21_ecorregiones.xlsx, there are several listed subcategories of forestland remaining forestland. These include:
Permanencia (Aprovechamiento Maderable), Permanencia (DFA), Permanencia (Incendios), Permanencia (Disturbio Natural), and Permanencia TF. The assessment team found that for subcategories Permanencia (Aprovechamiento Maderable), Permanencia (DFA), Permanencia (Incendios), Permanencia (Disturbio Natural), a year of change is often listed in the column "Fecha_cambio." It is unclear what this date signifies. For instance, does it signify a change in land use, a change in harvesting, etc. Please provide additional information regarding the significance of each of this forestland subcategories and the meaning of the date in the Fecha_cambio field.
Project Personnel Response: El procedimiento de estimación de FE se presenta por transición (agrupación de subcategorías IPCC) y reservorio se describe de manera detallada en los Anexos 2 y 3. Ambos anexos incluyen hiper vínculos a los inputs, los supuestos y procedimientos de cálculo, así como los resultados intermedios para las dinámicas de permanencia, deforestación, perdida y recuperación a nivel de ecorregión-equidistancia:

Anexo 2: seleccionar de la base de datos nacional a nivel de sitio los registros que serán utilizados en el cálculo de los factores de emisión por transición.

Anexo 3: cálculo de FE por reservorio a nivel de ecorregión - equidistancia.
Auditor Response: Thank you for providing this additional information and clarification regarding these subcategories. This request for new information has been satisfied and this finding has been closed.
Bearing on Material Misstatement or Conformance (M/C/NA):

NIR 3 Dated 14 Apr 2022
Standard Reference: ER Program Requirements
Document Reference: Plantilla_Malla_Nal_EcorrN.2_49Clases_2de2; BD_Malla Densificada Nacional ISFL 29-09-21_Ecorregiones
Finding: Section 4.1.3 of the ER Program Requirements states that “The Program GHG Inventory shall utilize best available methods and existing data.” The workbook Plantilla_Malla_Nal_EcorrN.2_49Clases_2de2; sheet 13.2 indicates that in year n=18 (2018) in the Sierra Madre Occidental ecoregion there was 1 transition from grassland (GL) to forestland (FL) in sampling intensity 20x20, 2 transitions from GL to FL in sampling intensity 10x10 and 10 transitions from GL-FL in the 5x5 intensity. in the workbook BD_Malla Densificada Nacional ISFL 29-09-21_Ecorregiones.xlsx, the audit team found that under sampling intensity 5x5, there are in fact 10 plots that transitioned from GL-FL in 2018 according to the columns IPCC_2017 and IPCC_2018, but in the column “Fecha Cambio” 8 of these instances are labeled with a year of 2020. Similarly, under sampling intensity 20x20, there is a plot that transitioned from grassland to forest in 2018, but in the column “Fecha Cambio” the year is listed as 2020. Please provide more information regarding why these 11 plots are labeled with a year of change of 2020 and not 2018 in the BD_Malla Densificada Nacional ISFL 29-09-21_Ecorregiones.xlsx workbook.
Project Personnel Response: Las parcelas que alcanzaron los umbrales de la definición de bosque1, tienen dos fechas de recuperación: 2018 y 2020 (BD_Malla Densificada Nacional ISFL 29-09-21_Ecorregiones.csv). Estas diferencias en los años de recuperación corresponden a que se emplearon dos mallas distintas (ver columna ClaseMalla) y periodos distintos en que iniciaron los proyectos de fotointerpretación:
- La primera corresponde a la malla de muestro del Inventario Forestal Nacional y de Suelos (INFyS): periodo 2000-2018
- La segunda, a la malla de muestreo densificada: periodo 2000-2020

Todos los conjuntos de parcelas de la malla densificada clasificados como recuperación forestal y que alcanzaron los umbrales de la definición de bosque se registraron al año 2020 en la columna Fecha_Cambio y, para incluirlas en la contabilidad de áreas se reclasifico al año 2018 la columna IPCC_2018, de esta forma es consistente con la malla nacional.

1. Los criterios empleados para la fotointerpretación de las parcelas que alcanzaron los umbrales de la definición de bosque esta descrita en el SOP3 "Fotointerpretación".
Auditor Response: Thank you for this explanation. The audit team reviewed a sample of the points classified as "recuperacion" and confirmed that they transitioned from nonforest to forest during the analysis period. We reviewed the SOP3 and confirmed that it includes information regarding the assignment of the base year (2018) for these points. This finding has been closed.
Bearing on Material Misstatement or Conformance (M/C/NA):

NIR 4 Dated 14 Apr 2022
Standard Reference: ER Program Requirements
Document Reference: ISFL_Matriz_tC_BAy BS_R.xlsx; 03.InventarioGEI_Tierras_ISFL.xlsx; 02.Factores de Emision.xlsx; SOP_07_Estima_Carbono_BA; SOP_08_Estima_Carbono_BS; SOP_13_Estimación_FE; SOP 9
Finding: Section 4.1.2 of the ER Program Requirements states that "ISFL ER Programs shall, for the purpose of ISFL Reporting, compile a GHG inventory of all AFOLU
categories, subcategories, gases and pools12 in the Program Area (Program GHG Inventory) utilizing existing data that have been collected using best available methods and approaches that are consistent with the most recent IPCC guidance and guidelines. In accordance with the IPCC guidance and guidelines, the Program GHG Inventory shall apply the basic principles of Transparency, Accuracy, Completeness, Consistency over time and Comparability as defined by the IPCC." The assessment team appreciates the detailed SOPs that have been provided to aid in the transparency of the methodologies applied by the program team. However, because most of the excel spreadsheets containing data on the calculation of emission factors exists in hardcoded spreadsheets, we have been unable to track many of the values through the workbooks for each of the carbon pools:
(1) Aboveground and belowground carbon: Overall, the assessment team has been unable to replicate the link between the conglomerado level carbon values contained in the workbooks Estimacion_C_BA_BS_MP_Toc_ReMuestreo.xlsx & ISFL_Matriz_tC_BAy BS_R.xlsx and the ecoregion level emission factors contained in the workbook 02.Factores de Emision.xlsx and 03.InventarioGEI_Tierras_ISFL.xlsx.
(2) Dead wood & litter: the assessment team has been unable to determine the link between the conglomerado level carbon values contained in the workbooks Estimacion_C_BA_BS_MP_Toc_ReMuestreo.xlsx and ISFL_Matriz_tC_MM.xlsx and the ecoregion level emission factors contained in the workbook 02.Factores de Emision.xlsx and 03.InventarioGEI_Tierras_ISFL.xlsx.
(3) Soil organic carbon: The assessment team has been unable to track the soil carbon from the Soil Organic Carbon Across Mexico and the Conterminous United States map (https://doi.org/10.3334/ORNLDAAC/1737) and the values in shown in the corresponding workbooks (e.g.,
Matriz_COS_ISFL_V2.xlsx, tC_COS_Delaw, 02.Factores de Emision). The SOP 9 provides some details about how this map was processed, but no intermediate maps demonstrating this process have been provided allowing us to trace the quantification of soil carbon values at the plot level.
Please demonstrate exactly how all emission factor values were calculated by providing excel spreadsheets with active cell formulas, the references of any cited materials (e.g., publications on wood density), and a detailed explanation of how each of the different spreadsheets are related to one another and build on one another. We request a clear demonstration of how the plot level data was consolidated to the conglomerado level then to the final Vegetation Type and lastly to the ecoregion level to determine the emission factors for each of the carbon pools, transitions, and ecoregions in the program area

Project Personnel Response: El procedimiento de estimación de FE se presenta por transición (agrupación de subcategorías IPCC) y reservorio se describe de manera detallada en los Anexos 2 y 3. Ambos anexos incluyen hiper vínculos a los inputs, los supuestos y procedimientos de cálculo, así como los resultados intermedios para las dinámicas de permanencia, deforestación, perdida y recuperación a nivel de ecorregión-equidistancia:

Anexo 2: seleccionar de la base de datos nacional a nivel de sitio los registros que serán utilizados en el cálculo de los factores de emisión por transición.

Anexo 3: cálculo de FE por reservorio a nivel de ecorregión - equidistancia.
Auditor Response: We understand that there has been an attempt for increased transparency through the use of SOPs, Annex 2 and 3, and numerous spreadsheets. We appreciate the additional information provided and it has been helpful in answering some questions regarding calculating carbon at the sitio to conglomerado level. However, these resources have not been sufficient for the audit team to complete the review and the re-calculation. Therefore, the audit team request again (as was requested in this original finding) a demonstration of the quantification of the emissions factors in an excel spreadsheet with active cell formulas from the conglomerado level (shown in the Estimacion_24_sitios.xlsx) to ecoregion level (shown in the 03.InventarioGEI_Tierras_ISFL.xlsx) for each of the pools and subcategories included in the ISFL accounting (including forestland remaining forestland) for the Sierra Templadas ecoregion level 1 (and the Sierra Madre Occidental & Sierra Madre Oriental ecoregions level 2). The audit team has verified from the tree level to sitio to conglomerado level and do not need demonstration of those calculations. Please note this finding will not be closed until this data request (demonstration of the quantification of the emissions factors in an excel spreadsheet with active cell formulas) is achieved.
Project Personnel Response 2: Se han enviado al equipo auditor SCS los DEMOS en Excel sobre los cálculos de los FE al nivel 2 de las ecorregiones. Los demos incluyen las siguientes transiciones y reservorios: - Deforestación (biomasa aérea, biomasa subterránea, material muerto, mantillo y carbono orgánico del suelo),
- Permanencia de FL (biomasa aérea y biomasa subterránea) y
- Recuperación de FL (biomasa aérea y biomasa subterránea). Los DEMOS se encuentran en el siguiente link: http://file.cnf.gob.mx/auditoria_scs/factores_emision/DEMOS_Calculo_de_FE/
Auditor Response 2: Thank you for the demos provided. The audit team confirmed the estimations of the Ef values presented in the DEMOS. As some of the EF Demos were not presented, they will be addressed in additional findings. Therefore, this finding is closed.
Bearing on Material Misstatement or Conformance (M/C/NA):

NIR 5 Dated 14 Apr 2022
Standard Reference: ER Program Requirements
Document Reference: SOP 11; SOP13Matriz_COS_ISFL_V2.xlsx, tC_COS_Delaw, 02.Factores de Emision; Soil Organic Carbon Across Mexico and the Conterminous United States
Finding: This finding is related to the previous finding regarding emission factor transparency. Section 4.1.2 of the ER Program Requirements states that "ISFL ER Programs shall, for the purpose of ISFL Reporting, compile a GHG inventory of all AFOLU categories, subcategories, gases and pools12 in the Program Area (Program GHG Inventory) utilizing existing data that have been collected using best available methods and approaches that are consistent with the most recent IPCC guidance and guidelines. In accordance with the IPCC guidance and guidelines, the Program GHG Inventory shall apply the basic principles of Transparency, Accuracy, Completeness, Consistency over time and Comparability as defined by the IPCC." SOP 11, Paso 2 states "El procedimiento para obtener los datos de carbono orgánico en suelos para cada uno delos CGL del INFyS consistió, básicamente, en asignar la cantidad de COS que le
corresponde a una hectárea tomando como base el mapa de carbono antes mencionado.
El procedimiento fue el siguiente:
a) Al Marco Geoestadístico se le aplicó un buffer de 2 km y se utilizó para recortar el raster del mapa de COS y así poder trabajar únicamente con la información correspondiente a México.
b) Se homogeneizaron espacialmente los insumos utilizados, ya que cada uno contaba con una proyección o Datum diferente. Todos los insumos quedaron con las siguientes características técnicas:
− Geographic Coordinate System: GCS_WGS_1984
− Datum: D_WGS_1984
− Prime Meridian: Greenwich
− Angular Unit: Degree
Tomando como base los puntos de la malla de muestreo del INFyS, se generó un nuevo shapefile que representa una hectárea para cada uno de los conglomerados del inventario (ver Figura 40). Esto, utilizando la herramienta Buffer de ArcGis, con un radio de 56.419 metros, para generar un círculo de una hectárea.
c) La obtención del COS para cada hectárea se realizó de la siguiente manera:
i. Tomando como base la información del mapa de COS (raster) se realizó la extracción del dato de carbono para la hectárea (malla de muestreo) mediante la herramienta Grid Statistics for Polygons (MEAN) del software SAGA. El resultado consistió en el promedio de los pixeles que toquen al círculo (hectárea), ver Figura 41. A este método le llamamos asignación directa." In order to ensure transparency and replicability of the soil organic carbon determination at the ecoregion level, the assessment team requests all intermediate datasets described in Paso 2 of SOP 11 in order to verify the procedure described.

Project Personnel Response: Se actualizó el SOP 11 para incluir el hipervínculo (http://file.cnf.gob.mx/isfl_2021/Factores_emision/Resultados_intermedios/) a una carpeta que contiene los siguientes resultados intermedios:

- Mapa de COS (buffer de 2 km)
- Shapefile que representa una hectárea para cada uno de los conglomerados del inventario
- Shapefile con los contenidos de carbono asignado a cada conglomerado

El resultado final de este procedimiento se ubica en el hipervínculo:
http://file.cnf.gob.mx/isfl_2021/Factores_emision/BD_Contenidos_Ca_Reservorios/Contenidos_carbono_sitios_INFyS/ISFL_Matriz%20tCOS.xlsx
- Base de datos a nivel de conglomerado del reservorio de carbono orgánico del suelo en toneladas por hectárea para los 26,620 conglomerados del INFyS

Auditor Response: Thank you for providing the files tC_COS_Delaw.xlsx, Matriz_COS_ISFL_V2.xlsx and explanation of the calculation of COS, this has been very helpful in understanding the COS estimation. However, the audit team has not been able to verify the estimates of the values in the file Matriz_COS_ISFL_V2.xlsx, sheet "Resumen", the annual Carbon estimates in Columns F4, H4, J4…etc. Please provide an example of how you derive these estimates from Sheet COS TOTAL ha BUR3 into the summary table presented in Sheet "Resumen"; provide an example for Sierras Templadas, Columns D15:AN15.

Moreover, the audit team couldn't retrieve the intermediate shapefiles provided in the following links of SOP11. Please update accordingly:

"Al Marco Geoestadístico se le aplicó un buffer de 2 km y se utilizó para recortar el raster del mapa de COS y así poder trabajar únicamente con la información correspondiente a México.

b) Se homogeneizaron espacialmente los insumos utilizados, ya que cada uno…

Tomando como base los puntos de la malla de muestreo del INFyS, se generó un nuevo shapefile que representa una hectárea para cada uno de los conglomerados del inventario (ver Figura 40)."

Project Personnel Response 2: Los DEMOS enviados al equipo de la Auditoria incluyen las estimaciones de COS a nivel de ecoregiones. Asimismo en el siguiente link: http://file.cnf.gob.mx/auditoria_scs/Shapefiles/COS_Shapefiles/Corte_Mex_COS/ se encuentra el shapefile corte_soil.shp utilizado para hacer el corte de la región de México del mapa de COS publicado por la Universidad de Delaware y en el siguiente link: http://file.cnf.gob.mx/auditoria_scs/Shapefiles/COS_Shapefiles/Valores_ExtraccionCOS_Malla/ se encuentra el shapefile Malla26220_cambiosOct01_1ha_SOC_Mexico.shp que corresponde a la malla usada para la extracción de valores de COS para cada muestra (conglomerado). Con respecto a la homogenización que se realizó a los insumos, esta se refiere a que todos los insumos estuvieran en la misma proyección geografica, en este caso: Geographic Coordinate System: GCS_WGS_1984
Datum: D_WGS_1984
Prime Meridian: Greenwich
Angular Unit: Degree

Auditor Response 2: Thank you for providing the DEMO "DEMO_Matriz COS para BUR3_V2.xlsx". The audit team was able to shapefiles shared for the corte of the SOC map for Mexico, and the "Malla26220_cambiosOct01_1ha_SOC_Mexico.shp" shapefile. However, during our review, the audit team couldn't confirm the application of Equation 2.25 of the IPCC to estimate annual change in organic carbon stocks. Please describe the values and assumptions applied for SOCref, Flu, Fmg, Fi and the calculation of Sheet "3_Deforestation", Column, AY "Factor (FLU*FMG*FI)", Column AZ "SOC_0", and Column BA "(SOC_0 - SOC 0-t)/20". This finding remains open.
Project Personnel Response 3: En el siguiente link: http://file.cnf.gob.mx/auditoria_scs/COS_NFL-FL/Matriz_COS_ISFL_V2.xlsx esta disponible el archivo Matriz_COS_ISFL_V2.xlsx, en la hoja COS TOTAL ha BUR3 se encuentra la base completa de los 26,220 conglomerados con sus valores de COS/ha obtenidos del mapa desarrollado por la Universidad de Delaware. La aplicación de la ecuación 2.25 del IPCC para estimar los cambios de forma anual se puede observar en la categoría deforestación (Columna AU) en donde a partir del año 2000 (Columna Z) se cuenta con un valor de COS para cada conglomerado y en cuanto se detecta un cambio, en este caso por deforestación, se comienza con la aplicación de la formula. En la fila 5981 se muestra un ejemplo para la transición "deforestación", en este caso es una tierra forestal "TF" que en el año 2010 sufrió un cambio (columna AJ - C2010), por lo tanto a partir de ese año se aplica la formula de perdida, en la columna AY se encuentra el Factor (FLU*FMG*FI) correspondiente a las condiciones de la región donde se encuentra la muestra, en la columna AZ se encuentra SOC_0, que se calcula a través de la multiplicación del Factor (FLU*FMG*FI) en este caso es 0.963015 y el valor de la densidad del carbono al inicio del periodo: 24.2 (Columna Z), lo que nos da el SOC_0 = 23.353005. El valor de (SOC_0 - SOC 0-t)/20 será la perdida por año que se producirá durante el periodo considerado, en este caso de 20 años, continuando con el ejemplo anterior será: (23.353025-24.2)/20 = -0.044844103, este último valor sera restado al valor de COS inmediatamente que sea identificado un proceso de cambio y durante los siguientes 20 años.
Auditor Response 3: Thank you for this detailed explanation. The auditors have confirmed the application of the carbon stock change factors and the calculation of the emission factors. We also confirmed that the program plans for improvements to the SOC pool. This finding has been closed.
Bearing on Material Misstatement or Conformance (M/C/NA): M/C

NIR 6 Dated 14 Apr 2022
Standard Reference: ER Program Requirements
Document Reference: SOP5, SOP9, SOP 13, SOP 10, SOP 11
Finding: Section 4.1.2 of the ER Program Requirements states that "ISFL ER Programs shall, for the purpose of ISFL Reporting, compile a GHG inventory of all AFOLU categories, subcategories, gases and pools12 in the Program Area (Program GHG Inventory) utilizing existing data that have been collected using best available methods and approaches that are consistent with the most recent IPCC guidance and guidelines. In accordance with the IPCC guidance and guidelines, the Program GHG Inventory shall apply the basic principles of Transparency, Accuracy, Completeness, Consistency over time and Comparability as defined by the IPCC." The assessment team found that several of the SOP contain a placeholder for a link or workbook, but no link is actually provided. For example:
(1) Sub-paso 2b of SOP 11 states "En el siguiente enlace (ENLACE A NIVEL DE CONGLOMERADO) se incluye la base de datos a nivel de conglomerado del reservorio de carbono orgánico del suelo en toneladas por hectárea para los 26,620 conglomerados del INFyS." However, no link has been provided, thus it is unclear to the assessment team which file refers to the soil organic carbon content at the conglomerado level. Please provide additional information.
(2) Sub-paso 2f of SOP 9 states "En el siguiente enlace (ENLACE A NIVEL DE REGISTROS) se incluye la base de datos a
nivel de observación del sub-componente de muertos en pie con sus contenidos de biomasa y carbono en kilogramos. Estos registros están incluidos en la misma base de datos queaquellos del reservorio de la biomasa aérea y de tocones."
(3) Sub-paso 8 in SOP 13 states "En el siguiente enlace se incluye la base de datos de los factores de emisión para los 5 reservorios de carbono, en sus categorías y subcategorías IPCC. ENLACE A TABLA DE FE."
(4) SOP 5 states "En el siguiente enlace se incluye la base de datos de los factores de emisión para los 5 reservorios de carbono, en sus categorías y subcategorías IPCC. ENLACE A TABLA DE FE."
(5) SOP 10 states "En el siguiente enlace (ENLACE A NIVEL DE REGISTROS) se incluye la base de datos a nivel de observación del reservorio del mantillo con los registros de hojarasca y capa de fermentación en kilogramos."
Please clarify which spreadsheets or documents these links refer to.
Project Personnel Response: Se revisaron y actualizaron los hipervínculos citados en el contenido de los SOP (5, 8, 9, 10, 11 y 13) asegurándose que estén ligados correctamente a algún archivo o directorio de nuestro repositorio (http://file.cnf.gob.mx/isfl_2021/)
Auditor Response: Thank you for the reviewed/updated SOPs shared during the site visit, the assessment team was able to confirm the link to SOPs 5, 8, 9 and 10.
However, the assessment team was unable to confirm the links in SOP 11 and SOP 13_Estimacion into "Enlace a tabla de FE" in the newest version shared of the updated SOPs. Please update accordingly.
Project Personnel Response 2: Este es el link actualizado dentro del SOP 11
http://file.cnf.gob.mx/isfl_2021/Factores_emision/BD_Contenidos_Ca_Reservorios/Contenidos_carbono_sitios_INFyS/tC_COS_Delaw.xlsx. Asimismo en el SOP 13 se actualizaron los links para los 4 reservorios
http://file.cnf.gob.mx/isfl_2021/Factores_emision/BD_Integrada_FE_Reservorio_subcategoria_IPCC.xlsx y para el COS
http://file.cnf.gob.mx/isfl_2021/Factores_emision/BD_Integrada_FE_COS_Reservorio_subcategoria_IPCC.xlsx
Auditor Response 2: The audit team was able to confirm the updates into the SOPs. This finding is closed.

Bearing on Material Misstatement or Conformance (M/C/NA):

NIR 7 Dated 14 Apr 2022
Standard Reference: ER Program Requirements
Document Reference: SOP 9; modelos.xlsx
Finding: Section 4.1.2 of the ER Program Requirements states that "ISFL ER Programs shall, for the purpose of ISFL Reporting, compile a GHG inventory of all AFOLU categories, subcategories, gases and pools12 in the Program Area (Program GHG Inventory) utilizing existing data that have been collected using best available methods and approaches that are consistent with the most recent IPCC guidance and guidelines. In accordance with the IPCC guidance and guidelines, the Program GHG Inventory shall apply the basic principles of Transparency, Accuracy, Completeness, Consistency over time and Comparability as defined by the IPCC." SOP 9 states "Las series de uso de suelo y vegetación del INEGI y las ecorregiones son incorporadas al
SEByC, para establecer criterios de selección entre los registros del INFyS con los valores promedio de densidad de la madera, así como con los modelos de regresión de diámetro basal/diámetro normal que se describe enseguida." While the assessment team has been able to confirm that the wood densities applied are found in the file "modelos.xlsx", we have not been able to verify the source and calculation of these wood densities values which were applied. Please provide additional information, including the relevant publications, so that the assessment team can verify the sources of the wood density values and how they were calculated for each species.
Project Personnel Response: En la siguiente liga se encuentra la base de datos que incluye cuatro compilaciones, la cuales están incluidas en el siguiente vínculo:
http://file.cnf.gob.mx/isfl_2021/Factores_emision/BD_Contenidos_Ca_Reservorios/Contenidos_carbono_sitios_INFyS/Densidad_Gravedad_Madera.xlsx Utilizar el campo "ID Fuente".
1) IB-UNAM, INFyS 2013; Base de datos proyecto CONAFOR-IB-UNAM
https://drive.google.com/file/d/1MdlvSZ5QvrI5qoxKHZOxwXRSdFtWr9hi/view?usp=sharing
https://drive.google.com/file/d/1k3DgfSvDpULVgE8yLTO9heXqx7AGYf1w/view?usp=sharing
2) Propiedades físicas de ecosistemas forestales, 2012; Compilación interna
3) MRV, 2014; Compilación interna
4) Zanne et al 2009 https://docs.google.com/spreadsheets/d/1fYWI3EU1YfYa0AHzY2Bv-w47MT_zSdT7/edit?usp=sharing&ouid=109250349780454598300&rtpof=true&sd=true

Auditor Response: The audit team was able the assessment team was able to confirm the sources from number 1 and 4, but couldn't find the documents described in number 2 and 3. Please provide the link to these documents.

Project Personnel Response 2: En la base de datos compartida http://file.cnf.gob.mx/isfl_2021/Factores_emision/BD_Contenidos_Ca_Reservorios/Contenidos_carbono_sitios_INFyS/Densidad_Gravedad_Madera.xlsx se agrupan las fuentes de información de densidades de madera y fracciones de carbono en 4 fuentes generales principales: 1) IB-UNAM, INFyS 2013;
2) Propiedades físicas de ecosistemas forestales, 2012; Compilación interna
3) MRV, 2014; Compilación interna
4) Zanne et al 2009. Las fuentes 1 y 4 se han compartido a traves de los links en la respuesta anterior, sin embargo con respecto a las fuentes 2 y 3 parece que hubo una confusión y como tal no contamos con publicaciones que compilen todas las referencias mencionadas en estas 2 fuentes (2 y 3), sino que son producto de una revisión y compilación interna que se llevo a cabo por el equipo técnico y con la cual se conformaron las bases de datos que se integran en el SEByC. Tomando como ejemplo el archivo Densidad_Gravedad_Madera.xlsx, la fila 4039, tiene como ID Fuente = MRV, 2014 y como Referencia = Aguilar-Rodríguez, Abundiz-Bonilla y Barajas-Morales, 2001, esta referencia pertenece a la publicación "Comparación de la gravedad específica y características anatómicas de la madera de dos comunidades vegetales en México" y que esta disponible en el siguiente link: https://www.redalyc.org/pdf/400/40072204.pdf .
Auditor Response 2: Thank you for the explanation. The audit team confirmed the source of a sample of some of the wood densities used in the calculations as explained. This finding is closed.
Bearing on Material Misstatement or Conformance (M/C/NA):

NIR 8 Dated 14 Apr 2022
Standard Reference: ER Program Requirements
Document Reference: Tool_ISFL_Baseline_v_1.0_-_151021.xlsx, MEXICO-ISFL_FourthDraft_GTSMRV_16022022.docx
Finding: Section 4.1.3 of the ER Program Requirements states that "The Program GHG Inventory shall utilize best available methods and existing data." In reviewing section 4.1.2 of the ERPD (MEXICO-ISFL_FourthDraft_GTSMRV_16022022.docx), Summary of the Program GHG Inventory, Table 5, the assessment team could not verify the values reported for Categories 3B1bii. Grassland converted to Forest Land and 3B1bi. Cropland converted to Forest Land. The values reported in this table differ from those reported in the calculation workbook "Tool_ISFL_Baseline_v_1.0_-_151021.xlsx", sheet Program GHG Inventory. For instance, Cell C16 shows a value -76,680 vs the ERPD which shows a value of -43,455 for GL-FL. Furthermore, cell C25 in the workbook shows a value -1,848 vs the ERPD which shows a value -1,208 reported for CL-FL. These differences are also found in Table 6 of the ERPD and the sheet "4.2.1 Step 1", cells C12 for GL-FL and C16 for CL-FL of the aforementioned calculation workbook. Please provide clarification regarding which are the correct values and why there are discrepancies.
Project Personnel Response: Se han generado diferentes versiones del ERPD como resultado de las diferentes revisiones a las que se ha sometido el documento. Durante la atención de las observaciones de la evaluación "Completeness and Quality Check" del Banco Mundial, se identificó una inconsistencia en los factores de emisión para las categorías de recuperación (L - FL), lo que implicó un recalculo de los factores de emisión, del inventario y de la línea base. Existen correos electrónicos que dan evidencia de estos nuevos valores. En el Anexo 4 se muestran las diferentes versiones del ERPD y de la herramienta de línea base, se muestran los valores del inventario para la categoría 3B y para las subcategorías de recupereción.
Se revisó la carpeta que almacena los resultados del cálculo de la línea base y se identificó que el equipo ISFL México no había subido las versiones más actualizada (v 2.0 y 3.0). La versión 2.0 es la que corresponde con el Fourth draft que está en revisión por parte de SCS.
Auditor Response: The audit team was able to confirm these changes in the new version of the ERPD "MEXICO-ISFL-6thDRAFT-May22_FMT revAlanis rev GTSMRV_03062022_E.DOCX". This finding has been closed.
Bearing on Material Misstatement or Conformance (M/C/NA):

NIR 9 Dated 14 Apr 2022
Standard Reference: ER Program Requirements
Document Reference: Tool_ISFL_Baseline_v_1.0_-_151021.xlsx
Finding: Section 4.1.3 of the ER Program Requirements states that “The Program GHG Inventory shall utilize best available methods and existing data.” In verifying the calculation of emissions from the LULC transitions, the assessment team could not replicate the values reported in the workbook “Tool_ISFL_Baseline_v_1.0_-_151021.xlsx”, sheet ISFL_Program2_151021. More specifically, the assessment team could not confirm the values reported in cell AW “ABS_PROMEDIO”. The assessment team found a difference in estimates. For instance, for CL-FL the assessment team calculated a value of -1,274.42, but a value of -1,847.98 was reported; for GL-FL the assessment team calculated a value of -52,882.62, but a value of -76,679.80 was reported; for FL-CL a FL the assessment team calculated a value of 43,355.27, but a value of 59661.22 reported. Note, the assessment team also found the there were discrepancies between the values reported in the workbook and the values reported in the ERPD. The assessment team requests additional information and demonstration of the calculation of these values (with active cell formulas in excel) used for the estimation of the total emissions and removals in each of the LULC transition categories.
Project Personnel Response: Se han generado diferentes versiones del ERPD como resultado de las diferentes revisiones a las que se ha sometido el documento. Durante la atención de las observaciones de la evaluación "Completeness and Quality Check" del Banco Mundial, se identificó una inconsistencia en los factores de emisión para las categorías de recuperación (L - FL), lo que implicó un recalculo de los factores de emisión, del inventario y de la línea base. Existen correos electrónicos que dan evidencia de estos nuevos valores. En el Anexo 4 se muestran las diferentes versiones del ERPD y de la herramienta de línea base, se muestran los valores del inventario para la categoría 3B y para las subcategorías de recupereción.
Se revisó la carpeta que almacena los resultados del cálculo de la línea base y se identificó que el equipo ISFL México no había subido las versiones más actualizada (v 2.0 y 3.0). La versión 2.0 es la que corresponde con el Fourth draft que está en revisión por parte de SCS.

Auditor Response: Like in Finding No.8, the audit team couldn’t find/retrieve the updated version of the file Tool_ISFL_Baseline_v_1.0_-_151021.xlsx in the shared folders of the URL http://file.cnf.gob.mx/isfl_2021/Factores_emision/.
If there is an updated version of this file, please provide it for further review, the assessment team couldn’t verify the changes provided.
Project Personnel Response 2: Se han subido al repositorio http://file.cnf.gob.mx/auditoria_scs/Linea_base/ las versiones 2.0 (ISFL Baseline v 2.0 - 250722.xlsx) y 3.0 (ISFL Baseline v 3.0 - 250722.xlsx) de la herramienta de línea base, estas versiones son actualizaciones del archivo Tool_ISFL_Baseline_v_1.0_151021.xlsx .

Versión 2.0: durante la atención de las observaciones de la evaluación "Completeness and Quality Check" del Banco Mundial, se identificó una inconsistencia en los factores de emisión para las categorías de recuperación (L - FL), lo que implicó un recalculo de los factores de emisión, del inventario y de la línea base. Existen correos electrónicos que dan evidencia de estos nuevos valores.

Versión 3.0: Versión que integra los resultados de las categorías 3A y 3C y las observaciones de los donantes y se puede encontrar en el siguiente link: http://file.cnf.gob.mx/auditoria_scs/Linea_base/ISFL%20Baseline%20v%203.0%20-%20250722.xlsx .

Auditor Response 2: Thank you for providing the revised version of the ISFL Tool to calculate the Baseline. The audit team confirmed the changes provided in the calculation workbook ISFL Baseline v 3.0 - 250722.xlsx. This finding is closed
Bearing on Material Misstatement or Conformance (M/C/NA):

NIR 10 Dated 5 Jul 2022
Standard Reference: ER Program Requirements
Document Reference: Ecoreg_Equidis_MGM16_nal_densificada_ISFL.shp; ecort08gw.shp
Finding: Section 4.1.3 of the ER Program Requirements states that "The Program GHG Inventory shall utilize best available methods and existing data." When reviewing the total area in the program states as shown in the shapefile Ecoreg_Equidis_MGM16_nal_densificada_ISFL.shp, the audit team found a total reported area of 58,627,833 ha. Likewise in the workbook provided, Ecoreg_Equidist_MGM16_Superficie.xlsx, sheet Sup_Estratos-Equidis, column H30, the total reported area of the program area is 58,627,833 ha. However, there are several features that are missing grid size values for the field and are therefore listed as (en blanco). The total are is 876 ha. As a result they are not included in the quantification of the area of land use change. Similarly the audit team found in the shapefile Ecoreg_Equidis_MGM16_nal_densificada_ISFL.shp that there are 873.39 ha in the program area states and in the Ecoregion Desiertos de America del Norte that have not been assigned to the grid (in the field Equi_ISFL) and 3.06 ha in the Grandes Planicies ecoregion that have not been assigned to the grid or included in the quantification of land use change area. Please provide more information regarding why these approximately 876 hectares have been excluded from the analysis although they are geographically contained within the program area states.
Project Personnel Response: Una explicación acerca de las discrepancias encontradas con esas 876 ha se encuentra en el siguiente link: http://file.cnf.gob.mx/auditoria_scs/Discrepancia876ha/
Auditor Response: The audit team reviewed the explanation and examples in the "Respuesta Finding No. 10" file. This finding is closed.
Bearing on Material Misstatement or Conformance (M/C/NA):

NIR 11 Dated 5 Oct 2022
Standard Reference: ER Program Requirements
Document Reference: Anexo 3 FE ISFL SCS4 V2.docx; 1_Areas_Estratos_BUR_Deforestacion.csv
Finding: This finding is related to finding #4 above. Section 4.1.2 of the ER Program Requirements states that "ISFL ER Programs shall, for the purpose of ISFL Reporting, compile a GHG inventory of all AFOLU
categories, subcategories, gases and pools12 in the Program Area (Program GHG Inventory) utilizing existing data that have been collected using best available methods and approaches that are consistent with the most recent IPCC guidance and guidelines. In accordance with the IPCC guidance and guidelines, the Program GHG Inventory shall apply the basic principles of Transparency, Accuracy, Completeness, Consistency over time and Comparability as defined by the IPCC." In the document Anexo 3 FE ISFL SCS4 V2.docx, it is explained that the database 1_Areas_Estratos_BUR_Deforestacion.csv contains the areas of the 21 categories of the country's ecoregion-equidistance combination, which are utilized to calculate the biomass (aboveground and belowground) emission factors at the ecoregion level. In addition to the additional clarity on this calculation requested in finding #4 above, the audit team must verify/re-calculate these areas and therefore requests additional documentation (e.g., published document), data (e.g., shapefile), and explanation regarding how these national areas were derived.
Project Personnel Response: La forma en que se generaron las áreas de los estratos mencionados en el archivo 1_Areas_Estratos_BUR_Deforestacion fue a tráves del cruce de 3 insumos principales: 1) Shapefile de la Serie II de vegetación de INEGI la cual se encuentra en el siguiente link: http://file.cnf.gob.mx/auditoria_scs/Shapefiles/Estratos/EquidistanciasINFyS/ y la cual fue la base para el diseño del actual Inventario Nacional Forestal y de Suelos (INFyS) por tal motivo a cada tipo de vegetación se asignó una equidistancia y se puede observar en su tabla de aributos. 2) El archivo de las ecorregiones disponible en el siguiente link: http://file.cnf.gob.mx/auditoria_scs/Shapefiles/Estratos/Ecorregiones/ y 3) el MGM de 2016 disponible en el siguiente link: http://file.cnf.gob.mx/auditoria_scs/Shapefiles/Estratos/MGM2016/ .La unión se hizo en el software para el manejo de Sistemas de Información Geográfica ArcMap a tráves de la herramientas "Intersect" en el siguiente orden: MGM 2016 + ecorregiones (Intersect). El resultado del primer proceso se volvio a intersectar ahora con el shape de las Series II de INEGI que incluye las equidistancias por tipo de vegetación.
Auditor Response: The audit team couldn't confirm the areas used in the estimation of the Emission Factors, file "DEMO_Base_Deforestacion_FL_AGB_BGB.xlsx", sheet "6_DEFORESTACION_FL_AGB", column G "Area" (193,996,541 ha).
Using the shapefile at the National level of EcoRegions and their EcoDistances, the audit team found differences in the totals summarized in the shapefile "Ecoreg_Equidis_MGM16_nal_densificada_ISFL.shp", vs the areas used in the calculations of the DEMOS (e.g. "DEMO_Base_Deforestacion_FL_AGB_BGB.xlsx", sheet "6_DEFORESTACION_FL_AGB", column G "Area"). See example below:

Selvas Calido-Humedas	Area Shape	Area Calculos-Demos
10 x 10	10,932,529	2,281,933
20 x 20	257,928	11,173,645
5 x 5	2,439,931	14,232,793

Please demonstrate how the areas of the EcoRegiones by EquiDistance used in the calculation of the Emission Factors were derived.
This finding remains open

Project Personnel Response 2: Revisar el archivo Hallazgo No. 11.docx, en el link: http://file.cnf.gob.mx/auditoria_scs/Hallazgos_11_19/Hallazgo%20No.%2011.docx donde se proporciona una explicación sobre este hallazgo.
Auditor Response 2: The auditors confirmed that national inventory ecoregion areas. This finding has been closed.
Bearing on Material Misstatement or Conformance (M/C/NA):

NIR 12 Dated 3 Oct 2022
Standard Reference: ER Program Requirements
Document Reference: Estimacion_C_BA_BS_MP_Toc_ReMuestreo.xlsx
Finding: Section 4.1.2 of the ER Program Requirements states that "ISFL ER Programs shall, for the purpose of ISFL Reporting, compile a GHG inventory of all AFOLU categories, subcategories, gases and pools12 in the Program Area (Program GHG Inventory) utilizing existing data that have been collected using best available methods and approaches that are consistent with the most recent IPCC guidance and guidelines. In accordance with the IPCC guidance and guidelines, the Program GHG Inventory shall apply the basic principles of Transparency, Accuracy, Completeness, Consistency over time and Comparability as defined by the IPCC.".

In the file Estimacion_C_BA_BS_MP_Toc_ReMuestreo.csv, Column "ecuacion biomasa", the audit team could not recalculate the biomass estimates for those equations containing "ab130" (e.g. "10^(-0.8092)*(ab130*0.69*ht)^(0.8247)"), in the equation. It is unclear what parameter this corresponds to, please clarify.
Project Personnel Response: El parametro ab130 es el área basal a 1.30 m, en el archivo "Estimacion_C_BA_BS_MP_Toc_ReMuestreo.csv" omitimos incluir la columna con su valor calculado, sin embargo esta variable es posible cacularla para todos los casos con la fórmula del área de un circulo π*r2, donde r es el diametro_estandarizado (columna p). En el SEByC la formula se implementa utilizando el diámetro del árbol (d130) y quedaría de la siguiente forma (3.14159 * ((d130 ÷ 2)2)). Si lo consideran necesario, podemos subir de nuevo el archivo incluyendo la columna con los valores calculados de ab130.
Auditor Response: Thank you for the explanation. The audit team confirmed the results including the application of the basal area in the equation. This finding is closed.
Bearing on Material Misstatement or Conformance (M/C/NA):

NIR 13 Dated 5 Oct 2022
Standard Reference: ER Program Requirements
Document Reference: 03.InventarioGEI_Tierras_ISFL.xlsx
Finding: Section 4.1.3 of the ER Program Requirements states "The Program GHG Inventory shall utilize best available methods and existing data. This may include the use of Activity Data Proxies if needed, and IPCC Tier 1 data and methods if no data are available to apply higher Tier methods. ISFL ER Programs are encouraged to apply higherTiers over time, as possible" Section 4.2.2 (3B1bi & 3B1bi) of the ERPD states "EF of SOC were not estimated due to the lack of data." However, for forest converted to nonforest land, the ERPD indicates that "SOC using data from the Soil Organic Carbon Estimates for 30-cm Depth for Mexico and conterminous USA, 1991-2011 https://daac.ornl.gov/cgi-bin/dsviewer.pl?ds_id=1737 developed by Delaware University." It is unclear why the data from this SOC map was not utilized in a similar way to estimate SOC EFs for nonforest land converted to forestland. Furthermore, it is unclear why Tier 1 or IPCC data was not utilized if such higher tier data is not available. Please provide justification for the exclusion of the soil pool from the accounting of transitions form nonforest to forest pools.
Project Personnel Response: Para mantener la consistencia con otros reportes nacionales sometidos ante la convención (BUR 3 / México) se decidió no estimar el COS en la transición de Recuperación. Por otro lado, el análisis de significancia de los reservorios indica que la contribución del SOC en las tierras forestales que se convierten a otras categorías es menor (por ejemplo FL – CL el SOC contribuye con el 3.8%, FL – GL 2.8%), en el caso del proceso inverso (recuperación) a esta mínima contribución hay que agregar el periodo de 20 años para alcanzar los contenidos máximos de carbono.
Respecto de la utilización de FE por defecto, el documento "Guidance note on application of IPCC guidelines for subcategories and carbon pools where changes take place over a longer time period Version 1.0" establece en la sección 2. Changes in the Soil Organic Carbon pool in mineral soils associated with conversion of Forest Land to other land categories, 2.1 ISFL Reporting: "...Default Tier 1 data may be used unless better data are available through the national GHG inventory or other existing data sets." Interpretamos de este texto que el uso de FE por default es opcional (sin carácter obligatorio), además del impacto en el incremento de la incertidumbre general del inventario si se utilizaran FE por defecto.
Por otro lado, la consecuencia de incorporar el pool SOC con valor por default (TIER 1) sería un incremento en el promedio de las remociones de las subcategorías para la transición NFL to FL, sin embargo, ese incremento es irrelevante, ya que la inclusión en la selección inicial de subcategorías es mandatoria por los requerimientos del programa: "...Populate the table below by first listing conversions from or to forest land in order of the relative magnitude of net contribution of these subcategories to the absolute level of the total GHG emissions and removals in the Program GHG Inventory (See Section 4.1.2)". Toda vez que las subcategorías de recuperación deben ser incluidas en la selección inicial de parcelas, al momento de aplicar los requisitos del programa para incluirlas en la línea base, el SOC debe ser excluido pues no cumple los requisitos de TIER establecidos por el programa.

Auditor Response: Thank you for this explanation. To reiterate, ISFL requirements 4.1.2 and 4.1.3 indicate that all pools of all subcategories must be included in the initial program GHG inventory. If tier 2 data is not available, then tier 1 data must be used. This means the SOC pool must be included in this initial inventory regardless of what data is available. Next the program must follow section 4.3 to select the subcategories for inclusion in the ISFL program. Section 4.3.3 of the ISFL requirements reiterate that the first step is to list all subcategories (including all associated carbon pools and gases). The next part of step 1 is to follow 4.3.4 to make an initial selection of subcateogires. Step 2 then requires a review of the data and methods and to eliminate any subcategories that do not comply with the ISFL requirements. For example, one requirement as listed in the table on page 13 of the Program Requirements is that a minimum of tier 2 data is applied. However, the ISFL requirements provide some flexibility in section 4.2.3 as it states "Subcategories are considered to meet Tier 2 if all the significant13 pools and gasses are estimated using Tier 2 methods and data. ISFL ER Programs are encouraged to improve data and methods, and to move to a higher tier over time, as possible." Footnote 13 then states "Significant here refers to the individual pools or gases that make up at least 25% of the absolute level of the total GHG Emissions and Removals in the subcategory, and the pools and gases that, when listed in the relative magnitude of contribution to the Emissions of the overall subcategory, contribute to 60% of the cumulative Emissions."
In conclusion, the audit team continues to request the following:
1. Please demonstrate the complete GHG inventory, that includes all pools for all subcategories (including the SOC pool for the reforestation subcategories)
2. If the program intends to exclude the SOC pool from the reforestation subcatories, please demonstrate the significance of the pool in accordance with the ISFL requirements.
This finding remains open.
Project Personnel Response 2: En el archivo Hallazgo 13 SCS para ISFL.docx (link: http://file.cnf.gob.mx/auditoria_scs/COS_NFL-FL/Hallazgo%2013%20SCS%20para%20ISFL.DOCX), se ecuentra una explicación de la forma en que se abordó la estimación de COS para las categorias de recuperación y su contribución con respecto a las absorciones totales.
Auditor Response 2: Thank you for the demonstration provided. The auditors have confirmed that the COS component is below the significance threshold and therefore does not need to be included. This finding has been closed.

Bearing on Material Misstatement or Conformance (M/C/NA):

NIR 14 Dated 5 Oct 2022
Standard Reference: ER Program Requirements
Document Reference: MEXICO-ISFL-6thDRAFT-May22_FMT revAlanis rev GTSMRV_03062022_E.xlsx; Tool_ISFL_Baseline_v_1.0_-_151021.xlsx
Finding: Section 4.3 of the ER Program Requirements lays out a three step approach for the selection of subcategories. In section 4.3.3, it states "ISFL ER Programs shall list all the subcategories from the Program GHG Inventory, with the associated Carbon Pools and gases, in order of the relative magnitude of contribution of these subcategories to the absolute level of the total GHG Emissions and Removals in the Program GHG Inventory." Section 4.3.4 continues "From this list, all ISFL ER Programs shall initially select the following subcategories:
i. Any subcategories involving conversions from or to forest land;
ii. Forest land remaining forest land;
iii. Any subcategories involving conversions between land-use categories other than forest land that, cumulatively with the conversions from or to forest land, amount to 90% of the absolute level of the total GHG Emissions and Removals associated with all land use conversions in the Program GHG Inventory; and
iv. The single most significant of the remaining subcategories in order of the relative magnitude of contribution of these subcategories to the absolute level of the total GHG Emissions and Removals in the Program GHG Inventory." In reviewing the latest version of the ERPD (Tables 5-0), the audit team observed that additional subcategories pertaining to livestock emissions (e.g., 3A-3C) have been added to the initial list of subcategories and calculation of total GHG emissions. However, the file Tool_ISFL_Baseline_v_1.0_-_151021.xlsx has not been updated. The audit team requests an updated excel file demonstrating the step by step process for selecting these subcategories including the quantification of net emissions removals and relative contribution to the absolute level for all subcategories, using active cell formulas.
Project Personnel Response: Se han subido al repositorio http://file.cnf.gob.mx/auditoria_scs/Linea_base/ las versiones 2.0 y 3.0 de la herramienta de línea base.

Versión 2.0: durante la atención de las observaciones de la evaluación "Completeness and Quality Check" del Banco Mundial, se identificó una inconsistencia en los factores de emisión para las categorías de recuperación (L - FL), lo que implicó un recalculo de los factores de emisión, del inventario y de la línea base. Existen correos electrónicos que dan evidencia de estos nuevos valores.

Versión 3.0: Versión que integra los resultados de las categorías 3A y 3C y las observaciones de los donantes.
Auditor Response: Thank you for providing the revised version of the ISFL Tool to calculate the Baseline. The audit team confirmed the Subcategory Selection provided in the calculation workbook ISFL Baseline v 3.0 - 250722.xlsx. This finding is closed
Bearing on Material Misstatement or Conformance (M/C/NA):

NIR 15 Dated 5 Oct 2022
Standard Reference: ER Program Requirements; IPCC Guidelines Vol 4 Ch2
Document Reference: MEXICO-ISFL-6thDRAFT-May22_FMT revAlanis rev GTSMRV_03062022_E.xlsx; Tool_ISFL_Baseline_v_1.0_-_151021.xlsx
Finding: Section 4.1.2 of the ER Program Requirements states "ISFL ER Programs shall, for the purpose of ISFL Reporting, compile a GHG inventory of all AFOLU categories, subcategories, gases and pools12 in the Program Area (Program GHG Inventory) utilizing existing data that have been collected using best available methods and approaches that are consistent with the most recent IPCC guidance and guidelines. In accordance with the IPCC guidance and guidelines, the Program GHG Inventory shall apply the basic principles of Transparency, Accuracy, Completeness, Consistency over time and Comparability as defined by the IPCC." Section 4.1.1 of the ERPD indicates that for Land[3B] "estimations of emissions/removals were obtained using the stock change approach following the 2006 IPCC Guidelines." Section 2.3.1.1 of the IPCC Volume 4 Chapter 2 states "The Stock-Difference Method requires biomass carbon stock inventories for a given land area, at two points in time. Annual biomass change is the difference between the biomass stock at time t2 and time t1 , divided by the number of years between the inventories (Equation 2.8). In some cases, primary data on biomass may be in the form of wood volume data, for example, from forest surveys, in which case factors are provided to convert wood volume to carbon mass units, as shown in Equation 2.8.b." While the audit team understands that the country has repeat forest inventory measurements which are utilized for the calculation of emission factors, it remains unclear how annual biomass changes are calculated between biomass stocks at two time periods (divided by the period between the inventories). It is unclear if and how this is being incorporated in the emission factors. Please provide greater explanation and clarity regarding exactly how the stock change approach is being applied.
Project Personnel Response: En el siguiente http://file.cnf.gob.mx/auditoria_scs/DEMO_StockChange_Approach/ se encuentra un DEMO para la transición recuperación (incremento de biomasa) y como es aplicado el enfoque de "stock change" con los datos disponibles.
Auditor Response: The audit team confirmed the information provided in the Stock Change Approach Demo. This finding is closed
Bearing on Material Misstatement or Conformance (M/C/NA):

NIR 16 Dated 7 Feb 2023
Standard Reference: ER Program Requirements
Document Reference: 03.InventarioGEI_Tierras_ISFL_v2.xlsx
Finding: This finding is similar to finding #13 above. Section 4.1.2 of the ER Program Requirements states "ISFL ER Programs shall, for the purpose of ISFL Reporting, compile a GHG inventory of all AFOLU
categories, subcategories, gases and pools12 in the Program Area (Program GHG Inventory) utilizing existing data that have been collected using best available methods and approaches that are consistent with the most recent IPCC guidance and guidelines. " Then section 4.1.3 states "The Program GHG Inventory shall utilize best available methods and existing data. This may include the use of Activity Data Proxies if needed, and IPCC Tier 1 data and methods if no data are available to apply higher Tier methods. ISFL ER Programs are encouraged to apply higher Tiers over time, as possible." In the workbook 03.InventarioGEI_Tierras_ISFL_v2.xlsx, which summarizes the activity data, emission factors, and total emissions per subcategory, the audit team found that there are no belowground biomass emission factors for several subcategories that include aboveground biomass emission factors. For example, cropland to grassland subcategory and all other cropland to nonforest subcategories have aboveground biomass emission factors, but no belowground biomass emission factors. It is unclear how/why belowground emission factors are excluded from these subcategories. If there is sufficient data to calculate the aboveground biomass emission factors, there ought to be data to calculate belowground. Likewise, ISFL requires that ALL pools be quantified for the GHG inventory, regardless of if Tier 1 or tier 2 data must be used to complete that inventory. Please provide more information as well as a demonstration of the belowground biomass emission factors for these nonforest subcategories.
Project Personnel Response: De acuerdo a la disponibilidad de información en el país, para las categorías y transiciones correspondientes a CROPLAND y que pasan a otras categorias NO FORESTALES usamos un enfoque de estimación TIER 1 con datos mejorados a nivel nacional y que de acuerdo a las Guías IPCC, en estas se establece que para el "Nivel 1, se supone, por defecto, que no hay cambios en la biomasa subterránea de los árboles perennes de los sistemas agrícolas. No se dispone de valores por defecto para la biomasa subterránea para los sistemas agrícolas", este es el motivo por el cual no se integran FE para BS en las categorias de CROPLAND.
Auditor Response: Thank you for this explanation. Given that there is no available data, this finding has been closed.
Bearing on Material Misstatement or Conformance (M/C/NA):

NIR 17 Dated 7 Feb 2023
Standard Reference: ER Program Requirements, 2006 IPCC Guidelines.
Document Reference: 03.InventarioGEI_Tierras_ISFL_v2.xlsx
Finding: Section 4.1.2 of the ER Program Requirements states "ISFL ER Programs shall, for the purpose of ISFL Reporting, compile a GHG inventory of all AFOLU categories, subcategories, gases and pools12 in the Program Area (Program GHG Inventory) utilizing existing data that have been collected using best available methods and approaches that are consistent with the most recent IPCC guidance and guidelines. In accordance with the IPCC guidance and guidelines, the Program GHG Inventory shall apply the basic principles of Transparency, Accuracy, Completeness, Consistency over time and Comparability as defined by the IPCC." Vol 4, Ch2 of the IPCC guidelines indicates that for several pools such as the SOC pool (all subcategories), and for the biomass and DOM pools in nonforest to forest subcategories, there is a gradual accumulatin of carbon stocks after the transition. For instance, it states "DOM stocks are assumed to increase for 20 years after conversion to Forest Land." This is also reflected in the guidance note and generally refers to transitions involving forest land because it takes several years for the carbon stocks to build up.
In reviewing the workbook 03.InventarioGEI_Tierras_ISFL_v2.xlsx, the audit team found that there is a gradual accumulation of biomass carbon in a few nonforest subcategories (e.g., CLa-GL, CLa-CLp). Please provide justification and explanation for this gradual accumulation in the biomass carbon.
Project Personnel Response: Para algunas transiciones específicas como las que se mencionan en este hallazgo: cultivos anuales que pasan a pastizales (CLa-GL) y cultivos anuales que se convierten en cultivos permanentes (CLa-CLp), se asume que existe una acumulación gradual de biomasa durante los siguientes 20 años. La estimación de esta acumulación gradual se realiza a través del uso de la información disponible, en este caso de Datos de Actividad y los Factores de Emisión por defecto. En el archivo 03.InventarioGEI_Tierras_ISFL_v2.xlsx, en lo hoja DA_00, en la fila 144, columna R, se resalta un ejemplo donde se logra identificar la transición de CLa-CLp, por lo tanto tiene asociado un valor de DA. En la hoja FE, filas 142 a 148 y en la columna F, se encuentra la tasa de acumulación de biomasa para una transicion que involucra a cultivos perennes, esta tasa de acumulación se calcula usando el valor de FE por defecto 12.23 y dividiendo entre 20 años (12.23/20)=0.6115. Con los DA y FE disponibles se calcula las emisiones que se encuentran en la hoja EmiAbs_BA, fila 144, columna R.
Auditor Response: Thank you for this explanation. This finding has been resolved.
Bearing on Material Misstatement or Conformance (M/C/NA):

NIR 18 Dated 7 Feb 2023
Standard Reference: ER Program Requirements, 2006 IPCC Guidelines.
Document Reference: DEMO_Base_Recuperacion_FL_AGB_BGB.xlsx
Finding: Section 4.1.2 of the ER Program Requirements states that "ISFL ER Programs shall, for the purpose of ISFL Reporting, compile a GHG inventory of all AFOLU
categories, subcategories, gases and pools12 in the Program Area (Program GHG Inventory) utilizing existing data that have been collected using best available methods and approaches that are consistent with the most recent IPCC guidance and guidelines. In accordance with the IPCC guidance and guidelines, the Program GHG Inventory shall apply the basic principles of Transparency, Accuracy, Completeness, Consistency over time and Comparability as defined by the IPCC."
The assessment team appreciates the detailed DEMOS and SOPs that have been provided to aid in the transparency of the methodologies applied in the calculation of the Emissions Factors (EFs). However, because the "base" for the calculation of each Emission Factor changes for each of the carbon pools, the audit team requests the "base" of conglomerados used to calculate the emission factors for the land cover transitions from non forest classes to forest "Recuperacion TF" for the MM and Man carbon pools.
Is not necessary to recreate and send a whole DEMO of the calculations, only the "base" of conglomerados used for the calculation of MM and Man used for "Recuperacion TF" (GL-FL, CL-FL, WL-FL, SL-FL, OL-FL).
Project Personnel Response: En el archivo RAFAEL_MAYORGA_MM Recuperacion FL_v1_2022.xlsx (link:
http://file.cnf.gob.mx/auditoria_scs/Recuperaciones/RAFAEL_MAYORGA_MM%20Recuperacion%20FL_v1_2022.XLSX), en la hoja tC_MM_Recup_FL (post FL), se encuentra la base de datos con los 75 conglomerados usados para el cálculo y analisis de las tasas de recuperación de categorias no forestales a TF del reservorio Materia Muerta (MM). En la hoja PT_FL se encuentran los promedios de C/ha de la MM, calculados por estrato (ecorregión y equidistancia), mientras que en la hoja FE_fin se encuentra el cálculo de los FE ya ponderados por estrato y la tasa de recuperación anual, estos son los valores usados para el cálculo de las emisiones del archivo 03.InventarioGEI_Tierras_ISFL_V2.xlsx (Hoja FE). Para el caso de mantillo (MAN) la base de datos con las parcelas usadas para calcular los FE de emisión de categorías no forestales a TF se encuentra en el archivo RAFAEL_MAYORGA_Mantillo Recuperacion FL_v1_2022.xlsx (link:
http://file.cnf.gob.mx/auditoria_scs/Recuperaciones/RAFAEL_MAYORGA_Mantillo%20Recuperacion%20FL_v1_2022.XLSX), en la hoja tC_Mantillo_Recuperacion_FL se encuentran los conglomerados usados para el cálculo de los FE. En la hoja PT_FL del referido archivo se encuentran los promedios de C/ha del MAN, los promedios son a nivel de ecoregión y equidistancia. Finalmente en la hoja FE_fin se encuentran los FE ponderados por la ecorregion y la estimación de la tasa de recuperación anual que son usados para el cálculo de emisiones/absorciones.
Auditor Response: Thank you for these detailed demonstrations showing the Mantilla calculations. SCS has been able to replicate and understand the work. As a result this finding has been closed.
Bearing on Material Misstatement or Conformance (M/C/NA):

NIR 19 Dated 7 Feb 2023
Standard Reference: ER Program Requirements, 2006 IPCC Guidelines.
Document Reference: NA
Finding: This finding is similar to finding # 18 above. Section 4.1.2 of the ER Program Requirements states that "ISFL ER Programs shall, for the purpose of ISFL Reporting, compile a GHG inventory of all AFOLU
categories, subcategories, gases and pools12 in the Program Area (Program GHG Inventory) utilizing existing data that have been collected using best available methods and approaches that are consistent with the most recent IPCC guidance and guidelines. In accordance with the IPCC guidance and guidelines, the Program GHG Inventory shall apply the basic principles of Transparency, Accuracy, Completeness, Consistency over time and Comparability as defined by the IPCC."
Since the "base" for the calculation of each Emission Factor changes for each of the carbon pools, the audit team requests the "base" of conglomerados used to calculate the EFs of the "Recuperacion, Permanencia, and Perdida" de Praderas (Non Forest Classes). Like in the previous finding, Is not necessary to recreate and send a whole DEMO of the calculations, only the "base" of conglomerados used for the calculation of EFs for GL-CL, GL-WL, GL-SL, GL-OL, GL-GL, CL-GL, WL-GL, SL-GL, OL-GL.

Note that, the assessment team found that it seems like a different approach was taken to estimate the EFs for transitions involving cropland. If these transitions don't follow the approach sent in the DEMO files, please provide a DEMO file showing the "base" of conglomerados used along with the rationale and asssumptions made in the calculation of the EFs for these transitions (GL-CLp, CLa-CLp, CLa-GL).
Project Personnel Response: Revisar el archivo Hallazgo 19.docx, en el link: http://file.cnf.gob.mx/auditoria_scs/Hallazgos_11_19/Hallazgo%20No.%2011.docx Donde se proporciona una explicación para resolver este hallazgo.
Auditor Response: Thank you for the explanation. This finding has been addressed.
Bearing on Material Misstatement or Conformance (M/C/NA):

NIR 20 Dated 7 Feb 2023
Standard Reference: ER Program Requirements, 2006 IPCC Guidelines.
Document Reference: DEMO_Base_Deforestacion_FL_MAN.xlsx
Finding: Section 4.1.2 of the ER Program Requirements states that “ISFL ER Programs shall, for the purpose of ISFL Reporting, compile a GHG inventory of all AFOLU
categories, subcategories, gases and pools12 in the Program Area (Program GHG Inventory) utilizing existing data that have been collected using best available methods and approaches that are consistent with the most recent IPCC guidance and guidelines. In accordance with the IPCC guidance and guidelines, the Program GHG Inventory shall apply the basic principles of Transparency, Accuracy, Completeness, Consistency over time and Comparability as defined by the IPCC.” The assessment team followed the DEMOS provided to recalculate the EFs derived for the different LC transitions. However, in the workbook provided "DEMO_Base_Deforestacion_FL_MAN.xlsx", sheet "2_Pivote_Table1", column C "Promedio de Carbon", the audit team couldnt identify why is the AVERAGE of carbon being used, instead of the SUM, like in the other EF estimations (e.g. workbook "DEMO_Base_Deforestacion_FL_AGB_BGB.xlsx", sheet "2_Pivote_Table1", Column B "Suma de CarbArboles").
Please provide the underlying rationale used to use the AVERAGE instead of the SUM for EF Deforestacion Mantillo.
Moreover, the assessment team requires demostration of how the Carbon values of Mantillo were derived for each conglomerado, worbook "DEMO_Base_Deforestacion_FL_MAN.xlsx", sheet "1_Base_Deforestacion", Column U "tC_MANTILLO_HIBRIDO".
Project Personnel Response: Para la conclusión de este hallazgo, estaremos compartiendo una explicación de como se usan los datos disponibles para el cálculo de mantillo. El tipo de información disponible para este pool, es el motivo de que la forma de implementar su cálculo sea un poco diferente a los demas pools, por lo tanto estaremos compartiendo con el equipo auditor un archivo con la forma en que se lleva a cabo dicho cálculo.
Auditor Response: The auditors have confirmed that the program intends to make improvements fror the approach for litter calculations.
Bearing on Material Misstatement or Conformance (M/C/NA):

NCR 21 Dated 1 Feb 2024
Standard Reference: ISFL ERPD Template Requirements
Document Reference: ISFLMexicoERPD_20230830-VF-senttoscs
Finding: Section 3.1.3 of the ERPD Template requires the following information be reported "Please briefly describe the following (roughly 150 words or less):
i. Financial and economic analysis (e.g., NPV, IRR)
ii. Sensitivity analysis (to assess the influence of changes in costs, revenues, funding sources and discount rates on program financing)
iii. Proposed fund flow arrangements"
The ERPD provide some information about the financial analysis used (NPV) and does indicate a sensivity analysis was applied, but it does not provide specific details on the results f the NPV analysis across all activities, any demonstration of the sensitivity analysis, nor any details on the propose fund flow arrangements. As a result this section of the ERPD is not in conformance with the template requirements.
Project Personnel Response: En el apartado 3.1.3 se describe de manera breve el Plan de Financiamiento para el PRE. Por lo anterior y dada la extención permitida de dicho apartado, se agrego en el anexo 2 el Plan de Financiamiento en extenso, el cual contiene en análisis financiero y económico, el análisis de sensibilidad y la asignación del presupuesto de financiamiento del PRE, brechas y fuentes de financiamiento.
El documento se encutra disponible en:
https://drive.google.com/drive/folders/17BpEd_I0PAx23yXjNHdOQPluDiSM34rY?usp=sharing
Auditor Response: The ERPD now makes reference to Annex 2 that does contain more complete information required as Annex 2 references the Financing Plan document. However, this section still does not mention the flow of funds nor clearly indicate exactly where the revenue from the sale of carbon credits will be used. For instance, we understand that much of the funding comes from CONAFOR and State Governments (public funds), but how does it flow into these projects? Also, how do the profits from the sale of carbon credits as a result of the project activities flow back into the program? Do they go directly to the land owners implementing some of the activities (benefit sharing plan)? There are a lot of different activities and we understand that the flow of funds may not be the same for all, but this needs to be made explicitly clear in the ERPD or the referenced documentation in order to close this finding. In your response please indicate exactly where this information is located in the documentation.
Project Personnel Response 2: En el apartado 3.1.3 se incluyó la explicación de cómo funcionan las Reglas de Operación de la CONAFOR, así como un diagrama para ejemplificar dicho proceso. Además se hace mención que las actividades iniciales propuestas para el Programa de Reducción de Emisiones, se instrumentaran bajo las normas y mecanismos de las ROP de CONAFOR. Respecto al flujo se colocó al final de dicho apartado, que el presupuesto proviene del Presupuesto de Egresos de la Federación, la CONAFOR una vez que aplica las normas y procedimientos para la selección, asignación y ejecución de los recursos del Programa Desarrollo Forestal Sustentable para el Bienestar, administra los recursos económicos asignados a cada persona beneficiaria a través del Fondo Forestal Mexicano, a través del cual se da trazabilidad y transparencia al ejercicio de dichos recursos económicos. Cabe resaltar que los pagos a las personas beneficiarias se realizan a través de trasferencia electrónica.
De igual manera se hace explicito que con los recursos que en su caso se obtengan por la reducción de emisiones, se implementará lo correspondiente a los acuerdos de distribucón de beneficios (sección 3.6).

Auditor Response 2: Thank you for this explanation. The auditors have confirmed that section 3.1.3 of the ERPD has been updated with clear information about the flow of funds from the national budget and then how the benefits of the ERs are distributed. This finding has been closed.
Bearing on Material Misstatement or Conformance (M/C/NA): C

NCR 22 Dated 1 Feb 2024
Standard Reference: ISFL ERPD Template Requirements
Document Reference: ISFLMexicoERPD_20230830-VF-senttoscs
Finding: Annex 2 of the ISFL ERPD Template Requirements states "Please include the summary financing plan according to the template below." The table in the Annex then shows various required components. For instance, it includes (1) Costs, (2) Financing options, (3) Surplus/gap, (4) Options to reduce gap, (5) sensitivity analysis, (6) Identification of financing risks, (7) proposed measures. In the table presented in the ISFL Mexico ERPD, the items (4) options to reduce gap, and (5) sensitivity analysis, are missing. This results in a nonconformity with the template requirements. Furthermore, it appears that information is missing for item 2b -2d, also resulting in a nonconformity.
Project Personnel Response: Se complementó la información en el Anexo 2, en el punto 5 se aborda las Medidas para abordar la brecha de financiación/riesgo, siendo las propuestas la asistencia técnica, mecanismo eficaz para compensar las externalidades positivas, cooperación interinstitucional, mejora de los criterios de selección. El análisis de sensibilidad se aborda en el Plan de Financiamiento en extenso.

Para los apartados se específico que no se contempla fuentes de financiamiento internacional o por los ingresos por la reducción de emisiones para poder llevar a cabo el PRE, por la tanto se coloca en ceros las cantidades en dichos apartados.

Auditor Response: *We confirmed that the Financing Plan document contains a sensitivity analysis considering variation in discount rates. however the sensitivity analsysis must include variationin costs, revenue, and financing in addition to discount rates. This was not completed.
*Likewise the sensitivity analysis is still not listed in the Annex 2 Table which is required.
*It is still not clear why items 2c-2d are zero in the table if the project has indicated that revenue from the sale of carbon credits and the revenue from the sale of products (timber, Candelilla will feed back into the program (e.g., through the PSA, through payments made through the benefit sharing plan). These then constitute revenue from the project that are financing sources.
*Ultimately the following components missing from the Table in Annex 2 are items:
2c- Revenue from products and services
2d - Revenue from emissions reductions (sale of ERTs)
(4) Options to reduce gap:
- 4a - Traditional sources - grants/loans
-4b - Alternative sources - Guarantees/PES
Total Of otpions for financing gap (4a) + (4b)
(5) Sensitivity:
+ 10% costs
- 10% in financing
-10% revenue
+ 20% costs
- 20% in financing
-20% revenue
+ 30% costs
- 30% in financing
-30% revenue
- 2 % discount rate
+ 2% discount rate

Conformance can only be achieved when the table in Annex 2 is complete.

Project Personnel Response 2: CONAFOR 20240513:
i. Se incorporó el análisis de sensibilidad en la tabla del anexo 2.
i. Las observaciones sobre los rubros 2c, 2d y 4 de la tabla del Anexo 2, que se había colocado como comentarios, se incorporaron a través de notas al pie del Anexo 2.
Auditor Response 2: The auditors confirmed that Annex 2 has been updated with clearer information about why item 2c is zero for all categories (there are now footnotes). We confirmed that the Options to reduce gaps are also more clearly stated and there are supporting footnotes. Lastly, we confirmed that the results of the complete sensitivity analysis has been included in the table with support from the referenced Financial Plan. This finding has been closed.
Bearing on Material Misstatement or Conformance (M/C/NA): C

NCR 23 Dated 1 Feb 2024
Standard Reference: ISFL ERPD Template Requirements
Document Reference: ISFLMexicoERPD_20230830-VF-senttoscs
Finding: Section 3.1.4 of the ERPD template requires the following: "Please provide an analysis (roughly 500 words or less) of the planned actions and interventions in the context of relevant local, regional and national laws, statutes and regulatory frameworks, including relevant international conventions and agreements. Please identify any potential compliance issues of the actions and interventions with these laws, statutes, regulatory frameworks, conventions and agreements; and identify legal and regulatory gaps. If applicable discuss how these issues will be addressed."
The auditors reviewed section 3.1.4 of the ERPD and find it to be incomplete and lacking a full analysis of all local, regional and national laws that may be relevant to the program and it's interventions. For instance, the following potentially relevant laws, statues, decrees are not mentioned:
- 1992 Agrarian Law defining property rights under the Ejido land tenure system
- The Federal Labour Law
- Law on Sustainable Rural Development
- General Law on Ecological Equilibrium and Environmental Protection

This is not an exhaustive list but includes some of the potentially relevant laws to the actions and interventions applied by the program. Due to the lack of a thorough analysis of the national laws and frameworks and the potential compliance issues of the actions and interventions with these laws, the ER-PD is not in conformance with the requirements.
Project Personnel Response: Thanks for your comment. We have included an annex 12 with the relevant international and subnational laws. We also included more information in section 3.1.4.
Auditor Response: The auditors confirmed that a more complete list of the relevant laws and regulations has been included in Annex 12 and is discussed in section 3.1.4. This finding has been closed.
Bearing on Material Misstatement or Conformance (M/C/NA): C

NIR 24 Dated 1 Feb 2024
Standard Reference: ISFL ERPD Template Requirements
Document Reference: ISFLMexicoERPD_20230830-VF-senttoscs
Finding: Section 3.7.2 of the ER-PD Template requires "Where the ISFL ER Program, or any part of the Program Area, has been registered under any other GHG
mitigation initiative, provide the registration number(s) and details for each of these." The ERPD states in this section that "there has been 1 registered forest carbon project in Durango and 5 more are listed by CAR." The auditors also found projects in development on the Verra registry for which registration IDs are available. Please indicate why the registration numbers of these projects have not been listed in this section of the ER-PD.
Project Personnel Response: Thanks for your comment. We have submitted the first ERPD more than a year ago. Thus, this section was not updated. Until March 2024, at CAR's registy has 36 projects registered with a total of 2.3 millon tons offset credits registered and 21 new projects listed. The forest carbon market is raising and the number of projects in Mexico is expected to grow over time. Thus, we have included a paragraph within the ERPD stating that: The voluntary forest carbon market is raising and the number of projects in Mexico is expected to grow over time. Thus, during the reporting period, the ERs registered in Verra, CAR, or other program registries, originating from projects developed in the AFOLU sector within the same jurisdiction, timeframe, activities, pools, and gases, will be deducted from the total ERs of the program To ensure transparency and avoid double counting, ERs originating from projects located within the ERP-ISFL jurisdiction, timeframe, activities, pools, and gases will be deducted from the program's total reported ERs during the reporting period. These deductions will be applied to ERs registered under any initiative, protocol, standard, or other program registry for which information is publicly available.
Auditor Response: The auditors confirmed that a more complete and up to date reference to the number of voluntary AFOLU projects developed in Mexico are now listed with references to the standards and the project IDs. This finding has been sufficiently addressed.
Bearing on Material Misstatement or Conformance (M/C/NA): C

NCR 25 Dated 1 Feb 2024
Standard Reference: ISFL ERPD Template Requirements
Document Reference: ISFLMexicoERPD_20230830-VF-senttoscs
Finding: Section 3.7.2 of the ER-PD Templates requires the following: "Please indicate whether the ISFL ER Program, or any part of the Program Area, has transferred, or is planning to transfer, any ERs to, or received or is planning to receive otherwise payment for, ERs from any other GHG mitigation initiative. This would include parts of the Program Area that are registered or are seeking registration under project or program level standards such as the Clean Development Mechanism (CDM), the Verified Carbon Standard (VCS), the Green Climate Fund (GCF) or others.
Please also indicate any actions that might not be included in the ISFL ER Program but which could address the drivers of land use change, deforestation, and forest degradation within the Program Area and that are generating ERs that may be transferred to, or be otherwise paid for by, other GHG mitigation initiatives (e.g., improved cook stoves programs under the CDM)." The ERPD mentions several CAR projects developed in Durango that "are focused on activities to avoid the reduction of forest mass. " The auditors also found 2 VCS grassland projects are in development in Coahuila and Chihuahua. However the ERPD does not mention these projects nor does it mention how these projects may be addressing drivers of emissions and will generate ERs. The ERPD requires more information regarding the impact of these other activities on generating ERs within the program area.
Project Personnel Response: Thanks for your comment. We have submitted the first ERPD more than a year ago. Thus, this section was not updated. We have updated the section accordingly. To March 2024, Verra's registry presented two projects registered within the ISFL jurisdction: ID 2887 (Chiuahua) and ID 2996 (Coahuila).
Auditor Response: The auditors confirmed that these two additional projects have been referenced.
Bearing on Material Misstatement or Conformance (M/C/NA): C

NIR 26 Dated 1 Feb 2024
Standard Reference: ISFL ERPD Template Requirements
Document Reference: ISFLMexicoERPD_20230830-VF-senttoscs
Finding: Section 3.7.3 of the ERPD template states "Please describe the selected appropriate arrangement to avoid having multiple claims to ER title generated under the ISFL ER Program, including the implementation process for a Program and Projects Data Management System." While the ERPD indicates that CONAFOR manages the RENE system that is intended to avoid double counting, it remains unclear what the mechanism will be to avoid double counting for projects within the program area. For instance, will the program deduct any ER credits generated from these other projects? During the call with the auditors, it was indicated that the number of ERs were be adjusted and reduced to account for any emission reductions from other projects, however, information regarding how the program intends to reduce/adjust emissions is not included in the ERPD. The auditors request more information regarding the mechanism of ensuring no double counting.
Project Personnel Response: Thanks for your comment. We have updated the section and included a parragraph explaining how double counting will be avoided. However, it is important to take into account that the GoM is currently disccusing the approval of secondary legislation for the forest voluntary carbon market. If approved, this legislation will guide CONAFOR on how to proceed.
Auditor Response: The auditors confirmed that information on preventing double counting has been included in the ER-PD, but in section 3.7.2, which is sufficient. This finding has been closed.
Bearing on Material Misstatement or Conformance (M/C/NA): C

NCR 27 Dated 1 Feb 2024
Standard Reference: ISFL ERPD Template Requirements
Document Reference: ISFLMexicoERPD_20230830-VF-senttoscs
Finding: Section 3.1.1 of the ERPD Template states "Please provide a brief description of the identified drivers of land use change that contribute to GHG emissions and removals associated with AFOLU (e.g. deforestation and forest degradation and other aspects of land use change) in the Program Area. This should be done by performing a qualitative historical analysis (or quantitative if data are available) to identify those subcategories for which emissions or removals have changed significantly over the base period, and a qualitative analysis of the subcategories likely to show a significant increase of emissions or decrease of removals in the future. Such a qualitative analysis may be based on expert judgement and include, inter alia, the following criteria:

- Uptake of mitigation techniques and technologies: emissions from a subcategory have decreased or removals have increased through the use of mitigation techniques
- Expected growth: subcategory is likely to show increase of emissions or decrease in removals in the future
- Any barriers that prevent mitigation policies and measures to be implemented in the absence of the proposed ISFL ER Program"

The audit team found that section 3.1.1 of the ERPD does not provide a

1) A qualitative (or quantitative) historical analysis of which subcategories have been identified for which ERs have changed significantly over the base period.
2) A qualitative (or quantitative) analysis of the subcategories likely to show a significant increase of emissions or decrease of removals in the future.

Hence this section is not in conformance with the program requirements. Please update accordingly.
Project Personnel Response: Thanks for your comment. Section 3.1.1 provides a brief description (roughly 300 words or less) of the identified drivers of land use change that contribute to GHG emissions and removals associated with AFOLU (e.g. deforestation and forest
degradation and other aspects of land use change) in the Program Area. These drivers were identified by
performing a qualitative historical analysis (2001-2020) to identify those subcategories for which emissions or removals have changed significantly over the base period, and aqualitative analysis of the subcategories likely to show a significant increase of emissions or decrease ofremovals in the future. The complete analysis can be found in the link mentioned in Annex 1.We have updated section 3.1.1 to make explicit that both, the qualitative historical analyisis and the trend analyisis were performed and that the complete methodology can be consulted in the full report.
Auditor Response: Thank you. The auditors confirmed this section has been updated and that a reference to the full analysis of the drivers of deforestation is made. This finding has been closed.
Bearing on Material Misstatement or Conformance (M/C/NA): C

NIR 28 Dated 1 Feb 2024
Standard Reference: ISFL ERPD Template Requirements
Document Reference: ISFLMexicoERPD_20230830-VF-senttoscs
Finding: Section 3.1.2 of theERPD Template states "Please provide a description (roughly 1,000 words or less) of planned actions and interventions (including
existing, improved, and/or new activities; investments; measures; and governance, regulation, and/or policy interventions) for the ISFL ER Program".
The audit team found that section 3.1.2 of the ERPD states a list of "Potential activities" to be developed in the ER Program. Please confirm and clarify if the list of these "potential activities" are considereed indeed the planned actions and interventios, and if they are all are considered to be implemented, as part of the program or only some of them will be implemented and based on what decision criteria.
Project Personnel Response: Se confirma que se tiene considerado que todas las activades potenciales a desarrollar se puedan desarrollar. Sn embargo, como se aborda la primer etapa del PRE (5 años) considerará la medición sobre las actividades a desarrollar en los ecosistemas forestales. Por otra parte, se realizarán gestiones para avanzar a implementar mejoras en las las actividades a desarrollar fuera de los ecosistemas forestales (minería, pastoreo o ganadería extensiva y agricultura comercial).
Auditor Response: Thank you for this clarification. This finding has been addressed.
Bearing on Material Misstatement or Conformance (M/C/NA): NA

NIR 29 Dated 1 Feb 2024
Standard Reference: ISFL ERPD Template Requirements
Document Reference: ISFLMexicoERPD_20230830-VF-senttoscs
Finding: Section 3.1.2 of theERPD Template states "Please provide a description (roughly 1,000 words or less) of planned actions and interventions (including
existing, improved, and/or new activities; investments; measures; and governance, regulation, and/or policy interventions) for the ISFL ER Program Include:
i. A description of how these actions and interventions impact the main factors influencing emissions or address the drivers of land use change, deforestation, and forest degradation (identified in a. above) in the subcategories targeted by the ISFL ER Program
ii. A description of the prioritization and timelines of the planned actions and interventions based on implementation risks for the activities and their potential benefits.".
Section 3.1.2 of the ERPD states "It was identified that in order to achieve the reduction goal of the ER Program's it would be necessary to increase the target area for the granting of support related to the following concepts, in order of highest to lowest priority and in a permanent basis during the implementation period of the Program, considering the equivalent annual flux, the time horizon and the probability of success indicated in the profitability indicators of the ER and LB activities:" The audit team request the following:
1) Please provide additional information regarding the type of support that will be granted, is this mainly in form of PSA? Individual, to Ejidos, communities?
2) Please provide additional information about the time horizon and timelines of when these activities are expected to be implemented
3) Please provide additional information of the "profitability indicators of the ER and LB activities". What are these profitability indicators and the LB activities?, please explain and provide suppporting evidence to the audit team.
Project Personnel Response:
1) Los apoyos que se otorgaran serán bajo las reglas de operación del programa S219 - Desarrollo Forestal Sustentable para el Bienestar a cargo de la CONAFOR, el se compone de cinco componente de apoyo: i. Manejo Forestal Comunitario y Cadenas de Valor, ii. Plantaciones Forestales y Agroforestales, iii. Restauración Forestal, iv. Servicios Ambientales y v. Protección Forestal, dichos componentes de apoyo cuenta con la gama de conceptos de apoyo para cubrir las actividades potenciales especificadas en el apartado 3.1.2 y que aplican para los ecosistemas forestales. Respecto a que si serán principalemente en PSA, no, no serán principalmente en PSA. Y se otrogarán a todo tipo de persona dueña y poseedora de terrenos forestales (ejidos, comunidades, mujeres, jovénes, pueblos indígenas).

2) Considerando lo mencionada en la respuesta del punto uno, el Programa de la CONAFOR cuanta con presupuesto anual y por lo tanto otorga apoyos de manera anual.

3) No se entiende a que se refieren.
Auditor Response: Thank you for the clarification regarding this section of the ERPD. Regarding point 3, the auditors confirmed through the review of the Financing Plan the question regarding the profitability of the ER (emission reduction) and LB (base line) activities. This finding has been closed.
Bearing on Material Misstatement or Conformance (M/C/NA): NA

NIR 30 Dated 9 Feb 2024
Standard Reference: ER Program requirements
Document Reference: ISFLMexicoERPD_20230830-VF-senttoscs
Finding: Section 4.1.3 of the ER Program Requirements states that “The Program GHG Inventory shall utilize best available methods and existing data.”
Section 3.1.4 of the ERPD states "It is clear that Mexico has developed a comprehensive and strengthened national legal framework that supports the international commitments for the establishment of REDD+ mechanisms". During the NON-GHG assessment interviews it was mentioned that there is a more comprehensive document that contains an analysis of these laws in relevance to the program. Please provide evidence of this document to the audit team and indicate if it is an annex or appendix to the ERPD (if so, it must be referenced in the ERPD).
Project Personnel Response: Thanks, we have included Annex 12 with the detailed legal framework applicable to the ERPROGRAM.
Auditor Response: The auditors confirmed that this document was now included in Annex 12. This finding is closed.
Bearing on Material Misstatement or Conformance (M/C/NA): NA

NIR 31 Dated 9 Feb 2024
Standard Reference: ER Program requirements
Document Reference: ISFLMexicoERPD_20230830-VF-senttoscs
Finding: "Section 4.1.3 of the ER Program Requirements states that “The Program GHG Inventory shall utilize best available methods and existing data.”
Section 4.5.1 of the ERPD states “The starting of the monitoring period will depend on the agreement reached during the ERPA negotiations; nevertheless, it seems reasonable to assume 2022 as a base year to start the monitoring of emission reductions at the ISFL jurisdictional area. Considering this assumption and, considering that the National Forest Monitoring System generates updated information every two years; for the first ERP-ISFL phase, the first monitoring period will be 2022-2023, to be summited in 2024.”
Please review the dates and periods provided for this section and indicate if they remain accurate and/or update accordingly.
Project Personnel Response: Thanks, we have adjusted the ERPD. Given that the dates and period will be negotiated in the ERPA and have not been defined and understaning that the base year chosen will determine the reporting periods; we left the proposed dates and periods as an example. The baseline period is mantained.
Auditor Response: The auditors confirmed that the monitoring years have been updated in section 2.5.1 of the ERPD. This finding has been closed.
Bearing on Material Misstatement or Conformance (M/C/NA): C

NIR 32 Dated 15 Feb 2024
Standard Reference: Validation & verification Requirements
Document Reference: ISFLMexicoERPD_20230830-VF-senttoscs
Finding: Section 5.1(6) of the Validation & verification Requirements states that "The Validation and Verification Body shall adhere to the following principles in its Validation/Verification… c) Consistency: enable meaningful comparisons in ISFL ER Program-related information…. e) Transparency: disclose sufficient and appropriate ISFL ER Program-related information truthfully to allow intended users to make decisions with reasonable confidence."

Section 4.5.3 of the ERPD states "Consequently, an increase in the sample size at specific hotspots of land use conversions in ISFL jurisdictional area is planned to reduce the uncertainties of AD land cover map. Furthermore, a land cover change map could be used to post-stratify the systematic sample of the SAMOF System within the ISFL-jurisdictional area to identify the areas where an increase of sample size is needed. With an increased number of plots, more sample plots for each specific land use conversion are expected to be identified and thus the estimations of AD are expected to improve and their associated uncertainties to be reduced." Furthermore, Annex 10 of the ERPD indicates that for the parameter 'Area of land-use conversions for selected [3B] subcategories', the 'Process for managing and reducing the uncertainty associated with this parameter' is to 'increase the sample size in the area of land use conversions hotspots.' However, during the technical meeting on 13 February 2024, the Program team indicated they would not be increasing the sample size for the monitoring period and that the monitoring period would include the same activity data sample points as the baseline period. The auditors request clarification regarding whether additional activity sampling points will be allocated for monitoring and if this will be for all subcategories or only for specific subcategories. Please also indicate if the baseline will be updated in anyway as a result of increasing the sample size.
Project Personnel Response: Thanks for the observation. There is already a densification in the program area. During the monitoring period the sample size will not be increased and therefore the sample size will be consistent with the baseline period.
The text was clarified in the document to maintain consistency.
Auditor Response: The auditors confirmed that text was added to indicate the same sample size of activity data points will be included in the monitoring period as the baseline period. This finding has been closed.
Bearing on Material Misstatement or Conformance (M/C/NA): M/C

NIR 33 Dated 15 Feb 2024
Standard Reference: ISFL ERPD Template Requirements
Document Reference: ISFLMexicoERPD_20230830-VF-senttoscs
Finding: Section 4.5.3 of the ERPD template requires "The details on all data and parameters to be monitored in Annex 10 below should also provide a systematic identification and assessment of uncertainty in the data and parameters to be monitored. Based on the information provided in the Annex, indicate how uncertainty will be managed and reduced in the monitoring of emissions and removals (roughly 500 words or less). [Corresponds to ISFL ER Program Requirement 4.6.1 and 4.6.2]." Section 4.5.3 of the program's ERPD provides a very broad overview of the uncertainty approach, and mentions a monte carlo analysis, but it does not provide any technical details on the quantitative approach for accounting for uncertainty of the activity data, emission factors, combined uncertainty for each subcategory, for each year, and for the total baseline uncertainty (e.g., error propagation approach, confidence level, etc). Other sections in the ERPD show some uncertainty equations and results of the uncertainty analysis (e.g., Annex 6), but this section 4.5.3 makes no reference to these other sections. Ultimately, section 4.5.3 of the ERPD is not transparent and does not "provide a systematic identification and assessment of uncertainty in the data and parameters" resulting in a nonconformority.
Project Personnel Response: The uncertainty was estimated with method 1 using equation 3.2 to combine uncertainties documented in Annexes 6 and 7 and will be complemented in section 4.5.3. When estimating emissions reduction in the monitoring period, it will be estimated with the MonteCarlo method, for this a strategy will be developed to perform the uncertainty estimation with the Monte Carlo method with the integration of a statistician to the team and with the collaboration and advice of SilvaCarbon experts. The data and parameters of activity data and emission factors with the highest uncertainty have been identified and will be detailed in the document. The result is expected to be similar to the method presented in section 4.4.2 Emissions Baseline estimate. Each proces of estimation is detailed in SOP´s wich includes QA/QC process aplied (same will be aplied in the monitoring period).
Auditor Response: The auditors confirmed that a reference to annxes 6 and 7 have been added to section 4.5.3 resulting in greater transparency.
Bearing on Material Misstatement or Conformance (M/C/NA): C

NIR 34 Dated 15 Feb 2024
Standard Reference: Validation & verification Requirements
Document Reference: ISFLMexicoERPD_20230830-VF-senttoscs
Finding: Section 5.1(6) of the Validation & verification Requirements states that "The Validation and Verification Body shall adhere to the following principles in its Validation/Verification… c) Consistency: enable meaningful comparisons in ISFL ER Program-related information."
First, in section Annex 8, Section B of the ERPD, table 2 indicates that the subcategories (1) 3B2bii. Grassland converted to Cropland, (2) 3B1a. Forest land remaining forest land, (3) 3B1bii. Grassland converted to Forest Land, and (4) 3B1bi. Cropland converted to Forest Land meets all ISFL requirements (there is a 'Yes' in every column). This table is also in section 4.2.3 of the ERPD with similar values. However, Annex 8, Section C, table 3.1, 3.3, and 3.4 indicate that these subcategories do not meet the ISFL requirement for "quality of data and methods." Second, in section Annex 8, Section B of the ERPD, table 2 subcategory 3A1a. Cattle – CH4 has a value of 'N/A' for 'Methods and data requirements(s) met?' However, in section 4.2.3, Table 19 of the ERPD, it indicates a 'No' for 'Methods and data requirements met?' Therefore the auditors have concluded that there are inconsistencies between Annex 8 Section B, C, and section 4.2.3 (table 19) of the ERPD. Please indicate which values (yes/no) are accurate and update accordingly such that there is consistency across the sections in the ERPD.
Project Personnel Response: The inconsistencies that existed in the ERPD document (in table 2 of Annex 8 versus table 19 section 4.2.3) have already been corrected to maintain consistency.
Auditor Response: The auditors confirmed that the tables in Annex 8 and in section 4.2.3 are now consistent. This finding is closed.
Bearing on Material Misstatement or Conformance (M/C/NA): C

NIR 35 Dated 15 Feb 2024
Standard Reference: ISFL ERPD Template Requirements
Document Reference: ISFLMexicoERPD_20230830-VF-senttoscs
Finding: Annex 10 of the ERPD Template states "Using the table provided, clearly describe all the data and parameters to be monitored (copy table for each parameter)." In the Mexico ERPD, the only parameter/table listed here is Area of land-use conversions for selected [3B] subcategories.

However, elsewhere in the ERPD, there is mention of additional parameters that will be monitored. For instance, Section 4.3 of the ERPD and Annex 8 reference monitoring of forest remaining forest emission/removal factors using the third cycle of the NFI data for DW and Litter, and to explore other approaches for improving the soil emission factors. However, there is no mention of emission factors or NFI data in Annex 10.

Please clarify exactly which parameters will be monitored and ensure all parameters are listed.
Project Personnel Response: All subcategories included in the baseline will be monitored by analyzing land cover dynamics through the sampling approach and Annex 10 will be completed with a different table for each subcategory.
Auditor Response: Thank you for this clarification. The auditors understand that for the current baseline subcategories and pools, only the area of land use change will be monitored. We confirmed updates to Annex 10.
Bearing on Material Misstatement or Conformance (M/C/NA): C

NIR 36 Dated 15 Feb 2024
Standard Reference: ER Program requirements
Document Reference: ISFLMexicoERPD_20230830-VF-senttoscs
Finding: Section 4.5.2 of the of the ER Program Requirements states "In estimating the subcategories and their associated Carbon Pools and gases included in the scope for ISFL Accounting, ISFL ER Programs shall ensure Methodological Consistency between the Emissions Baseline and the monitored net GHG Emissions." Section 4.12 also requires the use of methods consistent with IPCC guidance and guidelines.

Section 2.3.1.1 of the 2006 IPCC Guidelines pertains to carbon accounting of forest land remaining forest land and states "Equation 2.3 includes the five carbon pools for which stock change estimates are required. This section presents methods for estimating biomass carbon gains, losses and net changes. Gains include biomass growth in aboveground and below-ground components. Losses are categorized into wood fellings or harvest, fuelwood gathering, and losses from natural disturbances on managed land such as fire, insect outbreaks and extreme weather events (e.g., hurricanes, flooding). Two methods are provided for estimating carbon stock changes in biomass."

To account for the carbon stock changes in forest remaining forest in the baseline, the Mexico program team has applied the stock-difference method in which "Annual biomass change is the difference between the biomass stock at time t2 and time t1, divided by the number of years between the inventories (Equation 2.8)" thus inherently accounting for degradation and growth in the Fl-FL emission factors. During a call with the program team on 13 February 2024, the program team indicated that they did not have plans to monitor specifically for degradation or to update the forestland remaining forestland emission factors during the monitoring period. There was some indication that cycle three INFyS data could be utilized to account for degradation but this was unclear and is not described in the ERPD. The auditors request justification regarding how the program intends to monitor for carbon stock changes (degradation or forest growth) within the forest remaining forest subcategory that is consistent with the stock change approach methodology applied for the Emissions Baseline. Please note that per the ISFL requirements, the FL-FL subcategory cannot be included unless a consistent approach and complete monitoring of degradation is included.
Project Personnel Response: FL-FL is a obligatory subcategory to report according to ISFL program requeriments. Both AD and EF meets tier 2 program requeriments. Activity data will be monitored d for Forest Land that remains Forest Land, however; it is not planned to measure degradation independently due to the scope of the method (EF are including all dinamics in the forest carbon). The same Emission and Absorption Factors will be used for consistency because they already meet Tier 2 requirements, and if new data from forest inventory (i.e. 3rd cicle) become available the EFs may be updated. Can you please clarify where in the PR FL-FL subcategory cannot be included unless a consistent approcah and complete monitoring exclusive for degradation is included.

Auditor Response: *Regarding your question on FL-FL reporting, it is only a mandatory subcategory if it meets all the requirements for baseline and for ongoing monitoring. In fact, most ISFL countries do not include the subcategory because the data do not meet the requirements or the country does not have the data to monitor this subcategory.
*ISFL requires that carbon dynamics within that remaining forest be monitored in a way that ensures methodological consistency with the baseline. We understand that carbon dynamics in the FL-FL subcategory have been tracked in the baseline through repeated inventories that inherently account for the emissions and removals associated with all forest dynamics (gains from growth, losses from harvesting, insects/pests, and fires, which constitute degradation). Countries that do not apply the stock change approach should track degradation using data on forest losses (fire, harvest, etc.) and gains (growth rates). This represents "methodological consistency" with the FL-FL baseline approach. For Mexico, which uses a stock change approach, methodological consistency would imply continuing to assess degradation/growth through emission factors. This is a requirement of Section 4.5.2.
*Essentially, by not monitoring changes in growth or degradation during the monitoring period, any activities that the program implements to reduce emissions or increase removals will not be counted in the FL-FL subcategory (sustainable forest management), which may be conservative. M48
*Could you provide more information on the program's ability to track emission reductions and removals as a result of FL-FL activities. If the program cannot track the emissions and reductions due to FL-FL activities, please indicate why the exclusion of such monitoring represents a conservative assumption.

Project Personnel Response 2: For the selection of this subcategory we have based on Section 4.2.1 Building on the Program GHG Inventory, ISFL ER Programs shall identify subcategories that are eligible to receive result-based payments under the ISFL (refer to Section 4.3) and account for the Total Net Emission Reductions across these eligible subcategories by comparing monitored Emissions and Removals with a baseline (ISFL Accounting).

Methodological Consistency implies that the same methods and datasets have been used to calculate the Emission Baseline and the actual GHG Emissions and Removals. In case methods and/or datasets differs, methodological approaches provided by IPCC Guidelines to ensure time series consistency are applied.

We understand that the approach is conservative, and that many of the activities have been implemented in the areas of the FL-FL category, so far with the available information it is possible to monitor the activity data and apply the same EFs. At the same time, technical sessions will be held to analyze other options, but these are not part of the ERPD at this time.

We do not understand what the argument is to reach the conclusion that we are not monitoring FL-FL, given that the program is able to identify the CL-FL categories, the year of change and could maintain those categories as such for 20 years if required by the program. However, we want to clarify that in order to assign a CL-FL change tag, the image that is interpreted in the year the FL tag is assigned must have met the forest definition and its associated parameters. For example, an area of agricultural land that is abandoned and/or reforested will not be labeled as forest until the parameters that define forest are reached, and not in the year immediately following reforestation or abandonment of agricultural land. Therefore, the IPCC's assumption that a category must be kept in the same category of change for 20 years by default is not a requirement in the case of Mexico, because the change is not reported immediately, but until it is actually visible during the interpretation process.

The program makes use of NFI data that allows it to meet a Tier 2 with data representative of the overall dynamics of FL-FL.
Contrary to what they seem to be understanding, the implementation of the NFI was not designed specifically for the historical period of the baseline.
Consistency is achieved by using the same emission/removal factors for baseline as for the reporting period.
In the event that Mexico complies with a third INF cycle, or has additional information, within the deadlines of the monitoring period and/or the credit period, the program will make use of these data to estimate the EFs in the reporting period. However, it cannot be compromised as it depends on external factors and availability of resources.
We understand that this approach (even using a third inventory cycle) may not be able to capture the impact of each activity implemented, but it does capture the emissions and removals to be included in the MR as part of an INGEI using IPCC guidelines.
We understand that including the FL-FL subcategory is also conservative, since the same EF used in the baseline will be used and the AD will be updated for the specific reporting period (where the categories that are converted to FL can be differentiated).

Potential ERs have been estimated for specific activities, however, this has not been included as part of the baseline as double accounting could be done, and that impact would already be captured in the estimated EF with the analysis of the two inventory cycles.
Auditor Response 2: We can close this, as is conservative. However, the auditors will issue an observation as an area of improvement in the final validation report.

Please note that the auditors are not referring to the changes in AREA of FL remaining FL, but rather in the carbon dynamics on the FL-FL subcategory. For instance, if the program is implementing activities such as more sustainable harvesting, or preventing fires/disease, this will potentially result in more carbon being stored on the landscape. The total area of FL-FL will remain the same but more carbon could be stored. These changes in carbon storage on FL-FL are not captured without monitoring of the emission factors or by applying the gain-loss approach. This will form the basis of the observation SCS issues.
Bearing on Material Misstatement or Conformance (M/C/NA):

NIR 37 Dated 13 Feb 2024
Standard Reference: ER Program requirements; Validation & verification Requirements
Document Reference: ISFLMexicoERPD_20230830-VF-senttoscs
Finding: "Section 4.1.3 of the ER Program Requirements states that “The Program GHG Inventory shall utilize best available methods and existing data.” Moreover, Section 5.1(6) of the Validation & verification Requirements states that “The Validation and Verification Body shall adhere to the following principles in its Validation/Verification… c) Consistency: enable meaningful comparisons in ISFL ER Program-related information…. e) Transparency: disclose sufficient and appropriate ISFL ER Program-related information truthfully to allow intended users to make decisions with reasonable confidence. “
Section 4.5.1 of the ERPD sates "Databases with the 2024 and 2025 photo-interpreted information of plots will be compiled by the MRV System Department of CONAFOR and quality controls will be implemented." Please provide additional informaion about these quality controls.
Project Personnel Response: The quality controls for the analysis of land cover dynamics through visual photointerpretation of the plots with the Collect Earth tool during the monitoring period will continue following the methods, criteria and sampling method protocols of the SAMOF System. The quality controls that will be implemented are described in more detail in the "Step 8. Compilation" section of the document Standard Operating Procedure (SOP) 2: Coherent Representation of Land Area Estimation/General Approach and in the "Quality control" section of SOP 3: Photointerpretation (http://file.cnf.gob.mx/sop/)

- Training of photointerpreters in the definitions of forest, deforestation, grassland loss, forest recovery and other subcategories described in SOP 2
- Training of photointerpreters for the standardization and homogenization of visual photointerpretation criteria described in SOP 3
- Standardization of criteria to ensure data quality
- Quality control of databases to ensure the consistency of the information collected
- Quality control of the Forest Land Permanence categories
- Quality control of the Permanence categories, dynamics of changes and dates of changes (deforestation, recovery and other dynamics of changes)

Auditor Response: Thank you for providing this clarificaton of the quality controls for the monitoring of land cover dynamics. We have confirmed that much of this information is included in the SOPs that are referenced in the ERPD. This finding has been closed.
Bearing on Material Misstatement or Conformance (M/C/NA):

NIR 38 Dated 15 Feb 2024
Standard Reference: Validation & verification Requirements
Document Reference: ISFLMexicoERPD_20230830-VF-senttoscs
Finding: Section 5.1(6) of the Validation & verification Requirements states that "The Validation and Verification Body shall adhere to the following principles in its Validation/Verification…. e) Transparency: disclose sufficient and appropriate ISFL ER Program-related information truthfully to allow intended users to make decisions with reasonable confidence. "
During the technical meeting on 13 February 2024, it was mentioned that SOP17 (uncertainty) was updated and improved to include additional steps and information regarding the steps to quantify uncertainty. Please provide the updated SOP17 and subsequent documents developed that relate to it. Please ensure that SOP17, the ERPD, and the calculation workbook contain consistent, complete and replicable details on ALL uncertainty equations used in the step by step procedure.
Project Personnel Response: SOP 17 is currently under revision to ensure consistency with ERPD and workbook. The current version is including an example of error propagation for one ecoregion (Elevaciones Semiaridas Meridionales)and one land use change sub category (Tierra Forestal a Praderas), it has updated links to workbooks and the process can be followed in the woorkbooks up to each AD and EF used. http://file.cnf.gob.mx/sop/SOP_17_Estima_Propaga_Incert.pdf?
Auditor Response: This finding will remain open until the updated SOP17 is provided.
Project Personnel Response 2: There is no specific deadline for sending new information regarding the uncertainty estimation since the personnel responsible for the issue has changed and there is currently a vacancy to deal with this issue. However, we want to emphasize that the SOP includes the complete example of linear propagation of the error and in the databases it can be tracked until the error is obtained for each transition. And that this is the basis that is used for the uncertainty that is being reported in the ERPD document. We consider them illustrative to help in the ERPA negotiations. So we would like to know if any errors or findings have been found in these databases.
We clarify that we will be working to be able to comply with the uncertainty estimate of the ER with the Monte Carlo method in the first monitoring report.
Auditor Response 2: Thank you for this explanation. The auditors have confirmed that SOP17 is comprehensive, but it is simply difficult to track the uncertainty from all the components (emission factors, activity data, through the final combined baseline) without a clear and transparent demonstration. The auditors have closed this finding.
Bearing on Material Misstatement or Conformance (M/C/NA): M/C

NIR 39 Dated 15 Feb 2024
Standard Reference: Validation & verification Requirements
Document Reference: ISFLMexicoERPD_20230830-VF-senttoscs
Finding: Section 5.1(6) of the Validation & verification Requirements states that "The Validation and Verification Body shall adhere to the following principles in its Validation/Verification… c) Consistency: enable meaningful comparisons in ISFL ER Program-related information…. e) Transparency: disclose sufficient and appropriate ISFL ER Program-related information truthfully to allow intended users to make decisions with reasonable confidence. "
Section 4.4.2 of the ERPD states "The historical average over the reference period is -12,388,580.05 tCO2e, and its uncertainty is 3.16%." However, below Table 4 in Annex 9 of the ERPD it states "The historical average over the reference period is -12,388,580 tCO2e, and its uncertainty is 31.59%." It is unclear which is the correct total baseline uncertainty and how that total uncertainty was calculated. The auditors request the following:
(1) Please clarify the correct total baseline uncertainty and ensure there is consistency in the ERPD.
(2) Please provide a clear demonstration in excel (with active cell formulas) showing the calculation of the total baseline uncertainty value as well as the annual baseline uncertainties for each of the baseline years (2009 to 2018).
(3) Please demonstrate in excel (with active cell formulas) how the combined uncertainties for the emission factors and the activity data were calculated for each of the subcategories included in the Emissions baseline. The auditors would like to see for each subcategory, the total activity data uncertainty, the total emission factor uncertainty and the total combined uncertainty.
Project Personnel Response: Thanks for the observation. The correct uncertainty value of the baseline estimate is 3.16% as indicated in Table 2 and 4. Values were corrected for consistency throughout the document. In the link please see tab "Incertidumbres" for the final uncertainty http://file.cnf.gob.mx/auditoria_scs/Linea_base/ISFL%20Baseline%20v%203.0%20-%20250722_actualizado.xlsx?
When SOP 17 is updated the new demo in excel with active cell formulas will be available.
Auditor Response: 1. SCS confirmed that the ERPD was updated to show a combined uncertainty of 3.16%
2-3. Thank for the file showing the final uncertainty values. However, this finding will remain open until an excel with active cell formulas is provided.
Project Personnel Response 2: There is no specific deadline for sending new information regarding the uncertainty estimation since the personnel responsible for the issue has changed and there is currently a vacancy to deal with this issue. However, we want to emphasize that the SOP includes the complete example of linear propagation of the error and in the databases it can be tracked until the error is obtained for each transition. And that this is the basis that is used for the uncertainty that is being reported in the ERPD document. We consider them illustrative to help in the ERPA negotiations. So we would like to know if any errors or findings have been found in these databases.
We clarify that we will be working to be able to comply with the uncertainty estimate of the ER with the Monte Carlo method in the first monitoring report.
Auditor Response 2: The auditors will convert this finding into a Forward Action Request. See Section 5.2 of the Validation Report.
Bearing on Material Misstatement or Conformance (M/C/NA): M/C

NIR 40 Dated 15 Feb 2024
Standard Reference: ER Program requirements; Validation & verification Requirements
Document Reference: ISFLMexicoERPD_20230830-VF-senttoscs
Finding: Section 4.7.4 of the ISFL Program Requirements states “The ISFL ER Program, building on discussions and decisions under the UNFCCC, will have in place a robust Reversal Management Mechanism to address the risk of Reversals after the ISFL ERPA”. Moreover, Section 5.1(6) of the Validation & verification Requirements states that “The Validation and Verification Body shall adhere to the following principles in its Validation/Verification… c) Consistency: enable meaningful comparisons in ISFL ER Program-related information…. e) Transparency: disclose sufficient and appropriate ISFL ER Program-related information truthfully to allow intended users to make decisions with reasonable confidence. “
Section 4.7.2 of the ERPD, Table 22, Indicator A1.3 “Existence of accessible and effective grievance mechanisms”, states: “The level of risk with respect to the existence of mechanisms to provide adequate responses and solutions to information requests, claims, complaints and suggestions is expected to be low.” Please provide additional information to the audit team about what is the internal process, or the filtering process of this grievance mechanism "Mecanismo de Atencion Ciudadana" (footnote No. 83 provided in Annex 11 for this indicator), to direct the requests, claims, complaints or suggestions regarding the ISFL program to the corresponding competencies.
Project Personnel Response: We are sharing with the SCS team the detailed information on Mexico's grievence mechanism.
La CONAFOR cuenta con el Mecanismo de Atención Ciudadana (MAC) que, con base en el marco legal, cubre todos los procedimientos existentes para brindar respuestas y soluciones adecuadas a las solicitudes de información ciudadana, así como a la atención de quejas, reclamos y sugerencias.
En 2022, la CONAFOR desarrolló un análisis para identificar arreglos específicos para completar el MAC a fin de cumplir con las disposiciones requeridas por el EAS 10 del Marco Ambiental y Social del Banco Mundial y los requisitos del Programa ISFL ER del Mecanismo de Retroalimentación y Reparación de Quejas. Dicho análisis identificó varias acciones para mejorar el MAC, como el uso de canales de difusión a nivel local y en los idiomas apropiados, entre otros.
Por otra parte, se identifica que el desarrollo de los instrumentos de gestión de riesgos sociales para el Programa proporcionará más información para consolidar la atención a las opiniones y quejas recibidas a través del MAC en el marco del Programa.
Actualmente, el MAC es operado por tres áreas diferentes dependiendo de la naturaleza de los asuntos que resuelven y/o atienden cada una de ellas: (i) Órgano Interno de Control (OIC), de la Secretaría de la Función Pública; (ii) Unidad de Transparencia del INAI (Instituto Nacional de Acceso a la Información); y (iii) Servicio de Información y Atención Ciudadana (SIAC) de CONAFOR.
Se comparte el documento "Extracto MAC" y el borrador avanzado del "Plan de Participación de Partes Interesadas
Programa de Reducción de Emisiones en el sector agricultura, silvicultura y otros usos de la tierra para los estados de Chihuahua, Coahuila, Durango y Nuevo León":
https://drive.google.com/drive/folders/1CWfe0RtNUXP9v_faGfzwoPkSPBI4cXg0?usp=sharing
Auditor Response: Thank you for providing the requested information. The auditors reviewed the mechanism and agree it reasonably supports a low risk level for addressing key drivers. This finding has been closed.
Bearing on Material Misstatement or Conformance (M/C/NA): M

NIR 41 Dated 15 Feb 2024
Standard Reference: ER Program requirements; Validation & verification Requirements
Document Reference: ISFLMexicoERPD_20230830-VF-senttoscs
Finding: Section 4.7.4 of the ISFL Program Requirements states "The ISFL ER Program, building on discussions and decisions under the UNFCCC, will have in place a robust Reversal Management Mechanism to address the risk of Reversals after the ISFL ERPA". Moreover, Section 5.1(6) of the Validation & verification Requirements states that "The Validation and Verification Body shall adhere to the following principles in its Validation/Verification… c) Consistency: enable meaningful comparisons in ISFL ER Program-related information…. e) Transparency: disclose sufficient and appropriate ISFL ER Program-related information truthfully to allow intended users to make decisions with reasonable confidence. "
Section 4.7.2 of the ERPD, Table 22, Indicator B4 "Forest, Pests and Diseases", states: "Durango, Chihuahua and Nuevo León are States with the largest areas affected by forest diseases. Coahuila presents low attention to affected surfaces (49%, SEMARNAT, 2019) and important areas affected by pests." While the indicator states that in Durango, Chihuahua and NL there are large areas affected, and Coahuila low; the indicator does not state a severity of the risk (low, medium, high). Please clarify and update accordingly.
Project Personnel Response: Thanks, it should have stated that the risk is high. We have included the information.
Auditor Response: The auditors confirmed that the ERPD was corrected such that the risk of pests and dieases is considered to be high. This is in alignment with the literature and other drivers of emissions assessment. As a result this finding has been addressed.
Bearing on Material Misstatement or Conformance (M/C/NA): C

NIR 42 Dated 23 Feb 2024
Standard Reference: ER Program requirements; Validation & verification Requirements
Document Reference: ISFLMexicoERPD_20230830-VF-senttoscs
Finding: Section 4.7.4 of the ISFL Program Requirements states "The ISFL ER Program, building on discussions and decisions under the UNFCCC, will have in place a robust Reversal Management Mechanism to address the risk of Reversals after the ISFL ERPA". Moreover, Section 5.1(6) of the Validation & verification Requirements states that "The Validation and Verification Body shall adhere to the following principles in its Validation/Verification… c) Consistency: enable meaningful comparisons in ISFL ER Program-related information…. e) Transparency: disclose sufficient and appropriate ISFL ER Program-related information truthfully to allow intended users to make decisions with reasonable confidence. " The audit team found that in multiple sections of the ERPD there are ctitations included without a referece (e.g. Section 3.4 "(DOF April 16, 2020)", "(CONAFOR, 2020b)"Annex 1, "(Madrid et al., 2009)", "(CONAFOR, 2020c)", "Fernando et al., 2019a"; Annex 4, "(CONAFOR, 2017).", "(Zúñiga and Deschamps, 2014)"). Please review and provide the corresponding references across the ERPD.
Project Personnel Response: Thanks, we have reviewed the citations and have included as footnotes the full references.
Auditor Response: The auditors have found that many of these references were removed and that for the remaining references, citations have been provided. This finding has therefore been addressed.
Bearing on Material Misstatement or Conformance (M/C/NA): C

NIR 43 Dated 23 Feb 2024
Standard Reference: ER Program requirements; Validation & verification Requirements
Document Reference: ISFLMexicoERPD_20230830-VF-senttoscs
Finding: """Section 4.1.3 of the ER Program Requirements states that “The Program GHG Inventory shall utilize best available methods and existing data.” Moreover, Section 5.1(6) of the Validation & verification Requirements states that “The Validation and Verification Body shall adhere to the following principles in its Validation/Verification… c) Consistency: enable meaningful comparisons in ISFL ER Program-related information…. e) Transparency: disclose sufficient and appropriate ISFL ER Program-related information truthfully to allow intended users to make decisions with reasonable confidence. “ The audit team found the following inconsistences in figures and table numbers:
* Section 2.1.2 states ""The mechanism for the BS will be through the following process (Figure 1), but Figure 1 corresponds to the ER Program jurisdiction map.
* Furthermore in Section 2.1.2, there is another wrong figure referencing ""that contribute to improving their livelihoods Figure 2"", but Figure 2 corresponds to another figure in section 3.1.2.
* Section 3.1.5 of the ERPD, makes reference to Table 11: ""...the risk of displacement of emissions that could occur in the jurisdiction of the program was analyzed (table 11)."", but Table 11 corresponds to the Financing Plan.
* Section 4.6 states ""The results of Emission Reductions expected emissions under ISFL ER Program, and their associated uncertainties are reported in Table 11."".
* Section 4.2.1 states All subcategories involving conversions between land-use categories based on table 5 were selected""""", but table 5 corresponds to ""Table 5: Partner organizations involved in the ISFL ER Program"".
* Annex 6 also has a wrong reference to table 5 ""All included subcategories are described in detail in section 4.1.1 Short description of the Program GHG Inventory, as shown in Table 5""
* Annex 6 states ""This system is composed of three pillars or subsystems (Table 1)"", pointing out to table 6.1.
* Annex 8 presents an inconsistent table numbering system (e.g. from Table 2 goes to table 3.1) and another ""Table 5"" for ""Financing Plan"".
Please review the numbering thoroughly across the ERPD and update accordingly"
Project Personnel Response: Thanks, we have reviewed the tables and figures.
Auditor Response: The auditors reviewed the updated ERPD and confirmed that the table and figure references have been corrected. This finding has been resolved.
Bearing on Material Misstatement or Conformance (M/C/NA): C

NIR 44 Dated 26 Feb 2024
Standard Reference: ER Program requirements; Validation & verification Requirements
Document Reference: ISFLMexicoERPD_20230830-VF-senttoscs
Finding: Section 4.7.4 of the ISFL Program Requirements states “The ISFL ER Program, building on discussions and decisions under the UNFCCC, will have in place a robust Reversal Management Mechanism to address the risk of Reversals after the ISFL ERPA”. Moreover, Section 5.1(6) of the Validation & verification Requirements states that “The Validation and Verification Body shall adhere to the following principles in its Validation/Verification… c) Consistency: enable meaningful comparisons in ISFL ER Program-related information…. e) Transparency: disclose sufficient and appropriate ISFL ER Program-related information truthfully to allow intended users to make decisions with reasonable confidence. “
Section 4.7.2 of the ERPD, Table 22, Indicator A1.1 “Relevant local actors participation in the ER Program design.”, states: “The risk is estimated to be low, since the ER Program will be supported by a participatory planning process.” However, this appears to be inconsistent with the statement from Section 4.7.1 “Low participation of relevant stakeholders in the ER Program design”. Another example is Indicator A1.2 that states "The existence and operation of platforms for consultation, participation and decision-making in the ER Program jurisdiction, allows considering this risk as low.", but section 4.7.1 states that there is "Lack of co-responsibility of local stakeholders to reduce the main drivers of deforestation and forest degradation", and so on for the other indicators that present a Low risk assessment (e.g. A1.3, A1.5, A2.1, etc). It seems like these statements contradict themselves. Please provide further explanation about these inconsistences and/or the rationale to assess these risks as Low.
Project Personnel Response: Thanks, there was a phrase missing in section 4.7.1, and we have included. It should have stated : the following factors were recognized as potential risks and were used as specific indicators to be analyzed in the context of the Emissions Reduction Program (see annex 11). What we aimed to explain in section 4.7.1 by providing the list of indicators and then in section 4.7.2 we assessed those risks. If the SCS team thinks is better to eliminate the list of indicators from section 4.7.1 we can also do that.
Auditor Response: Thank you for clarifying the terminology around these "potential" risks. We confirmed that additional clarifying text was added to section 4.7.1. Such clarification has resolved this finding. This finding has been closed.
Bearing on Material Misstatement or Conformance (M/C/NA): M/C

NCR 45 Dated 26 Feb 2024
Standard Reference:
Document Reference:
Finding: Section 4.1.3 of the ER Program Requirements states that “The Program GHG Inventory shall utilize best available methods and existing data.” Section 4.4.1 of the ER-MR states "The Program GHG Inventory reports an average of -12,388,580.05 t CO2e /year emissions (removals) for 2009 to 2018. The subcategory with the main contribution is [3B1a] Forest Land Remaining Forest Land, followed by [3B3a] Grassland Remaining Grassland, with relative contributions of 82.37% and 5.89%, respectively." However, as shown in Section 4.2.3 the GL-GL subcategory is not included in the final selection and hence, not contributing to the -12,388,580.05 t CO2e /year ER estimates. Please review and update accordingly, including the subcategories % contributions.
Project Personnel Response: The Grassland Remaining Grassland (GL-GL) subcategory was not included in the final selection of the subcategories based on ISFL requeriments section 4.3.4 because is not a "subcategory involving conversions betwen land use categories other than forest land". In the file "ISFL Baseline v 3.0 - 250722_actualizado" (at http://file.cnf.gob.mx/auditoria_scs/Linea_base/ISFL%20Baseline%20v%203.0%20-%20250722_actualizado.xlsx Tab "4.2.1 Step1"
) are listing the step-by-step selection criteria on which the decision was based. Baseline does not includes this subcategory and section 4.4.1 is updated to mantain consistency.
Auditor Response: The auditors confirmed that section 4.4.1 of the ERPD was updated to remove the information about GL-GL and to clarify that the analysis is evaluating contribution to the baseline. This finding has therefore been resolved.
Bearing on Material Misstatement or Conformance (M/C/NA): C

Appendix D: Responses to Contributor Comments

Written comments by the ISFL Contributors were submitted to the audit team prior to the outset of the assessment process. Where relevant, all such comments were taken into due account during the assessment process. The below table provides a brief description, for each comment received, of (1) how the comment was addressed during the assessment process, if said comment was deemed relevant by the assessment team, or (2) if said comment was deemed not relevant by the assessment team, the assessment team's reasons for this determination.

No.	Comment Type	Contributor	Text of Comment	Audit Team Response
1	Technical	Unknown	How much of a risk to the ER Programme implementation is the $36m funding gap?	The auditors reviewed the program's financial plan and applied expert judgement to assess the estimated costs of the planned actions and interventions, including the financial feasibility of the program's plan for addressing the funding gap incorporating strategies and funding mechanisms from external institutions and the private sector. The auditors concluded that the financial plan of the ER program implementation is feasible including low risk and realistic plans to address the funding gap that involve the participation of private sector investments to boost and enhance sustainable productive initiatives, as well as including program activities that will generate revenue based on sustainably production and sale of timber and nontimber forest products.
2	Technical	Unknown	Will category 3a Livestock, a major source of emissions (p24 states that 52% of GHG	The auditors assessed and confirmed the feasibility of the program's team time

			emissions in the jurisdiction correspond to Category 3A Livestock), be included in a second phase? When will the second ERPA phase start (Table 1 indicates Phase 1 will last for 5 years)?	bound plan to increase the completeness of the accounting scope and include the livestock ERs from subcategory 3A for the second ERPA phase. This phase is expected to start in 2026, but the timing is yet still to be confirmed by the program team and the world bank personnel.
3	Technical	Unknown	With the Global Biodiversity Framework now agreed at CBD CoP 15, is there any potential to show more linkage between the ER Programme and biodiversity strategy eg Mexico's NBSAP? There are already various relevant optional indicators of co-benefits Mexico has decided to report in the ERPD e.g.: • Total area under active conservation schemes through payment for environmental services. • Total area under forest restoration processes	The auditors confirmed that Mexico has the National Biodiversity Strategy of Mexico (ENBioMex) under the coordination of the National Commission for the Knowledge and Use of Biodiversity (CONABIO) and the Strategy for Integration of Conservation and Sustainable Use of Biodiversity in the Forest Sector (ENBIOFOR) implemented by CONAFOR, and is expected that the planned actions and interventions of forest protection, restoration and the payment for ecosystem services, among others will have a positive impact on biodiversity.
4	Technical	Unknown	It is unclear how forest degradation is included in the calculations of emissions and removals. We would therefore like to see more details on the emissions and removals within the category "Forest land remaining forest land".	The program team provided the auditors with all necessary calculation workbooks, source data, and spatial files needed to recalculate the baseline as well as to evaluate the subcategory selection process, including "Forest land remaining forest land" (FL-FL) and the ex-ante emissions reductions. The auditors confirmed that emissions and removals from FL-FL within the program area have been assessed and that carbon

				dynamics in this subcategory have been tracked in the baseline through repeated inventories that inherently account for the emissions and removals associated with all forest dynamics (gains from growth, losses from harvesting, insects/pests, and fires, which constitute degradation). The auditors confirmed that their relative impacts have been quantified according to the ER Program Requirements and specifically the subcategory selection process.
5	Minor	Unknown	- Clarification: Please could you explain 'the mitigation for the increase of forest carbon stocks from timber forest management activities….' - Does forest carbon stock always increase when 'timber forest management activities' start? Could there not be the opposite effect when timber harvesting commences in a relatively undisturbed forest? - Presumably the increase is due to better forest management increasing stock? - If there is an increase in stock, why does it need to be mitigated?	The auditors assessed the planned actions and interventions proposed by the program team and their potential to contribute to GHG emissions and removals associated with AFOLU. The planned actions and interventions proposed by the program's team for community forest management, payment for ecosystem services and sustainable forest management activities will likely contribute to reduce emissions or increase the forest carbon stocks.

6	Minor	Unknown	A) Clarification: Please could you talk through the characterization of stakeholders in particular why women and indigenous people appear low. B)Please clarify, are the ejidos Indigenous people?	The auditors confirmed that the description of stakeholder consultation has been addressed and covered in section 3.2 of the ERPD, including women, ejidos, and indigenous people among others.
7	Minor	Unknown	Clarification: How will these forest carbon projects be considered / nested in the ISFL jurisdiction?	The auditors assessed Section 3.7.3 of the ERPD and confirmed that the program has an appropriate data management and registry system in place to avoid multiple claims to ERs generated under the ISFL ER Program.
8	Technical	Unknown	A) It would be preferred that the activity data (hectares) for each subcategory was presented in the GHG section (Section 4) of the ERPD. The annual area of deforestation is especially of high interest. B) It is unclear whether transition periods have been used to calculate emissions and removals from land use changes. See Chapter 3 of ISFL Guidance note on application of IPCC guidelines (https://www.biocarbonfund-isfl.org/sites/isfl/files/2021-03/ISFL Guidance note on application of IPCC guidelines_March 2021.pdf).	The auditors confirmed that emissions and removals from all subcategories existing within the program area have been assessed and that their relative impacts have been quantified according to the ER Program Requirements and specifically the subcategory selection process. We confirmed that only subcategories that fully conform to the data quality requirements (tier 2) have been included in the ISFL emissions baseline. For subcategories that have baseline data (10 years) but do not yet conform to the Tier 2 data quality requirement, we have confirmed that an improvement plan is in place in reported on in the ERPD in

			C) We find the exclusion of the category Cattle to be in accordance with ISFL ER Program Requirement as it does not meet the requirement of Tier 2 method. However, it is not clearly stated in Section 4 that the category is excluded from the baseline and how the method used differs from a Tier 2 method. D) - (Pg. 48) - Clarification: what is the justification for assumption that cropland remaining cropland is carbon neutral? Annual crops are harvested each year so it could be assumed that carbon is lost with each harvest (predominantly from SOC loss). Other cropland management may also have an impact. E) (Pg. 49) Assumption that C pools remain constant where grassland management is unchanged – depends on intensity of management. Can it be confirmed that grazing practices are consistently low intensity? Otherwise it could be assumed that there would be some loss from C pools	conformance with the reporting requirements.
9	Minor	Unknown	- Minor clarification: is COS – SOC? If not, SOC is mentioned throughout as a pool from which emissions are reported but not explicitly mentioned in the table	The auditors confirmed that this has been corrected in the ERPD consistently throughout the document.

			- The units used in the different tables are different, although the values presented are the same. - It would be preferable to use either "Gg CO2-eq" or "tCO2-eq" throughout the document.	
10	Minor	Unknown	- The table on afforestation, recuperation and reforestation states that maps are used from 2000 – 2018, but further down in the table it mentions that elaboration on land cover maps won't be done in time for this phase. Could this point be elaborated on, how does that impact the data for this phase, is it incomplete at this point? – this applies for other selected land use/land use changes as well - Referring to the point above, pg. 67, table 9 states that all the spatial needs are met.	The program team provided the auditors with all necessary calculation workbooks, source data, maps and spatial files needed to recalculate the baseline as well as to evaluate the subcategory selection process. The auditors confirmed that emissions and removals from all subcategories existing within the program area have been assessed and that their relative impacts have been quantified according to the ER Program Requirements and specifically the subcategory selection process.
11	Minor	Unknown	Pg. 69 states that samples to fill evidence gaps were to be collected in Aug/Sept 2022 – has this been done, when will the data be available?	The auditors assessed and confirmed the time bound plan to increase the completeness of the scope of accounting is feasible and will include improved data and methods for the subsequent ERPA phases.
12	Minor	Unknown	A) We suggest including the eight subcategories in the baseline table, so that the sources and historical changes in emissions and removals from the sources are better presented.	The auditors confirmed that emissions and removals from all subcategories existing within the program area have been assessed and that their relative impacts have been quantified according to the ER Program Requirements and specifically the subcategory selection process.

			B) The same applies for the presentation of estimated emission reductions, we would like to see the contribution divided between the subcategories. C) We find the estimated uncertainty of the baseline to be quite low, a simple presentation of the uncertainty within each subcategory could be useful to get an overview of subcategories and the potential of improvements. D) Historical average uncertainty appears to be much lower than the range across the time series?	Moreover, we conducted an independent recalculation and/or tracing of the uncertainties associated with the land use and land cover change, emission factors, and combined uncertainties and have issued a Forward Action Request (see section 5.2 for additional information).
13	Minor	Unknown	Section 4.7.2 The table mentions risk of reversal. Is there anything in place to ensure avoided deforestation doesn't just mean deforestation in an alternative location/jurisdiction	The audit team confirmed the correctness and completeness of the data and assumptions used in the assessment of the reversal risk, and confirmed it was assessed according to the ER program requirements, including the anthropogenic and natural risks that are the main deforestation cause.
14	Minor	Unknown	- The data and calculations would be more available if the excel-files provided was written in English. - Table of contents is missing from the document.	The program team provided the auditors with all necessary calculation workbooks, source data, and spatial files needed to recalculate the baseline as well as to evaluate the subcategory selection process and the ex-ante emissions reductions, and where possible, some of these were included in English.

				The auditors confirmed that the table of contents was included in the ERPD.