Proposal Submission in response to Call for Proposals (CFP) issued by

LEAF Coalition on April 22, 2021

Dated: August 2, 2201

Your use and review of this proposal submission (Submission) is subject to the following conditions.

1. **Authorized party.** You represent and warrant that you are an authorized representative of the company that employs you and which is a participant in the LEAF Coalition (Company) and, in that capacity, can bind Company to the terms herein.

2. **Confidentiality.** Except as otherwise agreed by you and Emergent, you understand that the information contained herein is confidential (hereinafter "Information").   You will:
    a. Use your best efforts to keep the Information confidential;
    b. Not reveal such Information to parties other than those: (i) which are Emergent-named individuals that represent companies that are members of the LEAF Coalition; and (ii) employees, agents, partners, shareholders, officers, directors or other representatives of Company (collectively, "Representatives") who have an actual need for such Information to further Company discussions that may result in purchase of emission reduction credits ("Activities");
    c. Advise in writing Representatives receiving the Information of its confidential nature;
    d. Direct such Representatives to treat the Information confidentially, not to use it except in connection with the Activities, and not disclose it to any third person that is not authorized to receive such Confidential Information.

3. **Disclaimer.** This Submission is the 'raw' submission of a jurisdiction in repose to the CFP. Neither Emergent nor any party of the LEAF Coalition have conducted any verification of claims made in this Submission or made any edits. This disclaimer applies to all sections of the Submission, including claims made around projected emission reductions (ERs).

By accessing this Submission, to protect and further the interests of the LEAF Coalition, if you intend to negotiate an ER transaction contemplated by this Submission within the next twelve months, you agree to work in good faith to reach mutually agreeable terms to transact under the LEAF Coalition, and agree to be transparent about and seek to resolve any complicating issues with the LEAF Coalition. If complications cannot be resolved after good faith efforts, you agree for the next six months to provide prior written notice to Emergent and members of the LEAF Core Advisory Group before you initiate discussions directly or indirectly with the Host Jurisdiction responsible for this Submission with respect to a potential emission reduction transaction contemplated by this Submission outside of the LEAF Coalition.

If you are unwilling or unable to comply with this obligation, please destroy this document immediately and notify Emergent accordingly.

Proposal submitted by **Quintana Roo** (referred to as "Supplier" in this document)

- Institution name: Secretary of Ecology and Environment of Quintana Roo
- Country: Mexico
- Focal point's name, title:
- Mailing Addres
- Email address:
- Telephone:
- Brief description of legal authority to represent country or jurisdiction:

Based on article 19 fraction VI and article 36 of the Organic Law of public administration for the State of Quintana Roo and chapter III articles 7, 8 and 9 the Internal Regulations of the Secretary of Ecology and Environment and appointment dated July 14, 2020

1. **Please check applicable category that best defines your institution**:

   ❑National government

   ✓ **Sub-national government(s)(**please specify applicable administrative level of government. If more than one subnational jurisdiction, please specify) Mexican State, one level down from national level.

   Please confirm that:

   ✓ The boundaries of a subnational accounting area correspond with the entire area of one or several administrative jurisdictions no more than one level down from national level and one or several recognized indigenous territories;
   ✓ Total forest area of at least 2.5 million hectares;
   ✓ The national government will provide the participant with a letter from the relevant national entity authorizing the Participant's application to and participation in ART.

   ❑ Recognized indigenous communities (TBC – depending on inclusion under the finalized ART TREES 2.0)

   Please confirm that:

   ❑ The boundaries of a subnational accounting area correspond with the entire area of the territory/ territories;

   ❑ Participating territories must be comprised of a total area (forest and nonforest) of at least 2.5 million hectares;

   ❑ The national government will provide the participant with a letter from the relevant national entity authorizing the Participant's application to and participation in ART.

Expression of Consent

   ✓ The Supplier, by checking the box, agrees to negotiate in good faith towards entering into an Emission Reductions Purchasing Agreement (ERPA) with interested LEAF Coalition participants if the proposal is assessed as eligible.

Date of submission: 30/07/2021

Name of authorized representative: Lic. Efrain Villanueva Arcos

Signature

The LEAF Coalition
Lowering Emissions by Accelerating Forest finance

LEAF PROPOSAL

General:

1. **Forest Emission Reduction Targets** (500 words excluding links and appendices) *Please provide a narrative and applicable links, outlining Supplier's forest goals related to emission reductions from REDD+, for example, 2030 zero deforestation goals.*

Mexico and Quintana Roo have defined a set of goals to reduce emissions from the forestry sector in different policy instruments for international, national, and subnational contexts. The NDC[1] represents Mexico's climate commitment to the UNFCCC setting emission reductions goals of reducing 22% unconditional and 36% conditional greenhouse gases emission by 2030 compared to a business as usual scenario. The adaptation component of Mexico's NDC also sets a number of action lines with mitigation co-benefits such as reaching zero-net deforestation rate by 2030, strengthening management of protected areas and environmental policy instruments and implementing actions to conserve and restore coastal and continental ecosystems. The National REDD+ strategy (ENAREDD+)[2] establishes the domestic targets for the LULUCF sector setting a goals to reach zero net deforestation rate by 2030 and calls for a reduction of forest degradation, increasing of the forest areas under sustainable management, restoration and conservation.

The Quintana Roo REDD+ strategy[3] refines the ENAREDD+ targets and sets a specific state level 2030 goals to reduce gross deforestation to 3,500 hectares, reduce areas affected by wildfires to 7,000 hectares, restoring 700,000 hectares of deforested areas, and reaching 100,000 hectares under sustainable forest management and 2.5 millions hectares under conservation schemes including all the mangrove.

2. **Progress towards, or readiness to meet (non-safeguards elements of) ART/TREES requirements** (500 words excluding links and appendices)
    a. Please provide a summary of the Supplier's progress towards preparing/submitting a concept note, and/or registration document for ART, including expected timelines for submission (e.g. estimated date by which a registration document might be submitted).
    b. Please include links to any relevant documentation that has already been submitted to the ART secretariat, if applicable.
    c. Please provide an overview of the steps taken to align with non-safeguards requirements of ART/TREES, and Supplier's ability to meet such requirements. If this proposal is selected by the Coalition participants, this information will be accepted as indication of commitment towards meeting ART/TREES requirements

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[1] https://www4.unfccc.int/sites/ndcstaging/PublishedDocuments/Mexico%20First/NDC-Esp-30Dic.pdf

[2] http://www.enaredd.gob.mx/wp-content/uploads/2017/09/Estrategia-Nacional-REDD+-2017-2030.pdf

[3] https://qroo.gob.mx/sites/default/files/unisitio2019/08/EEREDD%2BQROO%202019-3.pdf

During the last decade, cooperation projects and public investment helped Quintana Roo to build capacity for REDD+, what resulted in a robust REDD+ framework and advances on institutional arrangements at the state level

An important step for Quintana ROO's REDD+ engagement was in the context of the FCPF Carbon Fund. In other to meet FCPF's Methodological Framework, Mexico developed the Emissions Reduction Initiative (IRE) which proposed piloting the REDD+ implementation model developed in the National REDD+ Strategy (ENAREDD+). Despite Mexico's decision not to sign an ERPA with the World Bank in 2020/2021, the development of the Emissions Reduction Program Document (ERPD)[4] presented in November 2017, which resulted from a participatory process, set up the foundations of Mexico's REDD+ implementation framework and prepared the country to meet several requirements of the ART TREES standard.

Regarding specifically ART/TREES requirements, in May 2021, UNDP funded an assessment of the eligibility of Mexican states to meet REDD+ standards' requirements ("Analysis of Jurisdictional Eligibility for Emerging Forest Market Standards")[5][6], which included a specific analysis for Quintana Roo. The report concluded that Quintana Roo is able to meet 80% of ART TREES' requirements, according to its version 1.0. , does not meet 16% and did not evaluate 4%. Some of the requirements that were not met at the time of the evaluation, such as 3.1.1 referring to the letter of consent from the Federal Government, and 3.1.2 referring to the subnational safeguards report, are currently being addressed. Other elements of the standard such as level of accreditation uncertainty (5.1) and reversals risks mitigation factors (7.1.1) will be addressed jointly with CONAFOR MRV when developing the accreditation level prior to subscribe the ERPA. During the preparation process to sign the ERPA, Mexico will address the safeguards elements related to emission reduction reversals (12.5.6), leakage (12.5.7) and double accounting avoidance (13.1). Regarding the considered GHG (element 4.5), Mexico didn´t include methane and nitrous oxide in its Forest Reference Emission Level. Methane could be considered if in case blue carbon is included later. It is expected that Quintana Roo can send a Concept Note before signing the ERPA and achieve ART registration before the first verification

3. **Capacity building/technical assistance needs** (500 words excluding links and appendices) If applicable, please summarize the capacity gaps and needs for support identified as necessary to meet ART/TREES requirements, and plans to address these gaps before submitting validation/ verification documents to ART. This information will be critical for planning purposes.

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[4]

http://www.conafor.gob.mx:8080/documentos/docs/51/7523Documento%20de%20la%20Iniciativa%20de%20Reducción%20de%20Emisiones.pdf

[5] https://qroo.gob.mx/sites/default/files/unisitio2021/07/UNDP%20GCFTF%20-%20Carbon%20markets%20consultancy%20-%20Brazil%2C%20Mexico%20ES.docx

[6] https://qroo.gob.mx/sites/default/files/unisitio2021/07/TREES_QUINTANAROO_v1-1.xlsx

The implementation of REDD+ through the LEAF mechanism will require strengthening Quintana Roo´s low-emission rural development agenda and the development of additional activities not considered by Quintana Roo government at this time. The implementation of the REDD+ Investment Program[7] (PdI in Spanish) to promote integrated landscape management requires strengthening cross sectoral coordination. This coordination occurs at two levels. At the State level, Secretaries responsible for rural development programs will need to share goals, harmonize processes to create enabling conditions for joint implementation, and report the progress required by the State Climate Change Action Law[8]. At the local level, the governance model, proposed in ENAREDD+, is based on an intermunicipal technical agent that promotes a landscape approach across different sectors. In Quintana Roo, the Municipal Association for the Environment of Southern Quintana Roo (AMUSUR) will lead the field implementation of REDD+ activities providing technical guidance to communities. In addition, AMUSUR will play an important role when updating the PdI, the Local Benefit Sharing Plan (LBSP) and contributing to the implementation of the safeguards framework.

The State Secretary of Ecology and Environment (SEMA), as the project leader, must establish the local conditions for compliance with the requirements of ART TREES in MRV and safeguards. In the case of MRV, in addition to strengthening personnel capacities, it is necessary to coordinate with CONAFOR to build the equipment and information capacities to generate the forest cover maps and other inputs needed to report emission reductions[9]. In the case of safeguards, it is necessary to maintain a state focal point to the Safeguards Information System that coordinates with CONAFOR the generation of attention to safeguards reports and reactivates the state safeguards task force.

It will also be required, prior to the signing of the ERPA and in the first months of the project, to update, strengthen and harmonize the relationship between a suite of public policy instruments such as the Local Land Use Zoning Plan (POEL in Spanish), PdI , Safeguards Information System (SIS), and LBSP.

4. **High Forest Low/Deforestation (HFLD)** (if applicable, 500 words excluding links and appendices) Please indicate whether the Supplier expects to qualify as HFLD according to the criteria in the draft TREES 2.0 and whether the Supplier proposes to make available emission reductions under LEAF according to a future , approved HFLD -methodology in TREES . Please note that expressing expectation to do so is not binding.

Does not apply to Mexico

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[7] https://qroo.gob.mx/sites/default/files/2017-03/INICIATIVA%20DE%20REDUCCION%20DE%20EMISIONES%20(IRE).pdf

[8] http://www.ordenjuridico.gob.mx/Documentos/Estatal/Quintana%20Roo/wo75640.pdf & https://www.gob.mx/cms/uploads/attachment/file/316905/wo108065_reformaQRoo.pdf

[9] https://www.gob.mx/cms/uploads/attachment/file/587193/Gui_a_de_uso_de_los_productos_del_sistema_SAMOF_v1.pdf

5. **Estimate of ART/TREES crediting level** (non-binding)Please provide an estimate of the ART/TREES crediting level, including annual estimates used to develop the crediting level , and links to further methodological descriptions of these estimates . We understand that these estimates are based on assumptions and will not be final. Please indicate a tentative selection of baseline years, consistent with the ART-TREES standard. Please indicate the assumptions made in the emission reduction volume calculations. Please provide a link to relevant public documentation or reporting (e.g. National Communications, REDD+ strategy/action plan).
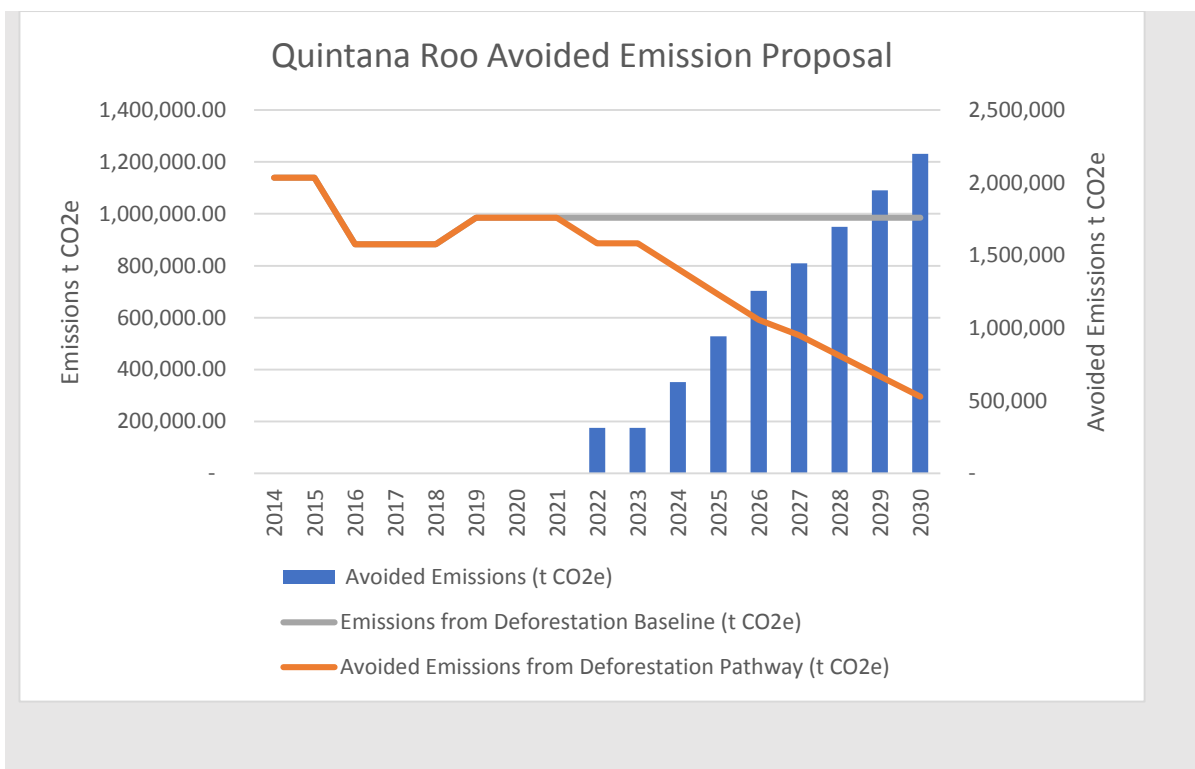
Mexico's General Law on Sustainable Forest Development establishes the National Forest Monitoring System as one of the instruments of forest policy from which the Forest Monitoring Satellite System (SAMOF in Spanish) was developed in 2016. The SAMOF generates geospatial information of land cover and changes in the land cover from which the REDD crediting level can be developed. In 2020, using a sampling method, SAMOF estimated the deforestation rate for the period 2001-2018[10], and it is the basic input[11] used to develop the crediting level represented in the table below for this proposal. Because the data for the period 2019-2021 is not available or has not been processed, the Government of Quintana Roo, in alignment with CONAFOR, used the average gross deforestation from the 2014-2018 as a reference level for the period 2022-2026 for this proposal (see graph below). The deforestation rate data for 2019-2021 is expected to be available in the first quarter of 2022, and the Quintana Roo's Government will update the data to present the project´s crediting level at the time of the ERPA signature.

year	Deforested hectares (ha)	Emission factor (t C/ha)	Emissions from deforestation (t CO2e)
2017	10736.8	40.02	1,575,518.03
2018	10736.8	40.02	1,575,518.03
2019	11990.2	40.02	1,759,441.95
2020	11990.2	40.02	1,759,455.15
2021	11990.2	40.02	1,759,455.15

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http://www.conafor.gob.mx:8080/documentos/docs/1/7768Documento%20tecnico%202020%20Deforestacion%20Bruta%20Final.pdf

[11] http://idefor.cnf.gob.mx/uploaded/documents/DeforestacionGraficas_QRoo_v.1.xlsx

Quintana Roo Avoided Emission Proposal

6. **Annual target ERs3 (non-binding)** Please provide an estimate of the ART /TREES expected volumes of ERs that may be delivered annually in the 2022-2026 period. We understand that these estimates are based on assumptions, and will not be final

Recognizing the needed efforts to develop the capacities to implement the REDD territorial management model, and considering that the Quintana Roo REDD+ Strategy establishes a goal of reducing by 2030 80% of gross deforestation compared to 2010, we propose a climate ambition a path reducing emissions of 10% during the first two years of the project, and then increasing the goal 10% yearly to reach 40% of emission reduction by the end of the project

Delivery by the end of (year)	Quantity (range, in metric tonnes CO2 equivalent)	Crediting year (please specify in brackets if emissions from forests are accounted for according to timelines that deviate from calendar years (e.g. Aug 1 st– July 31st)
2023	**175,945.66**	2022 (January 1 to December 31)
2024	**175,945.66**	2023 (January 1 to December 31)
2025	**351,891.32**	2024 (January 1 to December 31)
2026	**527,836.99**	2025 (January 1 to December 31)
2027	**703,782.65**	2026 (January 1 to December 31)

7. **Policies and Measures** (500 words excluding links and appendices) Please provide a summary of existing policy measures, regulations, enforcement and public finance instruments (taxes, transfers, subsidies) the Supplier determines are adequate to achieve the ERs, and a reference to where this information is publicly provided. If applicable, please describe other interventions

(beyond policies and measures) Supplier has taken, or will take, to reduce deforestation and forest degradation, and enhance sequestration in order to provide ERs under LEAF (e.g. forest fire prevention). If the interventions are not yet operational, please provide a timeline with milestones.

The Quintana Roo Climate Change Action Law, established in 2013 and amended in 2015, provides the legal framework to organize the State´s institutional actions on climate change. The law establishes the State Climate Change Action Program[12] (PEACC in Spanish) as the guiding instrument for State climate policy articulated by the State Climate Change Commission[13] (CECC in Spanish). The PEACC includes the State GHG emissions inventory, sets the strategic approaches to tackle climate change, and promotes the coordination between the State and Municipal levels, as well as across sectors. The law also includes provisions related to transparency and accountability mechanisms to assess progress in the implementation of the PEACC and promote raising awareness and citizen participation.

The State Development Plan (PED in Spanish) represents the strategic tool for each State administration. Strategic axis 5 on environmental sustainable economic growth of the 2016-2022 PED[14] (updated in 2019) includes REDD + actions. The State has developed public policies that explicitly or as a result of its implementation contribute to addressing climate change. The Decarbonization Trajectory of the State of Quintana Roo[15], proposes a series of actions that must be carried out to achieve goals of reducing net emissions in different sectors including fire management and planning for urban expansion as part of the land use sector. Quintana Roo REDD+ State Strategy[16], designed in 2017, proposes the articulation of the different REDD+ implementation components (institutional arrangements, financial architecture, MRV and safeguards) and develop lines of action in the forestry, livestock and agricultural sectors. On the other hand, the Strategy for the Conservation and Sustainable Use of Biodiversity of the State of Quintana Roo[17] (ECUSBEQROO in Spanish) proposes addressing pressure factors to biodiversity, and institutional integration and governance for biodiversity conservation which contribute to REDD+ objectives. At the municipal level, AMUSUR seek to improve people´s livelihood through sustainable landscape management and, coordinating with the State government, implements the different rural development programs that address the causes of deforestation. The POEL represents the binding territorial zoning instrument that defines the Environmental Management Units (UGA in Spanish) that guide the development of different land use with sustainability criteria. Other programs, such as the PdI, the State Reforestation, Restoration and Enrichment of Forest

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[12] http://www.ccpy.gob.mx/pdf/agenda-qroo/PEACC_2013_ESPAnOL.pdf

[13] https://drive.google.com/file/d/0B80zYu9kZeGGaTFFak90MFRHdG8/view?usp=sharing&resourcekey=0-wXyIPraTq4-omieFpTJifg

[14] https://qroo.gob.mx/ped

[15] https://drive.google.com/file/d/11WSSl3D6w5MfITmD_oYUTqskVLbhXd6l/view?usp=sharing

[16] https://qroo.gob.mx/sites/default/files/unisitio2019/08/EEREDD%2BQROO%202019-3.pdf

[17] https://ecusbeqroo1.semaqroo.gob.mx/15103.pdf

Landscape Program[18], and the State Fire Management Program[19], propose particular actions of management that address the causes of deforestation encouraging low-emission agricultural and forestry.

8. **Use of Proceeds** (1000 words excluding links and appendices) Please acknowledge the eligible uses of proceeds as established in the CFP, and provide initial thinking on the focus of a high-level investment framework describing the plans or arrangements in place for investing the proceeds of a transaction with LEAF Coalition contributors. This plan should be consistent with achieving the Supplier Country's NDC and sustainable economic development with a priority for forest protection and forest restoration, including its REDD+ strategy/action plan . The plan must also explain how benefits from such a transaction will be distributed to stakeholders . This plan should demonstrate equity , inclusivity , and transparency , and it should reach local communities and support wider climate goals. Suppliers may indicate whether future payments will be used to leverage up-front investments, if applicable. In other words, proceeds may be used to repay bonds or loans that were used specifically to finance activities that are consistent with the guidance on use of proceeds.

The REDD+ implementation framework in Mexico, developed for the IRE, recognizes two types of activities, first-stage activities financed ex ante with existing public or private resources and second-stage activities financed with ex-post performance resources. The first-stage activities, called generic activities in the PdI, consider harmonizing and targeting existing rural development programs that address the causes of deforestation. Second-stage activities are complementary and contribute to consolidate natural resource management practices such as farmers capacities development, strengthening of governance with a landscape approach or improved access to sustainable markets.

Mexico has a benefit-sharing plan draft designed for the IRE that describes the logic and institutional arrangements to distribute payments per performance to beneficiaries in compliance with REDD+ requirements. It is expected that in the coming months a reform the General Law on Sustainable Forest Development will be approved, giving to the Federal Environment and Natural Resources Secretary (SEMARNAT) the attribution to subscribe international agreements on cooperative mechanisms for emission reductions from the forestry sector, as well as to sign participation agreements with States. Both documents provide guidance for the LEAF project to develop institutional arrangements for designing a LBSP. The principles under which it will operate are: legality, legitimacy, effectiveness, efficiency, equity, additionality, and transparency. Beneficiaries are considered to be owners, inhabitants, usufructuaries or users of forest land (private, community, or indigenous peoples) who carry out forestry or non-forest activities that address the causes of deforestation and forest degradation as well as increase carbon stocks. Benefits can be monetary derived from performance payments, non-monetary as a result of developed

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[18]
https://qroo.gob.mx/sites/default/files/unisitio2021/07/PROGRAMA%20DE%20REFORESTACIÓN_RESTAU RACIÓN_PAISAJE_QROO2021_0.pdf
[19] https://qroo.gob.mx/sites/default/files/unisitio2021/07/PEMF%202021%20QROO_1.pdf

enabling conditions, and non-climatic co-benefits. Participatory LBSP will be developed following the methodological guidelines developed for the IRE[20]. Both the PdI REDD+ and the LBSP are part of the instruments that will allow addressing Quintana Roo safeguards.

Quintana Roo is a forest state with about 75% of its surface covered with jungles; however, in the 4 municipalities that make up the AMUSUR and that represent 75% of the State territory, the dynamics of land use have been changing. The initiative will develop three working approaches: creation of enabling conditions for landscape management, add-value of forest management activities that conserve carbon stocks, and low-emission productive systems that address deforestation drivers. To promote the integrated management of the territory, it will be necessary to increase coordination between federal-state-municipal administration, which will not only allow the synergy of programs between levels and sectors, but will also allow to maintain the strategic direction of the project when changes in the state and municipal administrations will occur during the life of the project. On the other hand, the municipalities of the AMUSUR are close to complete their POELs, and at the local level, 1.4 million hectares representing 42% of the territory of the AMUSUR has a Community Territorial Plans (OTC in Spanish) that guides the activities of ejidos and communities. More than 1 million hectares (30% of the work area) are under some scheme that promotes the conservation of carbon stocks -650,000 hectares of federal, state or community protected areas and 395,000 hectares are under forest management. 90% of deforestation is due to livestock or agricultural expansion as a result that 97% of the agricultural area and 75% of the livestock areas of the State are concentrated in the southern municipalities. In order to reduce the impact of productive activities and promote the restoration of agricultural landscapes, the promotion of low-emission productive systems such as the sedentarization of shifting agriculture, silvopastoral and agroforestry systems and the management of second growth forests are proposed. In the first stage with ex ante resources, these activities will be promoted through federal programs such as "Sembrando Vida", state programs such as the State Reforestation, Restoration and Enrichment of the Forest Landscape Program, through coordination between SEMARNAT and SEMA when evaluating and approving forest management plans or implementing the State Fire Management Program. AMUSUR will lead the design of the LBSP, which will allow the implementation of the second stage activities proposed in the PdI.

9. **NDC Alignment** (500 words excluding links and appendices) Please explain how payments received under LEAF would contribute to achieving the targets established in the Supplier Country's NDC. Please also indicate how it is envisioned that the payments will contribute to raising the level of NDC ambition over time. Please note that it is not expected that potential Supplier Countries will be able to commit to increasing ambitions by the July 30th deadline. Rather, a simple narrative about how this is envisioned is welcomed.

Mexico's NDC defines by 2030 an overall goal of 22% of unconditional emission reductions compared to business as usual scenario across all sectors and a climate change adaptation

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[20]

https://www.gob.mx/cms/uploads/attachment/file/170308/Anexo_4_Metodologia_para_guiar_el_proceso_de_construccion_participativa_de_los_arreglos_de_distribucion_de_beneficios_a_nivel_local_en_el_contexto_de_la_IRE_de_Mexico.pdf

goal of achieving a net-zero deforestation rate. The project proposes to use rural development investment and payments-per-performance to promote a low-emission economy and governance schemes in the south of the State of Quintana Roo that contribute to social welfare, stop the negative impact of agricultural activities and strengthen the forestry sector for the conservation of large areas of forest. As a result, Quintana Roo seeks to increase the role of the land use sector as a carbon sink that contributes to both NDC goals. These actions are part of the landscape approach proposed in the ENAREDD+.

The NDC update, released in December 2020, identifies the need of new pathways to increase the country's climate ambition. Considering that this project will be a pioneer in the implementation of REDD+ in Mexico, lessons learned will contribute to the scaling REDD+ in other States, and provide results to increase the ambition of the mitigation target for the next update period of the NDC in the year 2025.

10. **Nesting** (500 words excluding links and appendices) If applicable, please describe Supplier's initial approach for how double counting from relevant activities with overlapping geographical scope will be avoided. This should include Supplier's approach to accounting for incorporation of activities either crediting, or seeking results-based payments for emission reductions from forests in the same geographical area (e.g. emission reduction or sequestration projects).

Quintana Roo does not have any ongoing REDD projects being implemented that aim to payment per performance at the state level. However, at the national level the federation is following a UNFCCC Forest Reference Emissions Level review process and will further submit a national level REDD + Results Report. To avoid double accounting, one of the following two criteria will be followed:
  a) Results periods between jurisdictional REDD+ and project-level activities for which payments are requested would be different
  b) In case there is an overlap, transferred avoided emissions generated at the State level will be subtracted from the national level accounting.

On the other hand, several carbon sequestration projects in the design phase especially for sustainable forest management do not represent a risk of double counting with this proposal (focused exclusively on deforestation), since they refer to different REDD + activities

Currently, the Federation is proposing a decentralized nesting scheme that regulates and facilitates the role of states to manage projects and define local benefit sharing schemes, while ensuring consistency with NDC goals and reporting emission reductions (and increases in carbon stocks) in a national registry that avoids any double counting.

11. **Transfer of Title** (500 words excluding links and appendices) Some buyers will seek transfer of title of ERs on the ART registry, while others will allow the Supplier to retire ERs on the ART registry. Please indicate the Supplier's preference and expectations regarding transfer of title. Please refer

to CFP document term "nature of transactions " for a detailed explanation of options under CFP related to transfer of title. Note that jurisdictions may choose to pursue multiple options.

> Since the reform to the General Law on Sustainable Forest Development that will allow SEMARNAT subscribe agreements with States regarding emission reduction initiatives is still in the Congress and the implementation process needs to be defined, the State of Quintana Roo is interested in subscribing to the scenario of transfers of titles 1 or 2.

12. **Corresponding Adjustments** (500 words excluding links and appendices) Please indicate Supplier's willingness to consider ERs with corresponding adjustments, per pathway #4 outlined in the terms of the CFP. If applicable, please indicate the portion of total ERs (if any) for which the Supplier proposes to make a corresponding adjustment to the national account. Please refer to CFP document term "nature of transactions" for detailed explanation of options under CFP related to corresponding adjustments.

> It does not apply, because the State does not considering transferring titles

13. **Environmental, Social and Governance Safeguards** (1000 words excluding links and appendices) Please provide a brief description of the steps taken to assess safeguards requirements of ART/ TREES and Supplier 's ability to meet such requirements . The Supplier should outline how all the TREES safeguards (Section 12 of the standard) will be addressed and respected, and how a national system for providing information on safeguards , or subnational equivalent , will inform TREES safeguards conformity. Your response should include an outline of key current gaps in TREES safeguards conformance and plans for gap-filling actions. Subnational Suppliers should outline how safeguards tracking and/or monitoring tools are consistent with national tracking or tools, in particular with the national system for providing information on safeguards. Please provide links to relevant publicly available information (e.g. summaries of information on safeguards as submitted to the UNFCCC and/or provide a link to, or describe , the either digital or analog system for providing information on safeguards).

> The ENAREDD+ regulated safeguards at the national context, making Mexico's REDD+ approach compatible with forestry and sustainable rural development policies. The ENAREED+ put in place mechanisms at different governance levels to ensure transparency and guide conflict resolution, and recognized rights of indigenous and Afro-descendant peoples, ejidos and communities . The ENAREDD+ also brings mechanisms to ensure the full and effective participation of stakeholders, and environmental integrity in terms of forest and biodiversity management and conservation, as well as attention to the risk of reversal and leakage are addressed.
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> To implement these safeguards, Mexico has developed the National System of Safeguards (SNS in Spanish) and begun to build the Safeguards Information System (SIS in Spanish)[21].

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[21] http://sis.cnf.gob.mx

The SNS has three components: the legal framework, the institutional framework and the compliance framework that apply to each safeguard. The legal framework makes it possible to identify existing federal and state legislation that defines and regulates how a safeguard is implemented. The legal framework in the context of Quintana Roo will allow to respond to the structural indicators of ART TREES during the implementation of the project. The institutional framework identifies the relevant institutions to ensure the implementation and compliance with the legal framework, and corresponds to the process indicators of ART TREES. Finally, the compliance framework, which respond to ART TREES outcome indicators, refers to the mechanisms to solve complaints and ensure compliance as well as report the attention of safeguards.

Applying the SNS scheme, Quintana Roo developed its own safeguards system at the state level (EEREDD+)[22], which comply in general with most safeguards under the ART TREES standard. Both the EEREDD+ and the PdI are aligned with national policy (state safeguard a.1) and contribute to international commitments (state safeguard a.2) corresponding to themes 1.1 and 1.2 respectively of the safeguards component of ART TREES; consider mechanisms for conflict resolution (state safeguard b.3), accountability (state safeguard b.4) corresponding to safeguards themes 2.3, 2.4, and 2.2 of ART TREES; recognize traditional rights and knowledge (state safeguard c.1) that correspond to ART TRRES safeguards themes 3.1, 3.2 and 3.3; built in a participatory manner (state safeguard d.1 corresponding to ART TRRES theme 4.1) and propose the participation of the parties in its implementation (state safeguards d.2 & d.3 corresponding to ART TRRES theme 4.2) , and consider environmental integrity (state safeguards e.1, e.2 corresponding to themes 5.1, 5.2 & 5.3 of ART TREES). In addition, state safeguards b.1 on access to culturally appropriate information and b.2 on participatory decision-making correspond to the ART TRRES safeguards theme 2.1 on respect, protection and compliance with the right of access to information. With regard to state safeguards f.1 and g.1 on the permanence of emission reduction and leakage corresponding to ART TRRES themes 6.1 and 7.1, there is a need to strengthen institutional responsibilities. The PdI REDD + of the AMUSUR has a section on permanence and leakage that proposes a series of actions for each REDD + activity that allow to address these risks.

CONAFOR is leading the development of the SIS, which will generate indicators and reports on the safeguards of public policies and REDD+ activities implemented in the context of the LEAF initiative. Currently, in coordination with the States, a state focal point has been designated to feed the SIS and begin to generate reports of attention to safeguards within the framework of implementation. Before starting the implementation of the project, it is necessary to update the REDD+ PdI and then before the first verification to design the Local Benefit Distribution Plan. Both processes represent a key moment in the project to comply with the "outcome indicators" of the safeguards.

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[22]http://sis.cnf.gob.mx/wp-content/plugins/conafor-files/reportes_generados/Reporte1533568283223.pdf

14. **Financial Intermediary** (FI) Before an ERPA can be finalized, an accredited FI must be identified as a channel for disbursement of funds. FIs will ensure that robust monitoring and reporting procedures on the use of proceeds are in place 4 . If available, please provide the name of the proposed institution(s). Please note there may be multiple candidate institutions.

SEMA has identified 5 potential Financial Intermediaries who are accredited to the GCF with experience working in the State and with whom they have had some previous collaboration: GIZ, UNDP, WWF, FMCN and IUCN. An evaluation will be carried out considering various criteria such as work performance in the State, cost of resource administration, ease of channeling resources based on the LBSP, among others.

15. Contacts and Implementation Arrangements Please describe the key jurisdictional contacts and government entities managing the jurisdictional program and indicate preferences for how subsequent correspondence with your jurisdictions should be handled.

Follow up correspondence should be directed to ███████████████████ ████████

- SECRETARIA DE ECOLOGÍA Y MEDIO AMBIENTE
  ████████████████████

  o SUBSECRETARÍA DE POLÍTICA AMBIENTAL Y PLANEACIÓN
    ████████████████

    DIRECCION DE CAMBIO CLIMATICO
    ████████████████

  o SUBSECRETARIA DE PROTECCION AMBIENTAL
    ████████████████

    DIRECCION DE PROTECCION Y FOMENTO FORESTAL
    ████████████████

    DIRECCION DE POLITICA FORESTAL Y DE SUELO
    ████████████

tel. ███████████████████

- SECRETARÍA DE DESARROLLO AGROPECUARIO, RURAL Y PESCA.

███████████████████████████

    ASESOR DE LA SECRETARÍA DE DESARROLLO AGROPECUARIO, RURAL Y PESCA

███████████████████████████

- AMUSUR (Asociación Municipal para el Medio Ambiente del Sur de Quintana Roo)

███████████████████████████

- H. AYUNTAMIENTO DE OTHÓN P. BLANCO

███████████████████████████

- H. AYUNTAMIENTO DE BACALAR

███████████████████████████

- H. AYUNTAMIENTO DE JOSÉ MARÍA MORELOS

███████████████████████████

- H. AYUNTAMIENTO DE FELIPE CARRILLO PUERTO

███████████████████████████