Funding Proposal

FP324: GCF Results-Based Payments Mexico 2018-2019 aimed at Forest Conservation and Sustainable Livestock

Mexico | Food and Agriculture Organization of the United Nations (FAO) | Decision B.46/04

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Note to Accredited Entities on the use of the funding proposal template

- Accredited Entities should provide summary information in the proposal with cross-reference to annexes such as feasibility studies, gender action plan, term sheet, etc.
- Accredited Entities should ensure that annexes provided are consistent with the details provided in the funding proposal. Updates to the funding proposal and/or annexes must be reflected in all relevant documents.
- The total number of pages for the funding proposal (excluding annexes) **should not exceed 60**. Proposals exceeding the prescribed length will not be assessed within the usual service standard time.
- The recommended font is Arial, size 11.
- Under the GCF Information Disclosure Policy, project and programme funding proposals will be disclosed on the GCF website, simultaneous with the submission to the Board, subject to the redaction of any information that may not be disclosed pursuant to the IDP. Accredited Entities are asked to fill out information on disclosure in section I.4.

Please submit the completed proposal to:

fundingproposal@gcfund.org

Please use the following name convention for the file name:

"FP-[Accredited Entity Short Name]-[Country/Region]-[YYYY/MM/DD]"

ARY			
A.1. Volume of REDD+ results proposed to the GCF (tonnes CO_2eq)	12,915,671 tCO_2e1	**A.2. Year(s) during which the REDD+ results proposed to the GCF for results-based payments have been achieved**	2018-2019
A.3. Total volume of REDD+ results reported by the country during the year(s) in A.2.	12,915,671 tCO_2e	**A.4. If applicable, total volume of REDD+ results previously proposed in other FPs during the current GCF programming period (tonnes CO_2eq)**	Mexico has not proposed or received RBP from GCF.
A.5. Scale	☒ National ☐ Subnational	**A.6. Are REDD+ RBPs and this FP included in the country programme?**	Yes ☒ No ☐
A.7. Has this FP been submitted as a CN before?	Yes ☒ No ☐	**A.8. Has Readiness or PPF support been used to prepare this FP?**	Yes ☐ No ☒
A.9. Implementation period for the reinvestment of the proceeds	6 years	**A.10. ESS category**	B
A.11. Expected date of AE internal approval	2026/06/18	**A.12. Complementarity and coherence**	Yes ☒ No ☐
A.13. Executing Entity information	The project will be executed by the Food and Agriculture Organization of the United Nations (FAO), and the National Forestry Commission (CONAFOR), to deliver project activities financed through GCF proceeds.		

1 While the data from the Lima info hub is presented as the average of the total ER from 2017 to 2019 (6,041,219.00 tCO2e/year), the volume of REDD+ results proposed in Section A.1 is the actual ER achieved in the years 2018 and 2019. This number is the sum of ER reported in the Technical Annex on REDD+: 2018= 6,647,652 and 2019 = 6,268,019. Table VIII page 370: https://unfccc.int/sites/default/files/resource/Mexico_3er_BUR.pdf#page=371

ITY INFORMATION

B.1. Context of the achieved REDD+ results (max. 1000 words, approximately 2 pages)

Mexico's forests play a critical role in the national economy and environmental sustainability by providing ecosystem services, raw materials, biodiversity habitats, and livelihoods for approximately 11.8 million people. As such, forests have long been a national priority, reflected in Mexico's sustained commitment to forest management and rural development.

Despite this, deforestation and forest degradation have remained key drivers of natural capital loss, largely associated with agricultural expansion and unsustainable land-use practices. While significant progress has been achieved through public policies led by CONAFOR, these pressures persisted due to their structural nature and origins beyond the forestry sector. In response, Mexico adopted an integrated landscape approach aimed at addressing deforestation through cross-sectoral coordination and alignment of public policies.

This approach seeks to increase the economic value of forests through sustainable management while promoting coordinated interventions that generate income and sustain rural livelihoods. It emphasizes policy coherence, improved public expenditure efficiency, and stronger intersectoral coordination. Within this framework, REDD+ emerged as a central mechanism to operationalize this vision, providing a platform to address both direct and underlying drivers of forest loss.

From 2010 onwards, Mexico operationalized REDD+ through the development of a national framework, culminating in the National REDD+ Strategy (ENAREDD+). This strategy positioned REDD+ as a vehicle for sustainable rural development while contributing to climate change mitigation and adaptation. It emphasized territorial-level interventions and was later integrated into Mexico's Nationally Determined Contribution (NDC), reinforcing REDD+ as a key instrument to achieve net-zero deforestation and promote landscape-based management.

Importantly, REDD+ built upon existing government programs rather than replacing them. At the territorial level, implementation has been primarily carried out through CONAFOR's public incentive programs, governed by annual Operating Rules. These programs are voluntary, demand-driven, and constitute the main mechanism for delivering REDD+ actions on the ground. They include 1) Sustainable forest production programs, supporting community forest enterprises, forest management, and value chain integration; 2) Conservation and restoration programs, including payments for environmental services, forest restoration, and productive reconversion. These programs are financed through federal budget allocations and resources channeled through the Fondo Forestal Mexicano[2], ensuring continuous support to beneficiaries at the local level.

Mexico's REDD+ readiness process was supported by a diverse mix of domestic and international financing, combining public and grant-based resources under a coordinated framework. Between 2010 and 2019, at least 22 REDD+-related initiatives mobilized over USD 628.6 million, significantly strengthening institutional, technical, and territorial capacities (see Annex 4.1 Due diligence_Results Period).

Domestic public funding—primarily through CONAFOR incentive programs—constituted the backbone of implementation, channeling substantial resources to communities for forest management, restoration, agroforestry, and conservation activities. These investments were complemented by international financing, which played a catalytic role in strengthening systems, piloting approaches, and enabling policy innovation.

A key partner was the World Bank, which supported Mexico through a programmatic approach combining multiple financial instruments. Between 2012 and 2018, approximately USD 460 million was mobilized through instruments including Investment Project Financing, Forest Investment Program (FIP) resources, the Dedicated Grant Mechanism (DGM) for Indigenous Peoples and Local Communities, and grants from the Forest Carbon Partnership Facility (FCPF), Global Environment Facility (GEF), and PROFOR.

These initiatives generated significant results:

- The FCPF Readiness Fund (USD 8.8 million) supported the participatory development of ENAREDD+, including a national consultation process with over 26,000 participants;

2 Created by the General Law on Sustainable Forest Development, Chapter II, Art 139 and 140.

- The Forest and Climate Change Project (USD $392 million IBRD + FIP) strengthened community forest management, benefiting over 265,000 people and expanding sustainably managed forest areas by more than 1.8 million hectares;
- The DGM (USD 6 million) supported Indigenous-led investments in restoration, agroforestry, and value chains;
- The PROFOEM project (USD 66 million) advanced integrated landscape approaches and forest-based rural entrepreneurship.

Additional support was provided by bilateral and multilateral initiatives, including initiatives such as Mexico-REDD+ Alliance (MREDD+) funded by USAID, and the Project to Strengthen REDD+ in Mexico and Promote South–South Cooperation and UNREDD Targeted Support supported by the Government of Norway.

Beyond financing, technical support from these partners was critical in achieving REDD+ results. It contributed to the development of key REDD+ elements required by the UNFCCC, including the National Forest Monitoring System (NFMS), Forest Reference Emission Level (FREL), and Safeguards Information System (SIS), and the ENAREDD+. It also strengthened institutional capacities, improved data systems for decision-making, supported governance mechanisms, and generated pilot experiences in Early Action Areas that directly informed national policy design.

The REDD+ readiness phase enabled a transition from a sectoral forestry approach toward a more integrated, territorial model, improving the effectiveness of public policies in addressing deforestation drivers. While these pressures remained significant due to their structural nature, the combines policy and investment measures helped reduce their impact in priority territories and contributed to emissions reductions observed during the 2018-2019 period.

Key policy and institutional measures implemented during this period include:

- Reform of the General Law on Sustainable Forest Development (LGDFS), which strengthened the legal framework for sustainable forest management, climate mitigation and adaptation, and explicitly promoted the maintenance and enhancement of forest carbon stocks. It also introduced cross-sectoral provisions to prevent agricultural subsidies from driving deforestation and reinforced safeguards implementation.
- Consolidation of ENAREDD+ as a central policy instrument aligned with Mexico's NDC and its net-zero deforestation goal.
- Operationalization of the National MRV system, improving monitoring, reporting, and verification of emissions and removals.
- Implementation of the Safeguards Information System (SIS) and strengthening of the National Safeguards System, ensuring compliance with Cancun safeguards.
- Strengthening intersectoral coordination, including interministerial agreements between forestry, agriculture, and environmental sectors to align policies and reduce conflicting incentives.
- Enhanced social participation and transparency, through participatory platforms, consultation processes, and improved access to information.
- Significant domestic investment through CONAFOR programs, channeling substantial resources at the territorial level to support community forest management, restoration, agroforestry systems, sustainable value chains, and payments for environmental services.
- Improvements to Operating Rules, incorporating environmental and social criteria such as inclusion, participation, and risk management.

The achievement of REDD+ results in Mexico is the outcome of a combined effort between national policies, domestic public investment, international financing, and sustained technical support. REDD+ readiness initiatives did not act in isolation; rather, they strengthened existing government programs, improved coordination across sectors, and built the institutional and technical foundations required for effective implementation.

By integrating financial resources, policy reforms, and capacity-building efforts, Mexico was able to address key drivers of deforestation while promoting sustainable rural development. This integrated approach—anchored in territorial

interventions and supported by strong governance frameworks—was instrumental in generating the emission reductions reported by Mexico for the 2018–2019 period.

According to the latest BUR the country achieved a total emissions reduction of 12,915,671 tCO_2 during 2018-2019 as shown in table 1.

Table 1. Achieved emissions reductions in Mexico during the results period (2018-2019)

	FREL	Emissions		Emission Reduction		
	2007-2016	2018	2019	2018	2019	Total ER
Degradation	886,192	0	0	886,192	886,192	1,772,384
Deforestation	19,358,824	13,597,363	13,976,996	5,761,461	5,381,828	11,143,289

B.2. Description of the reinvestment of the proceeds including theory of change (max. 1000 words, approximately 3 pages plus diagram)

Livestock production in Mexico depends heavily on forests. According to forest monitoring data, 70% of deforestation is linked to cattle ranching as forests are lost to pasture and coincide with livestock production areas, which occur mainly in dry and sub-humid forests. This process highlights the critical role of forests in supporting forage production and underscores the strong interdependence between forest resources and livestock systems (See Annex 12, section 2.1)

Mexico's livestock sector spans more than 100 million hectares, representing over half the country's land area. It contributes approximately 40% of primary sector GDP. The national cattle herd is estimated at between 32 and 34 million head, while bovine meat production reached 2.2 million tons in 2023 and continues to grow. In 2023, Mexico's cattle ranching sector demonstrated its critical role in sustaining rural economies and food security, with over 800,000 producers engaged in the activity—a clear indicator of its importance for livelihoods nationwide, as 70% of production units´ herds are 50 head or less. The annual per capita beef consumption reached 16.0 kg, reflecting strong domestic demand. On the global stage, Mexico holds its position as the fifth-largest producer of beef carcass and ranks 14th among exporters, underscoring its competitiveness in international markets. These figures highlight the sector's economic weight and its potential for further growth, both in meeting domestic demand and strengthening Mexico's role in global beef trade. While this sector ensures national protein self-sufficiency, its current model is environmentally unsustainable and under-adapted to climate risks, as 60% of producers reported losses due climate or biological factors.

Available sector data indicate that livestock production in Mexico is expected to remain under growth pressure in the coming years. The OECD-FAO Agricultural Outlook 2025–2034[3] projects that Mexico's total meat production will grow from an average of 7.77 million tonnes in 2022–2024 to 9.14 million tonnes by 2034, about +17.6%, with annual growth of 1.35% over 2025–2034.

If this growth is met through the expansion of extensive cattle systems, rather than through productivity gains and forest-compatible production models, it could increase pressure on forest–livestock transition zones, particularly in dry and sub-humid forests and deforestation hotspots. This is especially relevant because forest monitoring data indicate that a significant share of deforestation is linked to cattle ranching, where forest conversion to pasture coincides with livestock production areas.

The reinvestment of proceeds therefore targets the sector before future growth further consolidates unsustainable land-use patterns. By supporting productive restoration, silvopastoral and agrosilvopastoral systems, deforestation-free value chains, PES, sustainable finance, territorial governance and monitoring systems, the project aims to decouple livestock-sector growth from deforestation and forest degradation while improving productivity, resilience and rural livelihoods.

Despite progress in forest governance, monitoring, and territorial planning, deforestation in Mexico, particularly in the dry tropical forests of the south and southeast, continues to result from a complex mix of direct and indirect pressures. While extensive pasturelands often border forest areas (over 4 million hectares), livestock grazing alone does not fully

3 Untitled

explain forest loss. Local decisions to convert forests are influenced by factors such as land degradation, insecure tenure, poverty, and limited access to technical and financial support.

The comprehensive vision of sustainable rural development is shared by initiatives such as the Cosechando Soberanía program, as well as ecological transition and water management efforts promoted by the agriculture sector. The period 2026–2030 will also see the implementation of a GEF-financed policy coherence initiative to support multi-sectoral alignment in priority landscapes that provides an important institutional and policy foundation for this proposal and plays an important role in the implementation. Particularly, the GEF project will play a central enabling role by supporting the development of the national policy framework, institutional coordination mechanisms, technical guidance and knowledge base required to transition the livestock sector towards deforestation-free and low-emission pathways. All these efforts are in line with the 2025-2030 National Development Plan, particularly the objectives of the "República Rural Justa y Soberana".

Likewise, the federal government is working toward sustainable transitions for livestock production and its resiliency. For example, this includes the establishment of a methane emissions baseline for cattle livestock activities that will support the validation and implementation of the national strategy to mitigate methane emissions from the livestock sector[4], along with a roadmap for decarbonizing beef production and the inclusion of measures to address deforestation in the agricultural sector programme. This includes pilot programs testing the effectiveness of sustainable livestock practices[5]. Similar initiatives are also being implemented at the state level[6]—for instance, Jalisco has developed a deforestation-free cattle ranching strategy, demonstrating regional commitment to reducing environmental impact.

The establishment of silvopastoral and agrosilvopastoral systems (SSP), as well as regenerative livestock practices, have been shown to deliver higher yields at lower production costs, while contributing to increasing the adaptive capacity of the agricultural sector and the restoration of forest ecosystems. However, effective support for these systems requires reconciling the interests of the individual producer with those of the collective owners of the forests in Mexico (ejidos and communities) while ensuring social and environmental integrity. Cross-sectoral policy alignment between the Secretaries of Agriculture and Environment (SADER)– the latter through the National Forestry Commission, is essential to align these elements and is therefore a central purpose of the proposed use of proceeds.

Mexico will reinvest the results-based payments (RBP) into a transformative program that seeks to address one of the key drivers of deforestation and forest degradation: the expansion and persistence of extensive livestock systems in forest–grassland transition zones. The reinvestment will promote productive restoration in transition zones, forest conservation and sustainable livestock production through silvopastoral and agrosilvopastoral systems, strengthened territorial management, sustainable finance, and improved monitoring and traceability systems. This integrated approach seeks to reduce deforestation associated with cattle production while scaling sustainable livestock solutions across forest–grassland frontiers.

The project recognizes that reducing deforestation pressure in one location may create a risk that land-use change shifts to other areas. However, this risk is considered low because the project does not rely on restricting livestock production or reducing rural livelihoods. Instead, it promotes a transition from extensive cattle ranching toward more productive, climate-resilient silvopastoral and agrosilvopastoral systems, combined with productive restoration, payments for environmental services (PES), strengthened territorial governance, and market incentives for deforestation-free production. These interventions are designed to increase productivity on existing agricultural land while maintaining or improving producer incomes, thereby reducing incentives to expand into forest areas.

The project further reduces displacement risks through its integrated landscape approach. Rather than supporting isolated farm-level interventions, activities are implemented across priority forest–livestock transition landscapes in coordination with territorial agents, ejidos, communities, producer organizations, state governments and federal institutions. This coordinated approach aligns livestock production, forest conservation and territorial planning, reducing the likelihood that production displaced from one area will simply relocate to nearby forests. In addition, support for

4 https://www.ccacoalition.org/projects/mexico-implementing-national-strategy-mitigate-methane-emissions-livestock-sector

5 https://www.gob.mx/agricultura/es/articulos/ganaderia-sustentable-en-mexico-carne-libre-de-deforestacion

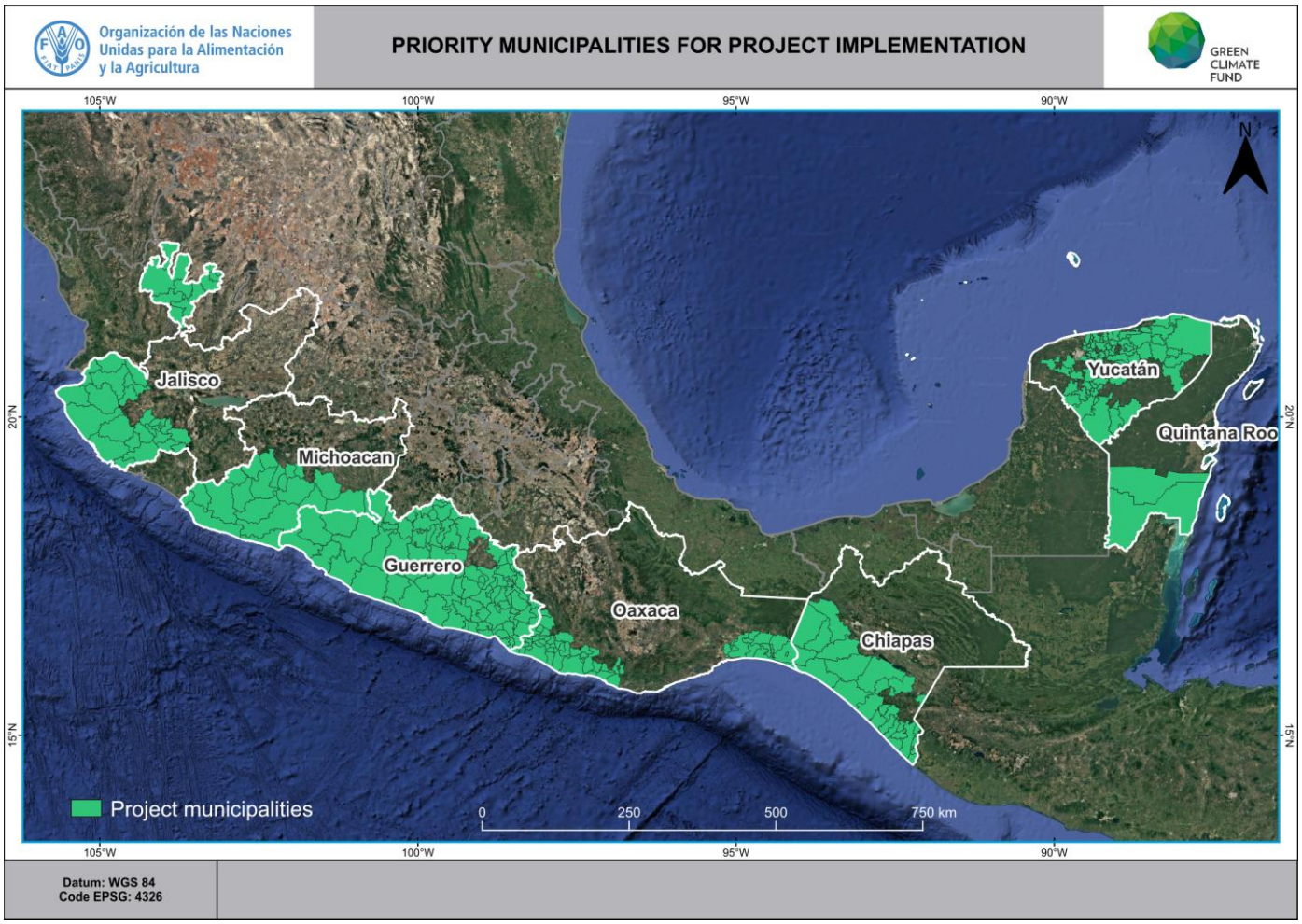
6 https://www.carnelibredeforestacion.mx/

https://www.tncmx.org/que-hacemos/recursos/historias-destacadas/ecogan-chiapas-ganaderia-sostenible/

deforestation-free value chains, traceability systems and sustainable finance strengthens market incentives for maintaining production within existing agricultural land instead of expanding into natural ecosystems.

This project will focus on priority landscapes in forest–livestock transition zones in dry and sub-humid forests in the states of Chiapas, Guerrero, Jalisco, Michoacán, Oaxaca, Quintana Roo, and Yucatán. Jalisco and Chiapas rank as Mexico´s second and sixth-largest cattle producer, respectively. Meanwhile, Yucatán, and Quintana Roo are emerging as potential dairy production hubs. All these states and priority municipalities (listed in Annex 11) have been identified by intersecting ecosystem vulnerability with livestock pressure, and considering existing implementation capacity of state governments and territorial agents. The selection targets territories with the highest cattle density relative to the ecoregion's area within each municipality, highlighting zones where extensive production pressures vulnerable ecosystems. (Figure 1 below).

Figure 1. Priority municipalities for the implementation of Mexico's RBP project



Indigenous Peoples and Afro-Mexican populations are recognized as priority and direct beneficiaries and as key territorial actors in the project intervention areas where they are present. Their participation is relevant across productive reconversion and sustainable livestock systems, Payment for Environmental Services, deforestation-free value chains, territorial planning and governance, capacity development and monitoring. Specific participating peoples, communities and beneficiaries will be identified during the inception phase in accordance with Annex 4.3 Indigenous Peoples Planning Framework, applying self-identification as a fundamental criterion and ensuring culturally appropriate engagement, respect for representative institutions and community decision-making processes, and FPIC where applicable. Project monitoring will capture their participation and access to benefits through disaggregated information, where safe and appropriate. In recognition of their significant presence in several of the project states and their central role in forest conservation, sustainable forest management, and REDD+ implementation in Mexico, the project will seek to ensure that at least 25% of the funding allocated to on-the-ground grant activities is directed to Indigenous Peoples and Afro Mexican population.

The reinvestment will support four mutually reinforcing outcomes aligned with the revised Theory of Change, which addresses barriers related to low-productivity livestock systems, limited technical capacities, weak market and financial incentives, weak territorial coordination, gender inequalities, and the need to strengthen monitoring systems. Each of the project's outcomes is briefly described below.

Outcome 1. Increased adoption of climate-resilient silvopastoral systems and diversified sustainable livelihoods in forest–livestock transition zones.

Output 1.1: Demonstrative productive reconversion models developed and implemented at the local level.

Objective: provide technical assistance to local beneficiaries for the establishment of silvopastoral systems and regenerative practices via Farmer Field School (ECAs) which will be the core mechanism to provide appropriate territorial extension services and capacity development through the project.

Activity 1.1.1. Design and contracting of implementers of Field Schools: this includes designing the Farmer Field School (ECA) model, training methodologies, demonstration packages and technical assistance approach, incorporating gender and culturally appropriate aspects, and building on experiences from SADER, CONAFOR and previous REDD+ initiatives. Select and contract implementing organizations and extension providers.

Activity 1.1.2. Implementation of Field Schools: this includes establishing and operating ECAs to provide field-based learning, technical assistance and organizational strengthening including basic farm and business management skills for producers, ejidos and communities, including women and Indigenous Peoples and Afro-Mexican population. FAO will oversee the implementation of the ECAs, while contracted implementing organizations and extension providers will deliver field-level training and technical assistance in coordination with CONAFOR and SADER.

Output 1.2: Strengthened sustainable practices in transition zones

Objective: support the adoption of productive restoration and sustainable livestock practices that reduce deforestation pressures while improving productivity, resilience and livelihoods. This include the adoption of silvopastoral systems, regenerative grazing, improved fodder production, water and soil conservation practices.

Activity 1.2.1. Design and publication of operating rules for productive restoration activities: CONAFOR develops and publishes Operating Rules annually which include eligibility criteria and implementation procedures for productive restoration interventions including silvopastoral systems. Call for proposals prioritizes application from women and Indigenous and Afro-Mexican Peoples. The project will provide technical input to inform the design of Operating Rules and support targeted outreach efforts at local level.

Activity 1.2.2. Implementation of productive restoration activities (SSP): Selected beneficiaries will directly receive funds to implement productive restoration, including establishment of silvopastoral systems, regenerative grazing practices, improved forage production and restoration of degraded pasturelands. Beneficiaries submit implementation reports and CONAFOR conducts in-person verification and remote monitoring. The project will provide targeted technical support via ECAs (output 1.1) and territorial Agents (output 3.1), and will support CONAFOR's verification efforts.

Outcome 2. Increased economic incentives and access to finance for forest sustainable management, conservation, and forest-compatible production systems.

Output 2.1: Deforestation-free value chains and market access mechanisms developed and operational

Objective: The project will strengthen deforestation-free value chains and market-access mechanisms, including producer organization, demand-side engagement and traceability.

Activity 2.1.1 Development of management capacities of producers' organizations and intermediaries: includes strengthen organizational, business and coordination capacities of producers and local intermediaries to improve aggregation, commercialization and market access. Capacity-building efforts will be design and implemented considering aspects of gender, interculturality and accessible to population that traditionally face barriers to participation particularly women and Indigenous and Afro-Mexican peoples.

Activity 2.1.2 Development of deforestation-free value chains: this includes supporting the implementation of traceability, quality standards, certification processes and linkages between producers, collection centers and markets

through technical assistance, capacity building, assessments, training, facilitation of stakeholder engagement, and support for the adoption of existing traceability and certification systems.

Activity 2.1.3 Development of market from demand side: this includes promoting engagement with buyers, private sector actors and demand-side initiatives through market roundtables, technical consultations, producer-buyer matchmaking, and other stakeholder engagement activities to create market-based, non-financial incentives for deforestation-free products, including improved market linkages, traceability, and access to differentiated markets.

Output 2.2: Payment for Environmental Services (PES) mechanisms designed and implemented with meaningful participation of Indigenous Peoples, Afro-Mexican communities, ejidos and communities

Objective: strengthen forest conservation, sustainable management and ecosystem service provision by supporting the incorporation of areas to PES schemes targeting to ejidos, communities and Indigenous and Afro-Mexican Peoples in priority forest-frontier areas to reduce risks of agricultural expansion and encroachment into forest areas.

Activity 2.2.1 Design and publication of operating rules for PES schemes: CONAFOR develops and publishes Operating Rules annually which include eligibility criteria and implementation procedures for incorporating areas under the PES scheme. Call for proposals prioritizes application from women and Indigenous and Afro-Mexican Peoples. The project will provide technical input to inform the design of Operating Rules and support targeted outreach efforts at local level.

Activity 2.2.2 Implementation of PES schemes: Selected beneficiaries will directly receive funds to implement conservation and sustainable forest management activities outlined in a Guide for Best Management Practices (GMPG). Actions under PES scheme include those related to preventing land-use change, maintaining forest cover, establishing community fire-prevention brigades, monitoring biodiversity, and conducting training workshops. Beneficiaries submit implementation reports and CONAFOR conducts in-person verification and remote monitoring. The project will strengthen technical support to beneficiaries via territorial Agents (output 3.1) and CONAFOR's verification efforts.

Output 2.3: Strengthen and harmonization of financial products to support sustainable practices in transition zones

Objective: to harmonize financial products that enable investment in sustainable practices, productive restoration and deforestation-free livestock systems.

Activity 2.3.1 Activities with government agencies to harmonize financial products: Conduct a diagnostic of existing public financing instruments, incentives, and credit schemes to identify successful experiences, gaps, and barriers to financing sustainable livestock production, productive restoration, and forest conservation. Based on this assessment, coordinate with government institutions to align and strengthen financial products that support the transition to sustainable and deforestation-free production systems.

Activity 2.3.2 Activities with civil society and private funds to harmonize financial products: Conduct a diagnostic of existing financial mechanisms, private funds, blended-finance initiatives, and civil society-led financing schemes that support sustainable production and forest conservation. Based on this assessment, engage private financial institutions, funds, and civil society organizations through technical consultation and coordination to strengthen, align, and expand access to financial products tailored to the needs of small and medium-scale producers adopting sustainable and deforestation-free production systems. NAFIN will play an advisory and catalytic role in this process, contributing to the design and promotion of sustainable financing mechanisms for forest-compatible livestock systems. Through this role, NAFIN will help facilitate dialogue with relevant financial-sector actors and connect the project's technical work with existing public and private financing mechanisms. This activity does not provide financing or financial instruments and does not involve financial intermediation.

Outcome 3. Improved inclusive territorial governance and coordinated landscape management for forest conservation, productive restoration and women's leadership.

Output 3.1: Territorial agents strengthened in sustainable management and territorial planning

Objective: support the engagement of local institutions and organizations (as territorial agents) with a strong territorial presence and demonstrated technical capacities to support landscape governance and the implementation of project activities at the local level.

Activity 3.1.1 Design and publication of operating rules for territorial management by Technical Agents: In coordination with CONAFOR, define the profile, functions, eligibility criteria, and operational procedures for Territorial Agents, including requirements related to territorial presence, technical experience, facilitation capacities, and experience working with rural communities and Indigenous Peoples. Based on these criteria, identify potential local organizations and institutions in the project states and develop a call for proposals to select Territorial Agents that will support project implementation, territorial planning, and stakeholder coordination.

Activity 3.1.2 Implementation of activities by technical agents to support territorial management and planning: Support the operation of selected territorial agents in each project state.Their role includes facilitating stakeholder coordination, supporting engagement with ejidos, communities and producers, strengthening local governance processes, promoting alignment among actors operating in the landscape, and assisting in the implementation and monitoring of project interventions.

Output 3.2: Women's participation and leadership in sustainable landscape management strengthened through productive and income-generating initiatives.

Objective: promote entrepreneurship and strengthen project ideas led by women and young people, adding value to forest raw materials (e.g. carpentry, charcoal production, cosmetics, medicinal plants, handicrafts using fibres and palm, nurseries for restoration activities, ornamental plants, resin).

Activity 3.2.1 Design and publication of operating rules for productive projects by women: CONAFOR develops and publishes Operating Rules annually which include eligibility criteria and implementation procedures for productive projects for women. Call for proposals targets women from ejidos and communities, women' forest enterprises, and organized women groups, and prioritizes application from young, Indigenous, and Afro-Mexican women. The project will provide technical input to inform the design of Operating Rules and support targeted and gender-appropriate outreach efforts at local level.

Activity 3.2.2 Implementation of productive projects by women: Provide financing (non-reimbursable public financial incentive), technical assistance and capacity development for women-led groups and enterprises to design and implement productive projects linked to forests, sustainable livelihoods and natural resource management, including a forest project incubator for women modality[7]. Beneficiaries submit implementation reports and CONAFOR conducts in-person verification and remote monitoring. The project will provide targeted technical support via ECAs (output 1.1) and territorial Agents (output 3.1), and will support CONAFOR's verification efforts.

Outcome 4. Enhanced institutional capacities, coordination and monitoring systems to sustain REDD+ implementation and climate-resilient landscape management.

Output 4.1: Strengthened capacities of institutions, territorial actors and technical staff to support sustainable silvopastoral systems and project formulation

Objective: strengthen the technical and operational capacities of institutions, territorial actors and technical staff to support silvopastoral systems, productive restoration and project formulation.

Activity 4.1.1 Assessment and strengthening of institutional capacities to support sustainable silvopastoral systems: Conduct institutional capacity assessments at different levels, including of state and field personnel working directly with project beneficiaries. The assessment will identify gaps and opportunities to strengthen technical assistance services, implementation support, monitoring and reporting systems, and the integration of gender equality and social inclusion considerations. Based on the findings, targeted capacity-strengthening measures and methodologies will be designed accordingly.

Activity 4.1.2 Capacity development of staff in selected institutions: Deliver training, technical assistance, and ongoing accompaniment to public institutions, Territorial Agents, and technical personnel involved in project implementation. Technical training and mentoring will be provided throughout implementation to strengthen capacities related to silvopastoral systems, productive restoration, monitoring, and project implementation. Also capacity-building activities will also cover topics such as human rights, Indigenous Peoples' rights, culturally appropriate engagement,

[7] The forest project incubator is a technical assistance and capacity-building mechanism. It supports eligible women-led groups and enterprises in developing project concepts, technical and business plans, safeguards documentation, organizational and financial management capacities, and market and financing readiness through mentoring and specialized support. It does not provide loans, guarantees, equity, or other financial instruments, nor does it act as a financial intermediary.

gender equality, social inclusion, stakeholder participation, grievance mechanisms, and environmental and social safeguards, guided by the project's ESMP, GAP, SEP, IPP to be finalized during the inception phase.

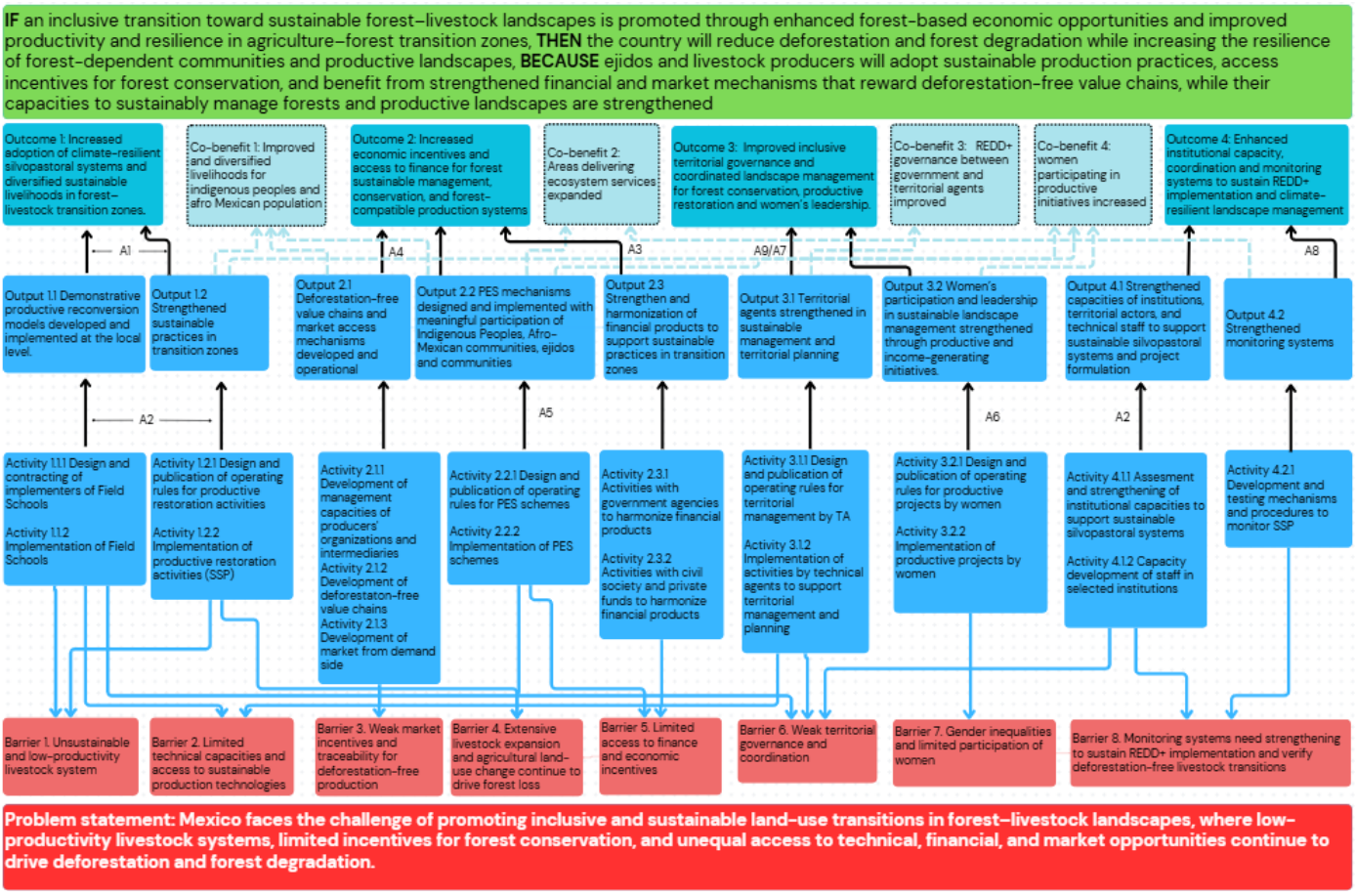
Output 4.2: Strengthened monitoring systems

Objective: The project will also strengthen monitoring systems to track land-cover change, restoration, grazing plans, forage production, livestock carrying capacity, land clearing, agricultural fires, traceability of deforestation-free production and greenhouse-gas emissions linked to project-supported practices.

Activity 4.2.1 Development and testing mechanisms and procedures to monitor SSP: Review and assess existing monitoring systems and institutional arrangements, identify the most suitable platforms and methodologies for monitoring silvopastoral systems, and strengthen institutional and operational capacities to implement monitoring of sustainable livestock practices, restoration activities and associated environmental outcomes.

The pathway assumes producer uptake, effective technical assistance, continued availability of incentives and finance, market interest in deforestation-free products, participation by ejidos, communities and women, sustained institutional coordination, effective use of monitoring systems, and conducive political and security conditions.

Theory of change



Assumptions:

A1. Producers adopt sustainable production and restoration practices.
A2. Extension and training mechanisms drive behavioral change.
A3. Financing for sustainable production remains available.
A4. Market incentives support sustainable and deforestation-free production.
A5. Communities and landowners participate in restoration and PES initiatives.
A6. Women have the interest and ability to participate. in productive, leadership, and governance processes.
A7. Stakeholders maintain collaboration and coordination.
A8. Monitoring and traceability systems are effectively used.

Expected Contributions (Impact Metrics)

The expected contributions of Mexico's RBP project and their associated impact metrics are included in Table 2 below. See

Table 2. Mexico's RBP Project expected contribution and metrics

Indicator	Target
tCO_2e reduced (2027–2032)	262,801tCO2-eq
Number of direct and indirect beneficiaries reached by eligible project-supported interventions	33,720 (30% women) [8] (Direct: 26,840; Indirect: 6,880).
Number of production units supported for productive transformation / implementation of SSP	1600
Percentage of direct beneficiaries participating on-the-ground grant activities are Indigenous Peoples or Afro-Mexican population	at least 25%
Number of productive projects led by women	120
Number of women participating in productive initiatives	1,200
Number of field schools implemented	1,200
Number of participants involved in field schools disaggregated by sex, Indigenous self-identification and Afro-Mexican self-identification	12,000[9]
Number of Territorial Agents supported to implement landscape approach	25
Ha supported with PES	205,000 ha
Number of beneficiaries disaggregated by sex, Indigenous self-identification and Afro-Mexican self-identification adopting innovations that strengthen climate change resilience (PES)	20,000

Alignment with the Paris Agreement and REDD+ Framework

This proposal is aligned with current NDC which establishes as mitigation measures *7.1.4 Encourage deforestation-free agricultural and livestock production through the adoption of best operating and engineering practices, strengthening regulations, monitoring of forest lands, certification, labeling, and promotion of sustainable products and supply chains*, and *7.4.4. Promote technical assistance programs for the implementation of agroforestry and silvopastoral systems, promoting sustainable productivity and landscape resilience*. Moreover, the objective is also aligned with Mexico´s National REDD+ Strategy (ENAREDD+), which identifies livestock as one of the main drivers of deforestation and forest degradation, and silvopastoral systems as a mechanism to address it; the ENAREDD+ also mandates the identification of financial instruments to invest in practices that reduce deforestation and forest degradation. This proposal builds directly on Mexico's national REDD+ strategy, Warsaw Framework elements, and previous REDD+ readiness and results-reporting processes.

[8] See explanation of the indicator in section G1, under notes of Core 2: Direct and indirect beneficiaries reached.

[9] To avoid double counting across ECAs, approximately 43 percent (5120 participants) of ECA participants at project completion are assumed, for ex-ante target-setting purposes, to be additional unique beneficiaries who do not also receive productive, income-generating or resilience-related project support.

It contributes to the UNFCCC Warsaw Framework for REDD+ by reinvesting verified emission reductions into activities that address key drivers of deforestation. The proposal is also in line with the Paris Agreement, the Koronivia joint work on agriculture, and the Sharm el-Sheikh joint work on implementation of climate action on agriculture.

The program upholds the Cancún Safeguards, particularly by:

- Ensuring full participation of Indigenous Peoples, ejidos, and local communities, with PES structured at the collective level, and the rest of actions articulated to it.
- Promoting equity, transparency, and local governance, including gender equity, through participatory land-use planning and accountable MRV.
- Integrating environmental and social safeguards through the established systems of FAO and REDD Safeguards arrangements led by CONAFOR as national focal point.

Consistency with GCF Strategic Plan (2024–2027)

The proposed reinvestment aligns with the GCF's updated Strategic Plan by:

- Delivering a high-impact, nationally owned climate solution, embedded in public policy reform directed to support a paradigm shift in the country.
- Addressing multiple GCF result areas: Forests and Land Use (75%) and Most vulnerable people and communities (25%).
- Scaling nature-based solutions with economic co-benefits and strong private sector engagement generating measurable results in mitigation and adaptation to climate change.
- Advancing financial innovation through blended mechanisms and enhanced access to credit for sustainability-aligned investments.
- Contributing to Just Transitions, particularly in rural areas with high poverty and environmental vulnerability.
- Contributing to Target 5 by ensuring conservation and restoration of forest lands bringing under improved climate-resilient management 205,000 hectares through PES.

Table 3 below provides and overview of Mexico's RBP proposal against GCF's investment criteria. Annex 12 to this proposal, includes a more detailed description of compliance with GCF criteria.

Table 3. Compliance of Mexico's RBP project with GCF investment criteria

Criterion	Description
Impact potential	This project will contribute to the goals of Mexico's NDCs in terms of mitigation by reducing emissions linked to the agriculture, forestry, and other land use sector (AFOLU). The project will contribute to Mexico´s 2030 targets under NDC 3.0, including mitigation action 7.1.1 on reducing deforestation and promoting sustainable land-use transition. The mitigation impact of project activities against a hypothetical reference scenario, including methane, has been estimated using NEXT (Nationally Determined Contribution Expert Tool). The cumulative mitigation potential by the end of the implementation (end of 2032) is 262,801 tCO_2-eq (8 of which correspond to reduction of enteric fermentation through better feed practices), and by 20 years after the end of the implementation (end of 2052) is 2,047,070 tCO_2-eq (see appendix 4 of annex 12 for the NEXT report)
Paradigm shift potential	The reinvestment of REDD+ proceeds can catalyze a shift from extensive deforestation-linked cattle production toward scalable, low-emission and climate-resilient livestock–forest landscapes by combining silvopastoral systems, productive restoration, PES, finance, traceability, MRV and field learning. Anchored in CONAFOR, SADER, and local governance, the project will strengthen enabling conditions, policy coherence and support replication beyond priority states, while supporting Mexico's NDC 3.0 objectives on resilient productive systems and ecosystem conservation.
Sustainable development potential	The project will deliver sustainable development benefits by conserving forests, restoring degraded pastures, strengthening biodiversity and hydrological services, and reducing pressure on forest ecosystems. It will also support resilient rural livelihoods, sustainable finance, deforestation-free value chains and improved market access for producers, while

	promoting equitable participation and gender-sensitive benefits for women, ejidos, Indigenous Peoples and local communities, in line with Mexico's NDC 3.0 priorities on adaptation, just transition and transversal climate policy.
Needs of the recipient	Despite being among the 15 largest economies in the world and the second largest economy in Latin America and the Caribbean, and having strong macroeconomic institutions, Mexico has underperformed in terms of growth, inclusion and poverty reduction compared to similar countries over the last three decades. Average economic growth per year between 1980 and 2018 was low at around 2%, limiting progress relative to high income economies. After contracting by 8.2% in 2020, Mexico's economy grew by 4.8% in 2021
Country ownership	This project has been developed in collaboration with multiple institutions and stakeholders under the lead of CONAFOR and the guidance of the NDA, the Mexican Ministry of Finance and Public Credit (SHCP) and SADER. FAO has supported the drafting of this project that has involved a participatory, consultative, and multi-sectoral planning process.
Efficiency and effectiveness	The project has been designed considering lessons learned from other projects and similar experiences from CONAFOR and other initiatives which have provided with information about the best alternatives to adequately finance the efforts to address the drivers of deforestation and forest degradation in dry forests, and transform the relationship between conservation and livestock sector, while attracting additional funding.

B.3. Description of how the reinvestment of the proceeds is designed to deliver non-carbon benefits beyond the Cancún Safeguards (max. 1000 words, approximately 2 pages)

Mexico's RBP proposal is design to generate non-carbon benefits (NCBs) beyond the Cancun Safeguards. The proposal aims to support a model that not only ensures conservation, but also strengthens long-term rural livelihoods, territorial governance, and ecosystem services beyond safeguard compliance requirements. The non-carbon benefits claimed under this section are distinct from those compliance obligations and consist of additional, measurable environmental, social and governance benefits generated through the reinvestment of RBP proceeds. Through the implementation of this model in key interventions areas, the RBP proposal is targeting the following social, governance, and environmental NCBs:

Social

- Improved and diversified livelihoods for indigenous peoples and Afro Mexican population

The development of productive activities around the sustainable management and conservation of natural resources is one of the strategies promoted by the RBP proposal through the implementation of silvopastoral systems (Output 1.2), payments for environmental services (Output 2.2), and women's participation in productive and income-generating initiatives (Output 3.2). This benefit has been integrated into the project design because, in line with the objectives of ENAREDD+, the core of the RBP proposal is to protect and sustainably manage forests while promoting coordinated interventions that generate income and sustain rural livelihoods. The RBP proposal promotes long-term economic alternatives linked to sustainable forest management in areas facing high pressure from livestock expansion, thereby addressing structural drivers of deforestation while strengthening local resilience and livelihood diversification particularly of indigenous peoples and Afro Mexican population.

This NCB is aligned with Cancun Safeguards (f) on actions to address the risk of reversals and (g) on actions to reduce displacement of emissions. Investments in Outputs 1.2, 2.2, and 3.2 will promote job creation and increased income derived from RBP activities, thereby supporting the permanence of emission reductions and the sustainability of these models in the long term. These actions will foster low-carbon economic systems and provide economic and environmental tools to Indigenous Peoples or Afro-Mexican groups facing the impacts of climate change. Additionally, investments in livelihood support enabled by RBP in forest areas at risk of livestock expansion will contribute to reducing the risk of emissions displacement. Therefore, the additional benefit is actual access to economic opportunities through PES, SSP/productive restoration, and other productive support that can strengthen income and resilience.

This benefit will be monitored and reported annually as part of the Project's results framework. The indicator to track this NCB will be: *" Percentage of direct beneficiaries participating on-the-ground grant activities are Indigenous Peoples or Afro-Mexican population disaggregated by sex".* This indicator quantifies percentage of indigenous peoples and Afro Mexican population in ejidos, communities, and small landowners who receive support from CONAFOR for forest conservation practices (PES), productive activities linked to sustainable management (silvopastoral systems) and women lead productive projects.

- Delivery of benefits in terms of gender equality, including the promotion of productive activities led by women and the development of gender-responsive technical assistance and skills development schemes.

By design, the RBP proposal seeks to support resilient rural livelihoods, sustainable finance, and deforestation-free value chains, with particular attention to promoting equitable participation and gender-responsive benefits for women. The project will encourage meaningful participation of women through targeted actions and affirmative measures, supported by adequate capacity development. While CONAFOR's programs already include provisions to promote gender inclusion, the RBP proposal goes further by incorporating a dedicated output (3.2) specifically designed to strengthen women-led productive activities and improve women's access to technical assistance, capacity development, and financial benefits derived from RBP reinvestment.

This NCB is aligned with Cancun Safeguard (d) on the full and effective participation of relevant stakeholders in REDD+ actions, as the RBP proposal includes specific activities targeting key beneficiary groups, including women to ensure their meaningful participation and equitable access to project benefits. In addition, the proposal integrates a gender inclusive approach to ensure that capacity building and skills development initiatives supported by RBP are accessible and responsive to women's needs.

This benefit will be monitored and reported annually as part of the Project's results framework. The indicators to track this NCB will be: *"*Number *of women participating in productive initiatives due to RBP support through accessing PES schemes, incentives for the implementation of silvopastoral systems, or RBP project-supported technical assistance, compared to baseline conditions."* This indicator quantifies women beneficiaries in ejidos, communities, and small landowners receiving support from CONAFOR and FAO for both productive activities (particularly under Output 3.2) and the development of technical capacities and skills. The second indicator is: *"Percentage of RBP project supported technical assistance and training schemes that incorporate gender responsive criteria, participation targets, and sex disaggregated monitoring."* This indicator quantifies training courses, workshops, and capacity building mechanisms supported by RBP proceeds that are designed and implemented following gender responsive criteria.

Governance

- Delivery of benefits in terms of improved territorial and landscape level governance

The RBP proposal aims to strengthen REDD+ governance by enhancing coordination between agriculture and forestry sector institutions, as well as between federal and state governments, to address the main drivers of deforestation and forest degradation in dry forest areas. At the territorial level, a key coordination mechanism of the proposal—building on and going beyond existing institutional mechanisms—is the engagement of territorial agents (local public institutions or civil society organizations) that directly support ejidos, communities, and small landowners in implementing activities on the ground (Output 3.1). These territorial agents operate at the landscape level, with knowledge of ongoing initiatives from different sectors and the ability to engage with a wide range of local stakeholders. Strengthening their capacities and providing them with the necessary tools is expected to drive a governance shift, enabling more effective and coordinated implementation by RBP reinvestment. This approach goes beyond existing safeguard requirements by creating durable territorial coordination mechanisms that strengthen cross-sector governance and improve local participation in land-use decision-making processes.

This NCB is aligned with Cancun Safeguard (b) on transparent and effective national forest governance as the RBP project will strengthen territorial agents' capacities, leveraging their landscape-level presence and connections with local stakeholders, and this is expected to enable a shift toward more effective and coordinated governance, improving on-the-ground implementation of the RBP reinvestment.

This benefit will be monitored and reported annually as part of the Project's results framework. The indicator to track this NCB will be: "*Coordination mechanisms in place between government and territorial agents (public institutions and/or civil society organizations) to improve governance for REDD+ (number of agreements signed)".* This indicator

will measure the number of formal mechanisms established through formalized coordination agreements between CONAFOR and territorial agents in each of the participating states. These agreements will act as the formal framework to advance sustainable forest and livestock management outcomes during and beyond the RBP project.

Environmental

- Delivery of benefits in terms of ecosystem-service and biodiversity.

A key mechanism promoted by the RBP proposal to support sustained forest conservation and enhance the value of forest ecosystems is the Payment for Environmental Services (PES) scheme (Output 2.2). CONAFOR's PES program is designed not only to compensate ejidos and communities for maintaining forest cover, but also to promote activities such as restoration, soil conservation, pest and fire management, and monitoring, thereby contributing to biodiversity conservation and habitat protection. The RBP proposal will expand PES mechanisms into new priority forest areas where these schemes have not previously been implemented, strengthening long-term ecosystem service provision, biodiversity conservation, and the financial sustainability of forest conservation efforts.

This NCB is aligned with Cancun Safeguard (e) on the conservation of natural forests and biological diversity as the RBP proposal will promote long-term financial and institutional mechanisms for promoting the delivery of forests' ecosystem services through implementing PES schemes in new areas.

This benefit will be monitored and reported annually as part of the Project's results framework. The indicators to track this NCB will be: "*New areas* under *payment for environmental services (PES) mechanisms due to RBP project support (number of hectares) delivering ecosystem services*". This indicator will measure the area newly incorporated into CONAFOR's Payment for Environmental Services (PES) program. The second indicator is "percentage of ejidos/communities receiving PES that implement biodiversity monitoring in their territories" and it will measure the beneficiaries applying the CONAFOR's framework for biodiversity monitoring at local level. The project will expand PES to 205,000 ha and aims for 50% of PES-supported ejidos/communities to implement biodiversity monitoring. These are affirmative environmental benefits beyond simply avoiding harm or respecting safeguards.

The proposed NCBs are embedded within the long-term implementation framework of CONAFOR and aligned with ENAREDD+ objectives, ensuring that benefits generated through RBP reinvestment can be sustained beyond the duration of the project. Beyond meeting Cancun Safeguards requirements, the proposal seeks to generate durable environmental, social, and governance benefits through strengthened territorial governance, expanded PES schemes, livelihood diversification, and gender-responsive approaches that reinforce the permanence of emission reductions while improving resilience and well-being among forest-dependent communities. Monitoring of these benefits will be integrated into the Project's results framework and annual reporting processes. The project-attributable baseline will recognize that, prior to implementation, there are zero beneficiaries or areas receiving support attributable to this specific GCF RBP reinvestment. The number and profile of participating Indigenous Peoples, Afro-Mexican populations and communities will be established during inception once specific sites and beneficiaries are selected.

B.4. Implementation arrangements for reinvestment of proceeds (max. 1500 words, approximately 3 pages plus diagrams)

Organisational structures and implementation arrangements

The Government of Mexico, through CONAFOR -Mexico´s focal point for REDD+, has requested FAO's technical and overall assistance for the design and implementation of the REDD+ Results-Based Payments funding proposal. The following governance mechanisms for project execution, coordination and oversight have been agreed between CONAFOR and SADER, in close coordination FAO as the Accredited Entity. The proposal development process also involved the Ministry of Environment and Natural Resources (SEMARNAT) and the Ministry of Finance and Public Credit (SHCP), which serves as Mexico's National Designated Authority (NDA) to the GCF.

Accredited Entity

FAO will serve as the Accredited Entity (AE) for this project. As such, FAO will be responsible for the overall management of the project, including (i) oversight of project appraisal, (ii) administrative, financial and technical management, oversight and supervision throughout project implementation; (iii) ensuring funds are effectively used to deliver results and achieve objectives; (iv) ensuring the quality of project monitoring, as well as the timeliness and quality of reporting to the GCF; and (v) project evaluation and closure. FAO will ensure these responsibilities in accordance with the detailed provisions outlined in the Accreditation Master Agreement (AMA) between FAO and GCF.

FAO's role as AE will be attributed to the relevant offices and divisions in FAO Headquarters located in Rome, Italy (HQ), Regional/Sub-Regional Office and the Country Representation Office for Mexico (FAO-MX).

In order to fulfil the AE functions, FAO will set up a dedicated Project Task Force (PTF) in line with FAO project cycle guidelines. The PTF will be composed by the Budget Holder (BH), the Lead Technical Officer (LTO), Funding Liaison Officer (FLO), HQ Technical Officer, and other officers, as appropriate. The PTF will remain independent from the Executing Entity functions also performed by FAO. In line with the GCF policy on fees adopted through GCF Board Decision B.19/09, the above-mentioned segregation of responsibilities within FAO will ensure that the Organization can independently and effectively perform the AE functions listed in the GCF General Principles and indicative list of eligible costs covered under GCF fees and project management costs.

Executing Entity

The project will be executed by FAO, acting through its Representation in Mexico (FAOMX), and the CONAFOR, to deliver project activities financed through GCF proceeds.

There is a clear advantage in jointly executing the project with CONAFOR, as this approach will leverage complementary skills, capacities, and expertise to achieve the desired results. It will also enhance the sustainability of project outcomes and support the continuous strengthening of CONAFOR's institutional capacity to implement, coordinate, and monitor climate and environmental policies and programmes.

In its role as Executing Entity, FAO-MX will be responsible for day-to-day project implementation, including operational planning, procurement, financial administration, coordination with national counterparts. FAO-MX will implement directly the activities assigned to FAO through the provision of goods, services, technical assistance, and project management support incompliance with FAO rules and procedures, implementation supervision, consolidation of technical and financial information, and reporting to the Accredited Entity function within FAO.

FAO-MX is directly responsible for the execution of Outputs 1.1, 2.1, 2.3, 4.1 and 4.2. FAO will provide technical support for the design and implementation of ground interventions as well to strengthen capacities of the counterpart and key stakeholders and beneficiaries, at different levels. Similarly, FAO will ensure full compliance with FAO's Framework for Environmental and Social Management (FESM) at all times. Main areas of technical support will encompass integrated land-use planning, sustainable forest management, community-based forestry, restoration, forest and land governance in support of strategic national land-use and land-cover plans, enhancement of practices on forest management, sustainable rural development and environmental and social safeguards. Furthermore, FAO expertise in REDD+, climate change mitigation, forest monitoring and MRV will be key areas of technical support within the framework.

CONAFOR will be responsible for the implementation of Outputs 1.2, 2.2, 3.1 and 3.2. CONAFOR is the best-fit partner based on its mandate, technical expertise, operational capacity, and central role in achieving the project results. CONAFOR also brings long-standing experience as Mexico's REDD+ focal institution and as the lead federal agency for large-scale forestry programmes, including payment for ecosystem services, restoration, sustainable forest management and community-based forest governance. As the federal institution responsible for implementing forest policy in Mexico, and with extensive experience implementing payment for ecosystem services and community-based climate resilience initiatives across the country, CONAFOR brings valuable expertise in managing development projects and ensuring effective delivery of forest and climate actions. CONAFOR is a leading institution in Mexico, with established systems for fiduciary management, environmental and social safeguards, and community engagement, and will support implementation of the project in accordance with the requirements of the AMA and FAA. CONAFOR will be responsible for delivering the agreed activities and outputs, as well as for managing the resources transferred by FAO, in accordance with FAO rules and procedures. A clear division of roles as EEs is described in Table 4.

Table 4. Mexico's RBP project structure with outcomes, outputs and responsible institutions

Outcome	Output	Executing Entity
Outcome 1. Increased adoption of climate-resilient silvopastoral systems and diversified sustainable livelihoods in forest–livestock transition zones	Output 1.1. Demonstrative productive reconversion models developed and implemented at the local level.	FAO
	Output 1.2. Strengthened sustainable practices in transition zones	CONAFOR

Outcome 2. Increased economic incentives and access to finance for forest sustainable management, conservation, and forest-compatible production systems	Output 2.1. Deforestation-free value chains and market access mechanisms developed and operational	FAO
	Output 2.2. Payment for Environmental Services (PES) mechanisms designed and implemented with meaningful participation of Indigenous Peoples, Afro-Mexican communities, ejidos and communities	CONAFOR
	Output 2.3 Strengthen and harmonization of financial products to support sustainable practices in transition zones	FAO
Outcome 3. Improved inclusive territorial governance and coordinated landscape management for forest conservation, productive restoration and women's leadership.	Output 3.1 Territorial agents strengthened in sustainable management and territorial planning	CONAFOR
	Output 3.2 Women's participation and leadership in sustainable landscape management strengthened through productive and income-generating initiatives.	CONAFOR
Outcome 4. Enhanced institutional capacity, coordination and monitoring systems to sustain REDD+ implementation and climate-resilient landscape management	Output 4.1 Strengthened capacities of institutions, territorial actors and technical staff to support sustainable silvopastoral systems and project formulation	FAO
	Output 4.2. Strengthened monitoring systems	FAO

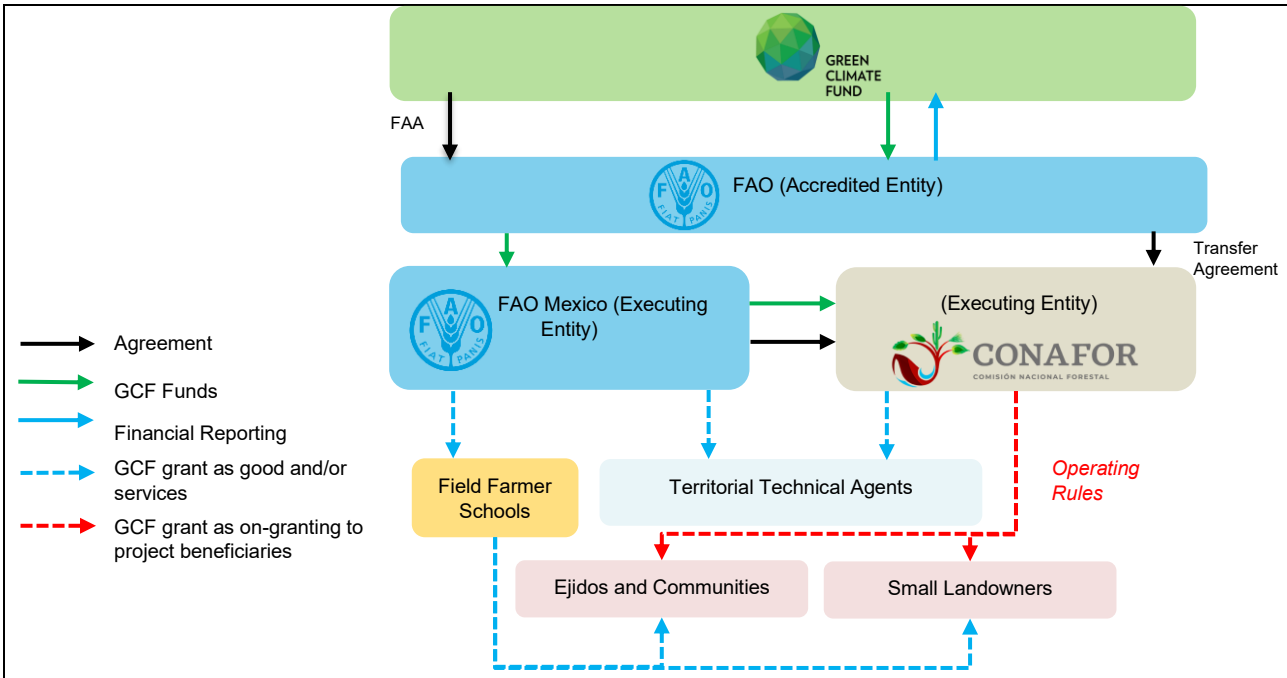
Flow of funds structure

In line with the project implementation arrangements outlined above, GCF proceeds received by FAO in its capacity of Accredited Entity will flow to the Executing Entities, namely FAO-MX and CONAFOR for the implementation of the project activities. The provisions regarding CONAFOR responsibilities as EE, together with all financial details, will be included in the Transfer Agreement, which will also serve as subsidiary agreement, to be signed between FAO and the Government of Mexico acting through CONAFOR.

Where relevant, CONAFOR may channel support to final beneficiaries, including through Payment for Environmental Services (PES) and other eligible mechanisms for productive restoration, in accordance with the applicable Operating Rules (RoP) and relevant FAO procedures. Figure 3 illustrates the flow of funds structure described.

While the project has identified priority intervention geographies at the state and municipality level, specific implementation sites and beneficiaries will be selected during implementation through the applicable operating rules, calls for proposals and implementation instruments. Site selection will prioritize forest–livestock transition zones and deforestation-risk landscapes. Selection criteria will include deforestation and degradation risk, relevance to extensive livestock drivers, potential for productive restoration and silvopastoral or agrosilvopastoral systems, feasibility of PES or deforestation-free value-chain development, willingness and eligibility of producers, ejidos, communities and women's groups, and compliance with the project ESMF and exclusion list.

Figure 2. Flow of funds structure for Mexico's RBP project



Leverage funding

Project's activities will be implemented in a complex environment of different initiatives and investments from federal and state governments as well as international cooperation in the selected states. The National Forestry Commission (CONAFOR) will provide its institutional capacity (personnel, infrastructure) to operate Outputs 1.2 2.2, 3.1 and 3.2. CONAFOR, SADER and the States' Governments invest in sustainable forest management, forest conservation and restoration, and sustainable productive practices in the intervention states. International cooperation is also present in the territories or with similar thematic scope, including GEF funded projects Mexico's first national policy for deforestation-free and low-emission: transforming the livestock sector; Food systems, indigenous peoples and biodiversity, Ecosystem restoration and sustainable livelihoods in the Biocultural Corridor of the Central West of Mexico (COBIOCOM), ORIGEN: Restoring Watersheds for Ecosystems and Communities, among others. Table 5 describes the complementarity of these GEF-funded projects with the proposed RBP project.

Table 5. Relevant GEF-funded projects and its complementarity with RBP proposal

Project name	Total amount (Grant+Cofinance) Million USD	Complementarity with RBP Project
Mexico's first national policy for deforestation-free and low-emission: transforming the livestock sector	72.2	To strengthen policy coherence across sectors, levels of government, and the private sector by developing and implementing Mexico's first deforestation-free and low-emission livestock policy, aligning national and subnational planning, public incentives, and private investment.
Ecosystem restoration and sustainable livelihoods in the Biocultural Corridor of the Central West of Mexico (COBIOCOM)	261.7	This project is intended to restore degraded landscapes in the Biocultural Corridor of the Central West of Mexico the through integrated landscape management, sustainable productive activities, multi-level governance and innovative financing.
ORIGEN: Restoring Watersheds for Ecosystems and Communities	159.5	Restoring degraded landscapes with an integrated watershed approach, strengthening planning, promoting local restoration actions and mobilizing funding.
Promoting sustainability in the agave-mezcal value chain through restoration and	36.4	Sustainable practices in the agave-mezcal value chain in the Oaxaca Mezcal Region through an integrated landscape management approach that privileges non-

integrated management of biocultural landscapes in Oaxaca		monoculture cultivation, species protection and the maintenance of ecosystems services.
Food systems, indigenous peoples and biodiversity	22.6	To strengthen Mexican indigenous food systems by ensuring their sustainability, resilience and contribution to the sustainable use and conservation of biodiversity
Basin Approach for Livelihood Sustainability through Adaptation Strategies (BALSAS)	91	Transform rural development incentives by emphasising the conservation of forest resources and strengthening of local institutions and capacities, prioritizing bottom-up decision-making and value chain development

Governance structure

A Project Steering Committee (PSC) will be established as the highest level of project governance to guide overall project implementation and ensure inter-institutional coordination. The PSC will be chaired by CONAFOR and include the participation of the Secretariat of Agriculture and Rural Development (SADER), Secretariat of Environment and Natural Resources (SEMARNAT), FAOMX, and the Ministry of Finance and Public Credit. The composition of the PSC will ensure adequate women's representation and gender expertise through the inclusion of a designated Gender Focal Point from CONAFOR and the Gender Equity and Social Inclusion (GESI) Specialist from the PMU, who will serve as a technical advisor. This arrangement will help ensure that gender considerations are systematically integrated into all strategic decisions, oversight functions, and project implementation processes. The Project Management Unit (PMU) will act as secretariat of the Project Steering Committee. The mandate of the Steering Committee will include:

- Provide overall guidance and direction to the project, ensuring it remains within any specified constraints;
- Address project issues as raised by the project manager;
- Provide guidance on project risks, and agree on possible countermeasures and management actions to address specific risks;
- Agree on project manager's tolerances as required;
- Analyse and discuss the development of the Project activities and recommend changes as required based on project monitoring and evaluation processes and products, in line with FAO policies;
- Discuss and approve the Annual Work Plans ensuring that required resources are committed;
- Appraise the annual project implementation report, including the quality assessment rating report;
- Make recommendations for the work plan;
- Provide ad hoc direction and advice for exceptional situations when the project manager's tolerances are exceeded;
- Discuss and approve the Progress Reports and Final Report of the Project;
- Analyse Project achievements and assure these are used for performance improvement, accountability and learning; and
- Settle controversies arbitrating any conflicts within the project or negotiating solutions to any problems with external bodies.

A Project Management Unit (PMU) will be established within FAO-MX, as Executing Entity, to support the day-to-day management and implementation of the project. The PMU will serve as the project's technical and administrative management unit and will be composed of personnel recruited directly by FAOMX. While institutionally anchored in FAOMX, selected PMU personnel may be based in CONAFOR offices in order to facilitate day-to-day coordination, liaison and technical follow-up with CONAFOR and other relevant counterparts. Such personnel will remain part of the PMU and under the authority, management, and supervision of FAOMX. Ensuring alignment between FAO's and CONAFOR's operating procedures, the PMU will be responsible for overall project coordination, administration, planning, budgeting, procurement support, monitoring, safeguards follow-up, reporting, knowledge management, and secretariat support to the PSC, in accordance with the guidance and decisions of the PSC and the approved annual work plans and budgets (AWPBs). FAOMX will provide overall administrative and programmatic support to the PMU.

The Lead Technical Officer (LTO) at FAO HQ will provide technical oversight and guidance to ensure the quality and compliance of project implementation, while overall coordination and day-to-day management of the PMU will be led by FAOMX. The PMU will include the following personnel: (i) Project coordinator, (ii) Administrative and Finance assistant. (iii) Operations and Finance assistant, (iv) Procurement assistant, (v) Communications and knowledge management specialist, (vi) Administrative assistant. (vii) Environmental and Social Safeguards specialist, (viii) Gender Equity and Social Inclusion specialist, (ix) Monitoring and Evaluation specialist.

The PMU will operate under FAO rules and procedures and will coordinate closely with CONAFOR through regular technical meetings and joint planning sessions. The responsibilities of the PMU include:

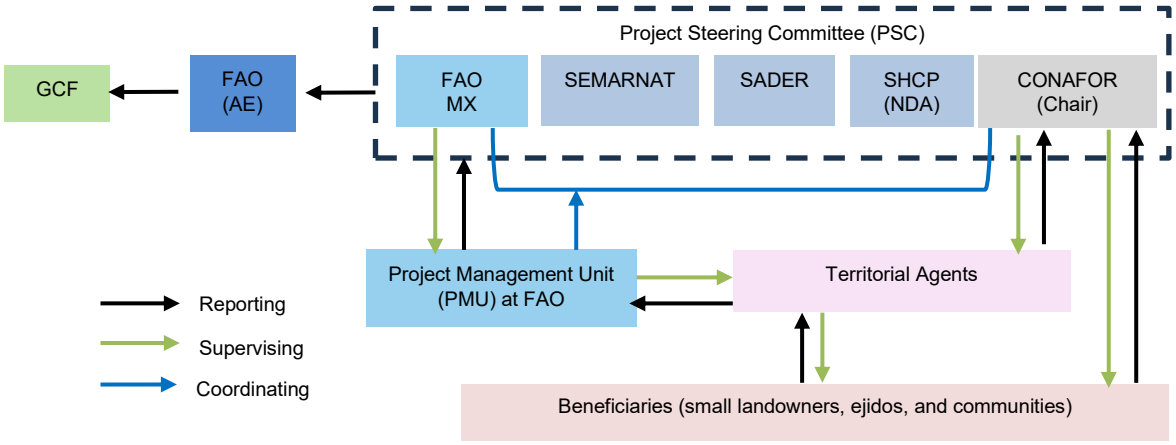
- Discuss, monitor, and promote best possible synchronization of implementation between the Executing Entities.
- Be responsible for day-to-day project management and regular monitoring of project results and risks ▪ Prepare Annual Work Plans and Budgets for review and approval
- Ensure that budgets and work plans are on track and monitor project progress
- Identify and resolve bottlenecks and implementation challenges relevant on project level
- Monitor adherence to environmental, social and fiduciary safeguards;
- Monitor implementation of the Project's Environmental and Social Management Plan (ESMP) and Gender Action Plan (GAP), and steer review of these plans if needed
- Identify issues required to be brought to the attention of the steering committee and/or political decision makers
- Provide information exchange and synergies between project components
- Draft terms of reference and support recruitment of specialists ▪ Monitor indicators to assess results at outcome, output and activity levels
- Draft technical and financial reports as needed
- Prepare budget revisions and extensions if needed
- Develop communication and knowledge-sharing materials as needed to ensure visibility of the project
- Perform secretariat duties for the PSC and Technical Committee.

SADER will not act as an Executing Entity under the project and will not receive or manage GCF resources. Its role will be to provide technical coordination and policy alignment with relevant national agricultural and livestock programmes. In particular, the project will build on the existing ECA model promoted by SADER, strengthening and expanding its livestock and silvopastoral components. SADER will be part of the PSC, contributing to strategic guidance and inter-institutional coordination between the agriculture, livestock, forestry and climate sectors.

Territorial agents are local public institutions and/or civil society organizations operating at the landscape level with close links to ejidos, communities, and small landowners. They will act as key facilitators of RBP implementation, supporting on-the-ground activities, strengthening coordination between forestry and agricultural stakeholders, and promoting local collaboration. By leveraging their territorial presence and technical capacity, they will help improve governance, foster sustainable land-use practices, and support the long-term sustainability of REDD+ interventions. Territorial agents will be selected based on their territorial presence, technical experience, and capacity to facilitate local coordination and stakeholder engagement. They will be engaged by the relevant Executing Entity in accordance with its applicable procedures to provide technical and coordination support at the landscape level.

These governance arrangements are shown in Figure 4, as follows.

Figure 3. Governance structure for Mexico's RBP project.



B.5. Exit strategy for reinvestment of proceeds (max. 500 words, approximately 1 page)

The reinvestment of proceeds from GCF results-based payments is designed not as a standalone intervention, but as a catalytic mechanism to transform rural production systems, remove structural barriers, and institutionalize the enabling conditions required for long-term climate and development impacts beyond the project implementation period.

The exit strategy explicitly considers the federal government transition and the institutional risks associated with changes within CONAFOR and SADER, including shifting priorities, technical staff turnover, and program discontinuity. To reduce these risks, the project strengthens permanent capacities and instruments within existing institutions, including MRV systems, Farmer Field Schools, Territorial Development Agencies, and intersectoral coordination mechanisms. In addition, the proposal is strategically linked to the GEF Policy Coherence project for sustainable livestock transformation, ensuring technical and programmatic continuity during the next administration. In this way, the territorial and institutional platform developed through the project will remain operational, scalable, and functional beyond the project lifecycle.

At its core, the reinvestment strategy promotes a paradigm shift from extensive, deforestation-linked livestock systems toward integrated, higher-productivity, climate resilient and profitable models based on silvopastoral practices, territorial restoration, and forest-compatible grazing, which are adopted and promoted by livestock producers ensuring their sustainability and replicability. This paradigm shift is underpinned by three core sustainability pillars:

1. Removing Barriers to Unlock Durable Incentives

By addressing critical barriers — including degraded pasturelands, limited technical capacity, underperforming value chains, and constrained access to finance — the program creates a self-reinforcing model of rural productivity, climate resilience and environmental stewardship. Once producers improve their productive yields, diversify income and access secure, deforestation-free markets, the economic rationale for maintaining sustainable land-use practices persists beyond the period of direct support.

This is complemented through improved tenure clarity and strengthened local governance structures, particularly through ejido and community-based planning as well as through the Territorial Development Agencies. These institutions enable long-term stewardship of forest and forest-forage resources. In parallel, strengthening governance and monitoring across critical forest areas, combined with the economic incentives linked to sustainable livestock practices, will further help reduce the risk of deforestation and forest degradation displacement.

2. Embedding Change in Public Institutions and Territories

Although FAO's technical assistance is time-bound, the program intentionally channels investments through existing public programs and government structures (e.g., SADER's Escuelas de Campo, CONAFOR's productive restoration and PES programs, FIRA's financial instruments, Nacional Financiera (NAFIN) by providing financial and business development services to MSMEs, in the frame of the GEF-financed policy coherence initiative). These channels will remain operational beyond the GCF funding period, supporting long-term uptake and scale.

Moreover, the proposal supports the formalization and strengthening of Territorial Agents, which act as long-term anchors for technical assistance, coordination and knowledge dissemination among producers, local governments, and financial institutions.

3. Monitoring, Reporting, and Adaptive Continuity

A joint MRV framework led by CONAFOR, with technical support from FAO, ensures continued assessment of results and sustainability. This framework includes:

- Land use and forest cover monitoring, aligned with the National Forest Monitoring System (SNMF), including subnational-level integration;
- Forage production, grassland condition and trend
- Traceability systems for sustainable livestock and meat production (UPG-level);
- Tracking adoption of sustainable practices and implementation of grazing/management plans;
- Use of MRV results by financial institutions, to maintain performance-based incentives (e.g., preferential rates).

This MRV system will be embedded within national institutions and will remain functional beyond the project lifecycle, supporting accountability, eligibility assessments, and continued access to public and blended finance aligned with sustainability criteria.

4. Replicability and Scaling

The territorial, institutional, and financial models piloted through the reinvestment proceeds will serve as a blueprint for scaling in the same and across other states, including those not directly targeted in the initial phase. Lessons learned from this intervention will inform the broader application of the National Agreement on Forests and Livestock (to be launched in 2027). They will also inform ongoing policy coherence and scaling efforts under the GEF, as well as emerging financing opportunities linked to carbon, biodiversity and/or forest conservation, such as the Tropical Forest Forever Facility.

In summary, the program builds the policy, market, financial, and institutional architecture for long-term impact. By embedding sustainability in national systems and aligning incentives for producers, the proposal ensures that both mitigation and adaptation results outlive the duration of GCF support.

FINANCING INFORMATION

C.1. Total financing

	Total amount	Currency
Expected GCF results-based payment	85.31[10] Following the procedures of the Policy for results-based payments for REDD+, the estimation of the total amount is as follows: • Volume offered to the GCF: 12,915,671 tCO2 eq • Total score achieved 39/44 • GCF volume of ERs: 10,303,183 tCO2 eq (Volume offered of ER – 10% ER reversals discount) * (39 / 44)) • Proposed REDD-plus results-based payments (USD 8/tCO2eq): USD $ 82,425,464.02 • Additional 3.5 per cent for use of proceeds and non-carbon elements: USD$ 2,884,891 • Final REDD-plus results-based payments (USD 8/tCO2eq): USD $ 85,310,356 • Set aside: USD 10,237,243	million USD ($)

C.2. Financing by component of the reinvestment of the proceeds

Component	Output	Indicative cost million USD ($)	GCF financing	Co-financing		
			Amount million USD ($)	Amount	Financial Instrument	Name of Institutions
Inception phase		3.76	3.76	0	NA	NA
1. Increased adoption of climate-resilient silvopastoral systems and diversified sustainable livelihoods in forest–livestock transition zones.	1.1 Demonstrative productive reconversion models developed and implemented at the local level.	15.02	15.02	0	NA	NA
	1.2. Strengthened sustainable practices in transition zones	17.61	17.61	0	NA	NA
2. Increased economic incentives and access to finance for forest sustainable	2.1. Deforestation-free value chains and market access mechanisms developed and operational	3.00	3.00	0	NA	NA
	Output 2.2. Payment for Environmental Services	26.41	26.41	0	NA	NA

10 See the tab Value calculation in "Annex 2 Simplified Budget Plan RBP Mexico" for the estimation of this amount from the proposed volume of achieved ERs (12,915,671 tCO_2e).

management, conservation, and forest-compatible production systems	(PES) mechanisms designed and implemented with meaningful participation of Indigenous Peoples, Afro-Mexican communities, ejidos and communities					
	Output 2.3 Strengthen and harmonization of financial products to support sustainable practices in transition zones	0.75	0.75	0	NA	NA
3. Improved inclusive territorial governance and coordinated landscape management for forest conservation and productive restoration.	3.1. Territorial agents strengthened in sustainable management and territorial planning	3.75	3.75	0	NA	NA
	3.2. Women's participation and leadership in sustainable landscape management strengthened through productive and income-generating initiatives.	2.25	2.25	0	NA	NA
4. Enhanced institutional capacity, coordination and monitoring systems to sustain REDD+ implementation and climate-resilient landscape management	4.1. Strengthened capacities of institutions, territorial actors and technical staff to support sustainable silvopastoral systems and project formulation	3.00	3.00	0	NA	NA
	4.2. Strengthened monitoring systems	2.25	2.25	0	NA	NA
Project management		7.51	7.51	0	NA	NA
Indicative total cost (USD)		85.31	**85.31**	0		

C.3 Capacity building and technology development/transfer (max. 250 words, approximately 0.5 page)

C.3.1 Does GCF funding finance capacity building activities?	Yes ☒ No ☐
C.3.2. Does GCF funding finance technology development/transfer?	Yes ☐ No ☒

The project will promote demonstrative and financially viable models of productive reconversion through silvopastoral and agrosilvopastoral systems, regenerative grazing practices, improved fodder production, and the restoration of degraded pasturelands, supported by technical assistance through field schools and demonstration ranches. These interventions aim to increase productivity and

resilience while reducing pressure on forests. The amount dedicated to capacity building activities are mainly in the Output 1.1.

Additionally, the project will strengthen capacities of institutions and technical staff to support silvopastoral systems, productive restoration, project formulation and implementation. It will also strengthen monitoring systems to track land-cover change, restoration, grazing plans, forage production, livestock carrying capacity, land clearing, agricultural fires and traceability of deforestation-free production. These activities are considered in Output 4.1.

ELIGIBILITY CRITERIA			
This section refers to the criteria defined in paragraph 11 of the Policy for results-based payments for REDD+			
D.1. UNFCCC requirements, as defined in UNFCCC Decision 9/CP.19 are in place and made publicly available on the Lima REDD+ Information Hub			
(a) The national REDD+ strategy or action plan is in place and is made publicly available on the Lima REDD+ Information Hub	Link to document (s): *https://redd.unfccc.int/media/estrategia-nacional-redd_-2017-2030_mexico.pdf*	**(b) Forest reference emission levels/forest reference levels (FREL/FRL) that are applied to the period for which payments are requested has been submitted to the UNFCCC, has undergone technical assessment and are available on the Lima REDD+ Information Hub**	Link to FREL/FRL: (cited as FREL) *https://redd.unfccc.int/files/nref_2020_modificado_mexico_23072021_nt_20220103_clean.pdf* Link to TAR: (cited as TARNREF) *https://unfccc.int/sites/default/files/resource/tar2020_MEX.pdf*
(c) Description of the national forest monitoring system is made publicly available on the Lima REDD+ Information Hub	Link to separate document or the description provided in the Biennial Update Report or Biennial Transparency Report (BUR/BTR) annex: *https://unfccc.int/sites/default/files/resource/Mexico_3er_BUR.pdf* pages 355-356 *And additional information can be found in:* https://redd.unfccc.int/files/nref_2020_modificado_mexico_23072021_nt_20220103_clean.pdf pages 23-29	**(d) A Summary of Information (SoI) on how all the Cancun safeguards were addressed and respected, is made publicly available on the Lima REDD+ Information Hub.**	Link to relevant SoI document: *Link to SIS/SoI: 2nd safeguards information system:* https://redd.unfccc.int/media/ris_ii_mexico.pdf covering the period 2017-2022
As part of future technical improvements identified in the TA of the FREL, such as several improvements included in the FREL makes it not to be fully consistent with the GHG inventory included in the second BUR. Those improvements including forest definition, and unbiased area estimation were implemented in the third BUR, making the FREL and the GHG inventory consistent. One area of improvement difficult to address has been the assessment of partial forest degradation, especially due to lack of high and very high resolution satellite images, and the diminution of recent NFI data, thus new approaches on forest degradation assessment need to be implemented for example using forest cover change as a proxy of biomass loss, and integrating biomass maps to fulfil gaps in field data. As part of the process to include non-CO2 gases in future reports, CONAFOR as improved the data acquisition of forests fire polygons from 2010, https://snif.cnf.gob.mx/incendios/, still pending to assess data associated to emissions in mangroves.			
D.2 The REDD+ results, for which payments are requested, have been included in the technical annex of the country's BUR/BTR, and the technical analysis of the REDD+ technical annex has been completed and the technical report on the technical analysis published			

(a) The REDD+ results, for which payments are requested, have been included in the technical annex of the country's BUR/BTR, as appropriate, and submitted to the UNFCCC	Link to the BUR/BTR technical annex: (cited as ATREDDMx) *https://unfccc.int/sites/default/files/resource/Mexico_3er_BUR.pdf#page=350*	**(b) The technical analysis of the REDD+ technical annex has been completed and the technical report on the technical analysis is published, and the REDD+ results made available on the Lima REDD+ Information Hub**	Link to the TATR: (cited as TARTA) *https://unfccc.int/sites/default/files/resource/tatr1_2022_MEX.pdf*

From the areas of improvement and capacity building needs identified in the TARTA, Mexico, with support of the World Bank and FAO has been working recently in ISFL states (Chihuahua, Durando, Coahuila and Nuevo Leon), where biomass and carbon estimates are being consistently calculated across the three available INFyS cycles, ensuring that no individual plants (such as cacti, palms, or lianas) are excluded and that allometric equations are used consistently. Two estimates are being developed from these values: one using all available plots across the three cycles and comparing total carbon and annualized differences, and another comparing the carbon difference only in the plots that have been remeasured across all three cycles (2028 clusters), annualizing this difference. In addition, and for comparison, data from permanent sites in the states of Chihuahua and Durango associated with sustainable forest management have been analysed (for example, those from SIPLAFOR http://siplafor.cnf.gob.mx/siplafor/inicio/ and MONAFOR http://fcfposgrado.ujed.mx/monafor/inicio/) where the annual carbon capture in those areas has been estimated. All those data analysis may be used to include other REDD+ activities as conservation and enhancement of forest carbon stocks, and sustainable management of forest; this will require to be scaled up at national scale to be used in national reports.

As part of the process to include non-CO_2 gases in future reports, CONAFOR as improved the data acquisition of forests fire polygons from 2010, https://snif.cnf.gob.mx/incendios/, still pending to assess data associated to emissions in mangroves.

Mexico has been implementing SOP http://file.cnf.gob.mx/sop/ in the process of GHG estimation, this allows improvements in the systematization of information and int QA7QC process.

Given the lack of availability of high and very high-resolution satellite images, and cuts in NFI, new approaches to assess forest degradation should be explored.

See Appendix 3 of Annex 12 for a full description of the capacity-building actions taken since the publication of the TARTA.

D.3. Scale (subnational programs only)	
(a). Describe the spatial extent of the subnational proposal, in terms of jurisdiction(s) and/or ecosystem(s), or other clearly definable units. Provide a brief justification for the choice of this/these subnational units	NOT APPLICABLE
(b) Provide a brief account of how the subnational approach to FREL/FRL and REDD+ implementation presented in this proposal can be scaled up to the national level, and provide a reference to, and a	NOT APPLICABLE

summary of, existing plans to do so			
(c) Demonstrate that the subnational proposal contributes to the national ambition for ERs, including the NDC and national REDD+ strategy. Provide links to relevant documents where applicable.	NOT APPLICABLE		
(d) (i) Has the country previously submitted a subnational REDD+ RBP proposal to the GCF?	Yes ☐ No ☒ Number of previous FP: _____	(ii) If Yes, demonstrate that this subnational proposal represents a progression towards national scale REDD+ by adding at least one subnational political jurisdiction (e.g., states, provinces) or adding an ecosystem level (e.g., biomes, ecozones) of significant scale, compared to the previous proposal	NOT APPLICABLE
(e) Describe actions that have been taken, or are planned to be taken, to address and monitor any resulting displacement of emissions within the country.	NOT APPLICABLE		

D.4. Contribution of REDD+ results to the achievement of the country's NDC

The REDD+ results for which this Funding Proposal seeks results-based payments were achieved in 2018–2019, before 2020. Therefore, the specific wording of section D.4 of the REDD+ RBP Funding Proposal template does not apply directly to the results period covered by this proposal. However, below it is described how the achieved REDD+ results relate to the actions and targets described in Mexico's latest NDC 3.0, and how the reinvestment of proceeds will further contribute to subsequent NDC objectives in the forest and land-use sector.

The contribution of these actions is reflected in Mexico's First Biennial Transparency Report, which identifies Community Forest Management and Payment for Environmental Services as mitigation measures in the LULUCF sector. The BTR reports that the actions evaluated under this measure include: (i) reductions in emissions associated with avoided deforestation; and (ii) increases in forest carbon stocks resulting from the implementation of Payment for Environmental Services and Community Forest Management programmes. It also links these measures to targets to expand forest areas under PES and sustainable forest management, including the PRONAFOR 2014–2018 target to increase the area under PES and the ENAIPROS target to reach 7.5 million hectares into sustainable forest management by 2024.

In this context, the sustained implementation of forest programs on the ground has constituted the central element for achieving REDD+ results in Mexico. Throughout the results period, and during the broader REDD+ readiness phase, these programs were progressively strengthened and supported by key enabling conditions, including improved coordination and strengthening of institutional and governance arrangements, as well as the establishment of a robust

technical foundation. Together, these elements created the conditions necessary to support effective REDD+ implementation and the delivery of emission reduction outcomes.

The reinvestment of proceeds described in sections B.1 and B.2 will direclty support the implementation of Mexico's NDC 3.0 objectives. The proposed reinvestment will address a key driver of deforestation and forest degradation by promoting sustainable livestock production and forest conservation through silvopastoral and agrosilvopastoral systems, productive restoration, Payment for Environmental Services, territorial development agencies, sustainable finance, traceability and strengthened MRV systems. The proposal focuses on forest–grassland frontiers and priority states identified as deforestation hotspots, including Chiapas, Guerrero, Jalisco, Michoacán, Oaxaca, Quintana Roo, and Yucatán.

This approach is aligned with Mexico's latest NDC 3.0, which reinforces the role of the LULUCF sector as both the country's main carbon sink and a sector affected by emissions from deforestation, forest degradation and land-use change, particularly conversion of forest ecosystems to agricultural, livestock or urban uses. The NDC 3.0 identifies sustainable community forest management, Payment for Environmental Services and ecosystem protection as measures directed towards the fulfilment of Mexico's commitments. It also establishes the objective of promoting conservation and sustainable management schemes for forest ecosystems to achieve zero net deforestation, including through PES, voluntary conservation areas, community monitoring and related measures.

The proposed reinvestment is also consistent with NDC 3.0 measures to increase removals and resilience through restoration and landscape-level productive systems. In particular, the project will contribute to NDC mitigation measures 7.1.1 on Payments for Environmental Services; 7.1.3 on sustainable forest management and community participation; 7.1.4 on deforestation-free agricultural and livestock production; 7.3.1 on strengthening forest carbon sequestration; and 7.4.4 on technical assistance for agroforestry and silvopastoral systems. By investing RBP proceeds in sustainable livestock models, productive restoration, forest conservation incentives and traceability systems, the proposal will contribute to the continuity and scaling-up of these NDC measures, while also helping to reduce future deforestation risks in livestock-driven landscapes.

The reinvestment also operationalizes the outcome of the first Global Stocktake. As the global call for enhanced efforts to halt and reverse deforestation and forest degradation by 2030 is directly aligned with Mexico's NDC 3.0 Objective C.1 to achieve zero net deforestation by 2030, concentrated investments in high-deforestation-risk forest–livestock transition landscapes will contribute directly to this Global Stocktake outcome to halt and reverse deforestation by 2030 and beyond.

D.5. Country consent and no objection

(a) Written consent provided by the REDD+ national entity/focal point to the UNFCCC.	☐ No REDD+ national entity/focal point has been nominated by the country ☒ Consent is provided as annex (indicate annex number) Annex 1_____	(b) No objection letter (NOL) provided by the National Designated Authority (NDA)	No objection letter is provided as Annex 1

D.6. Avoidance of double payment and double claiming

Mexico has legal and institutional arrangements that constitute an equivalent system for tracking emission reductions, related payments and transactions in the forest and land-use sector. The General Climate Change Law provides for the National Registry of Emissions (RENE), through which SEMARNAT integrates and makes public information on reportable emissions and on projects or activities that generate emission reductions, subject to measurement, reporting and verification and certification procedures. In parallel, the General Law on Sustainable Forest Development assigns SEMARNAT the responsibility to regulate, establish, integrate, operate and update the registry of emission reductions and removals from deforestation and forest degradation, and is empowered to enter into international agreements on cooperative mechanisms to reduce emissions in the forestry sector, including avoided emissions. During the development of the Concept Note, Mexico confirmed that the REDD+ results for which GCF payments are requested are not subject to any other arrangements that could results in double payment and/or double claiming.

At subnational level, Mexico is part of the World Bank's Initiative for Sustainable Forest Landscape [11,12], which considers jurisdictions in the northern part of the country (Nuevo León, Coahuila, Chihuahua, and Durango) in an area of 58 million ha. There is an ERPD[13] validated by a third party. Currently in the process of ERPA negotiations.

Under this initiative the country is seeking to receive payments for results of ER in the AFOLU sector for the 2021 – 2025 period. The results of this initiative don't overlap with the total volume of ER offered to the GCF. Additionally, Mexico plans to use the World Bank Carbon Assets Tracking System[14] to register, track, retire and cancel emission reduction units under the ISFL programme, supporting therefore he prevention of double payment and double claiming.

Also at the subnational level, several Mexican states have engaged with ART/TREES. Public ART registry information identifies TREES Concept documents for Quintana Roo, Jalisco and Yucatán. ART's public notices indicate that publication or approval of a TREES Concept is an initial step and that serialized credits may only be approved after registration documents are submitted, results are independently verified, and the ART Board approves issuance. The crediting periods for the three states fall between 2022 and 2028.and therefore do not constituting any risk of double payments or double claiming with respect to the national REDD+ results 2018–2019 offered to GCF.

Project-level voluntary forest carbon initiatives exist in Mexico. Based on publicly available information reviewed to date, these activities concern to forest management, carbon sequestration and enhancement of forest carbon stocks activities, while the GCF results offered for payment relate to reduced deforestation and forest degradation activities. Therefor, FAO, as Accredited Entity, confirms that no evidence has been identified that such projects have claimed the same national 2018–2019 REDD+ results volume proposed to GCF. In parallel, Mexico has been working on a possible national carbon trading scheme that would allow some form of forest credits being traded and thus, there has been some progress in the development of a registry of emission reductions and initiatives

FAO, as Accredited Entity, has reviewed the main publicly available sources relevant to potential double payment or double claiming, including: Mexico's REDD+ technical annex and associated UNFCCC technical analysis; the Lima REDD+ Information Hub; the ISFL ER Programme documentation and assessment report; the World Bank CATS arrangements for ISFL; and public ART/TREES registry information for Mexican subnational programmes. Based on this due diligence, no payments, expected payments, formal transfer arrangement, or potential claimants have been identified for the same national REDD+ results for 2018–2019 that are offered to GCF. Therefore, the results achieved do not overlap with those of any other jurisdictional initiative aiming to receive results-based payment under other mechanisms.

Mexico addresses the tracking of emission reductions, payments and potential claims through a combination of legal, institutional and technical arrangements. These include the National Registry of Emissions (RENE); the national REDD+ MRV system and reporting through the UNFCCC REDD+ Technical Annex and Lima REDD+ Information Hub. CONAFOR will initially keep an internal registry of the Programs and Emission Reduction Projects of the AFOLU sector in which the following data will be registered to ensure that no double accounting is incurred, in accordance with Article 27 of the Regulations of the General Law on Climate Change regarding the National Emission Registry. These arrangements are complemented by continued due diligence by FAO accross public and national and international registries, and relevant carbon market and jurisdictional REDD+ initiatives to address any potential risk of double payment or double claiming. Mexico will record in the Lima REDD+ information hub of the UNFCCC the quantity of results obtained between 2018 and 2019 for which payments will be received under the GCF REDD+ Policy, expressed in tons of carbon dioxide equivalent per year. In addition, Mexico will transparently record that GCF is the entity paying for results; and corresponding results will no longer be eligible for RBPs under the GCF or in any other arrangement.

11 https://www.biocarbonfund-isfl.org/programs/mexico-strengthening-entrepreneurship-productive-forest-landscapes-project

12 https://www.biocarbonfund-isfl.org/system/files/2024-09/ISFLMexicoERPD_20230830-VF-senttoscs_atenci%C3%B3n%20CONAFOR_v4_0.pdf

13 https://www.biocarbonfund-isfl.org/system/files/2024-09/WB_ISFL_Mexico_AssessmentReport_FINAL_V1-4_060524_0.pdf

14 https://cats.worldbank.org/

ANENCE OF THE REDD+ RESULTS

E.1. Confirmation of subtraction to address the long-term risk of reversals

☒ By ticking this box, the AE requesting REDD+ results-based payments from GCF confirms that 10% of the proposed volume of ERs in section A.1 above will be subtracted to address the risk of reversals. The subtracted amount will be separately reported when the country provides information to the Lima REDD+ Information Hub on the payments received from the GCF.

E.2. Measures and actions to address the risk of reversals (max. 500 words, approximately 1 page)

At the national level, Mexico has established a comprehensive framework to address the risk of reversals in the LULUCF sector, combining governancedisruptions, illegal or unauthorized conversion, technical measures to ensure the permanence of emission reductions and policy reversals.

Governance disruptions, Governance-related risks are mitigated through strong participatory and institutional arrangements. The ENAREDD+ was designed through an extensive stakeholder engagement process involving local communities, ejidos, Indigenous Peoples, and relevant sectoral actors. Existing platforms such as the National Forestry Council and State Forestry Councils provide formal mechanisms for consultation, coordination, and monitoring of actions. In addition, accessible and effective grievance redress mechanisms, including CONAFOR's Citizen Attention Mechanism (MAC), ensure that conflicts and concerns are addressed in a timely, transparent, and culturally appropriate manner.

Policy and legal risks are addressed through a robust national regulatory framework. Mexico has well-established legal instruments governing land tenure and conflict resolution, including agrarian courts that provide mechanisms to resolve disputes over land and resources. National policies such as the National Development Plan (2025–2030), the National Environmental Restoration Program, and forest-related legal frameworks create an enabling environment for long-term forest conservation and restoration.

Illegal or unauthorized land conversion. Continued conversion of forests to agricultural and livestock uses represents a material reversal risk. This will be addressed through land-cover and land-use monitoring, monitoring of agricultural fires, traceability of deforestation-free production, project eligibility criteria and compliance verification. PES operating arrangements require beneficiaries to prevent land-use change and maintain forest cover, while unauthorized land-use change and other activities compromising environmental integrity are prohibited.

Risks associated with the underlying drivers of deforestation are addressed through long-standing national programs implemented under CONAFOR's Operating Rules, which have demonstrated effectiveness in reducing deforestation while supporting rural livelihoods. The programs cover a broad range of activities, including social organization, capacity building, land-use planning, sustainable forest management, and the extraction, processing, and commercialization of forest goods and services. They are structured into two main categories: (i) sustainable forest productivity programs, which support community enterprises, forest management, and the integration of supply chains, processing, and markets; and (ii) forest conservation and restoration programs, which include support for environmental services, forest restoration, and productive reconversion.

Natural disturbances and climate shocks. Forest fires, as well as droughts and pests—are recognized as significant drivers of potential reversals. At the national level, Mexico has established a comprehensive fire management framework led by CONAFOR through the National System for Fire Management. This system integrates prevention, monitoring, and response actions across federal, state, and local levels. Key measures include fuel management and firebreak construction to reduce fire risk, early warning and monitoring systems based on satellite data and real-time information, and fire suppression through trained brigades deployed nationwide, including community-based crews. Additional actions include capacity building and technical training, the use of prescribed burning to manage fuel loads, and public awareness campaigns to reduce human-induced fires. These efforts are supported by interinstitutional coordination with agencies such as CONANP and subnational governments, ensuring a coherent and multi-level response.

Together, these measures contribute to reducing the likelihood and impact of large-scale disturbances that could lead to reversals.

Technical measures. Mexico continues to strengthen its monitoring and risk management systems through a combination of technical and institutional measures. The National Forest Monitoring System provides continuous and consistent data on forest cover and land-use change, enabling early detection of disturbances and potential reversals. In parallel, the use of standardized risk assessment approaches supports the periodic evaluation of reversal risks and informs the application of conservative accounting measures, including set-aside buffers to address potential non-permanence.

Ongoing efforts also include strengthening interinstitutional coordination across key sectors such as environment, agriculture, and social development, enhancing technical capacities at national and subnational levels, and improving the targeting of public programs and incentives to areas with higher exposure to risk. Continued stakeholder engagement, along with the development and implementation of benefit-sharing mechanisms, further supports sustained participation and long-term commitment.

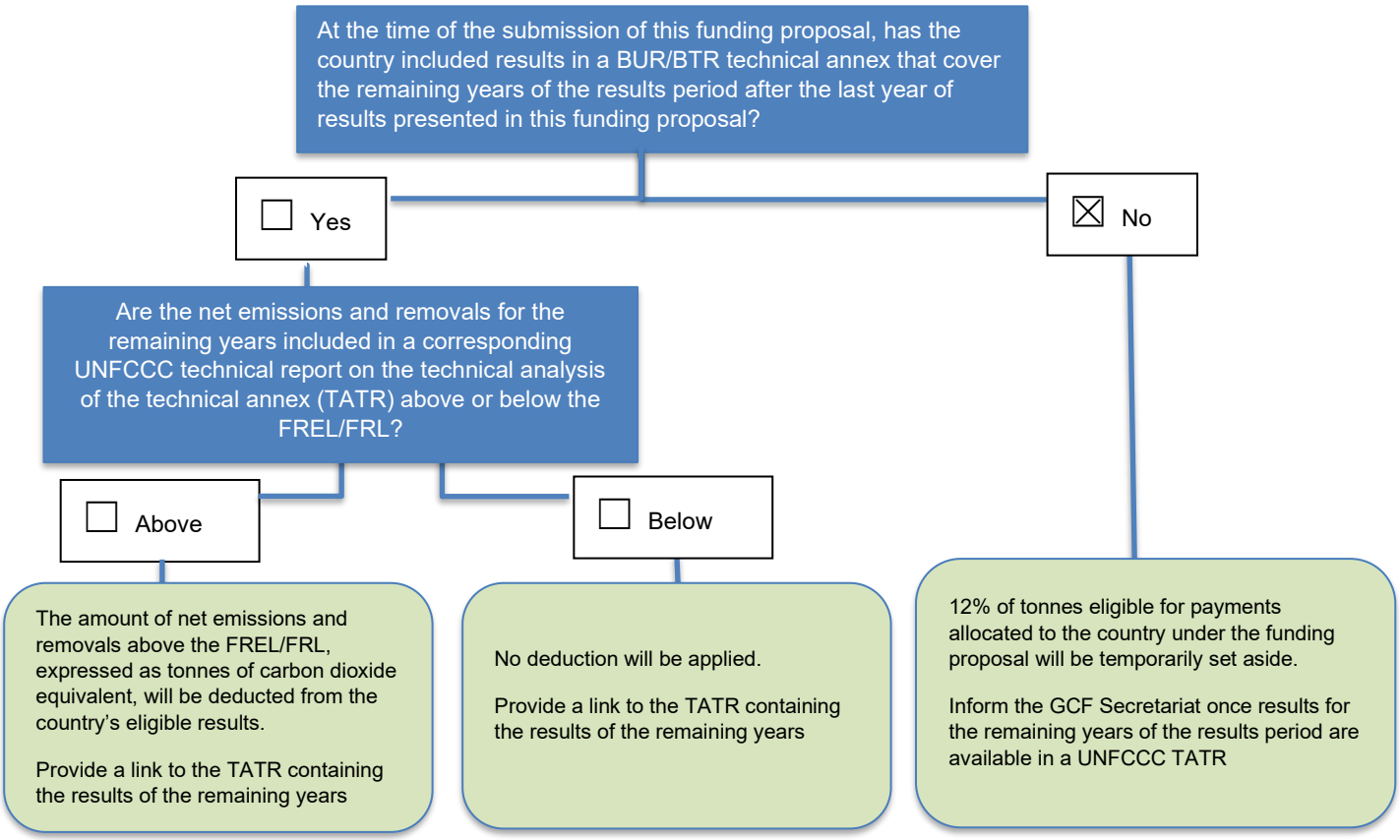
Policy reversals and conflicting incentives. Changes in government priorities, public expenditure or sectoral incentives could weaken forest conservation efforts. This risk is mitigated by the anchoring of REDD+ and forest conservation in Mexico's General Law on Sustainable Forest Development, General Climate Change Law, ENAREDD+, NDC 3.0 and long-standing CONAFOR programmes. The RBP programme will further strengthen policy coherence between forest and agricultural institutions and support monitoring, traceability and institutional capacities that can endure beyond individual administrative cycles.

Together, these measures ensure that reversal risks are systematically identified, monitored, and mitigated through an integrated and adaptive national approach, supporting the long-term stability of emission reductions in the LULUCF sector.

E.3. Permanence within the results period

E.3.1 Do the year(s) during which the REDD+ results proposed to the GCF for results-based payments have been achieved (section A.1) constitute only part of a results period (e.g. 2018-2022), such that there are one or more remaining years after the last year of results presented in the funding proposal?	Yes ☒ No ☐

E.3.2 Decision tree. A country may submit a proposal to GCF for REDD+ RBPs for any year(s) within the relevant 5-year results period. However, when assessing the amount of RBPs the country is eligible to receive, GCF will take account of the REDD+ results achieved over the full 5-year period. This is done to account for the risk that a country may achieve results (net emissions and removals below the FREL/FRL) in the earlier years of the results period, but these results are then reversed during the later years of the results period if net emissions and removals are above the FREL/FRL. In such cases, some or all of the results achieved in the earlier years are not 'permanent' and are not eligible for RBPs. If such a case applies in the context of this proposal, complete the decision tree below.


At the time of the submission of this funding proposal, has the country included results in a BUR/BTR technical annex that cover the remaining years of the results period after the last year of results presented in this funding proposal?
☐ Yes
☒ No
Are the net emissions and removals for the remaining years included in a corresponding UNFCCC technical report on the technical analysis of the technical annex (TATR) above or below the FREL/FRL?
☐ Above
☐ Below
The amount of net emissions and removals above the FREL/FRL, expressed as tonnes of carbon dioxide equivalent, will be deducted from the country's eligible results.
Provide a link to the TATR containing the results of the remaining years
No deduction will be applied.
Provide a link to the TATR containing the results of the remaining years
12% of tonnes eligible for payments allocated to the country under the funding proposal will be temporarily set aside.
Inform the GCF Secretariat once results for the remaining years of the results period are available in a UNFCCC TATR

INFORMATION RELATED TO THE SCORECARD	
This section refers to the elements of the Scorecard for REDD+ results-based payments (of Appendix I:to the Policy for results-based payments for REDD+)	
F.1. Forest Reference Emission Level / Forest Reference Level (FREL/FRL)	
The extent to which the FREL/FRL is developed in accordance with most recent applicable guidance and guidelines of the Intergovernmental Panel on Climate Change (IPCC) and maintains consistency with corresponding anthropogenic forest-related greenhouse gas emissions by sources and removals by sinks as contained in the national greenhouse gas inventories.	
(i) Has the FREL/FRL been developed in accordance with the IPCC Guidelines and Good Practice Guidance (IPCC GLs/GPGs) as adopted by the Conference of Parties (COP) and the Conference of the Parties serving as the meeting of the Parties to the Paris Agreement (CMA) as relevant? Describe any material issues related to the application of the IPCC GLs/GPGs, if applicable.	Mexico's national Forest Reference Emission Level (FREL) was developed in strict accordance with the methodologies of the Intergovernmental Panel on Climate Change (IPCC), specifically utilizing the 2006 IPCC Guidelines for National Greenhouse Gas Inventories for its final modified submission (TARNREF, para. 24). While the construction initially drew upon the IPCC Good Practice Guidance for Land Use, Land-Use Change and Forestry, Mexico transitioned to the 2006 Guidelines during the technical assessment (TA) process, a move explicitly commended by the UNFCCC assessment team (AT) (TARNREF, para. 24). Emissions were estimated based on annual differences in carbon stocks using the stock-difference method as provided in the IPCC guidelines (TARNREF, para. 8)
(ii) Are the methods and data used in the construction of the FREL/FRL consistent with or better than those used to estimate forest-related emissions and removals in the country's greenhouse gas (GHG) inventory?	Forest Reference Emission Level (FREL) does not maintain full consistency with the national greenhouse gas (GHG) inventory reported in the sixth national communication and second biennial update report (BUR2), it concluded that these inconsistencies are the result of significant methodological improvements and the use of superior data in the FREL construction (TARNREF, para. 37). Specifically, the FREL incorporates several advancements over the previous GHG inventory, including: (a) a refined forest definition that reduced the minimum area threshold from 50 ha to 1 ha; (b) the use of new, unbiased activity data (AD) generated through a systematic sampling approach; (c) the application of subnational emission factors (EFs); (d) the transition to the stock-difference approach; and (e) the inclusion of three additional carbon pools—deadwood, litter, and soil organic carbon (TARNREF, para. 37; Annex I). The same sampling approach and forest definition used for the FREL are being implemented for the GHG inventory reporting in the country's upcoming third BUR, (this has already been implemented, BUR3 p. 98) ensuring that methodological consistency is restored in subsequent submissions (TARNREF, paras. 23, 31). Therefore, the inconsistencies are explicitly due to the application of better methods and data in the construction of the FREL, and such improvements are already implemented in the third BUR presented by Mexico to UNFCCC.
How historical data have been considered in the establishment of the forest reference emission level and/or forest reference level	
(iii) Is the FREL/FRL based on historical data and is it equal to or below the average annual historical emissions during the reference period?	Yes ☒ No ☐ If no, indicated which of the following applies ☐ the FREL/FRL includes an adjustment for national circumstances ☐ There are other reasons the FREL/FRL is not based on historical data and/or is not equal to or below the average annual historical emissions during the reference period.

	Please provide details below _____ Forest Reference Emission Level (FREL) is constructed strictly based on historical data from the reference period 2007–2016 (TARNREF, para. 8). The FREL is calculated as the annual average of CO_2 emissions associated with two activities: gross deforestation and absolute forest degradation (TARNREF, para. 8). The assessed FREL corresponds to a value of 20,245,016 tonnes of carbon dioxide equivalent (t CO_2 eq) per year (TARNREF, Summary; para. 34).
If the FREL/FRL includes an adjustment for national circumstances, has the country consistently maintained >50% national forest cover and low national deforestation rates (<0.22% per year on average over the period for which the results are submitted) and it is therefore considered as a high forest cover, low deforestation country (HFLD)?	Yes ☐ No ☒ Not applicable ☒ • If Yes, below provide the justification for this classification including links to the source of the data. • If no, has the country provided a recalculation of the FREL/FRL only based on average annual historical emissions applying only submitted and technically assessed and analysed data/information, and using the same methodologies. ☐ Yes, the recalculation is provided as Annex_____ ☐ No
If the FREL/FRL includes an adjustment for national circumstances and the country is considered as HFLD, does the adjustment: • not exceed 0.05% of the carbon stock over the period for which the results are submitted in the relevant national or subnational area for which results are claimed, **and** • not exceed 10% of the FREL/FRL?	Yes ☐ No ☒ Not applicable ☒
If the FREL/FRL includes an adjustment for national circumstances and the country is considered as HFLD, does the adjustment reflect quantified, documented changes in circumstances during the reference period that likely underestimate future rates of deforestation or forest degradation during the results period?	Yes ☐ No ☒ Not applicable ☒
Transparent, complete, consistent and accurate information, including methodological information, used at the time of construction of FREL/FRLs including, inter alia, as appropriate, a description of data sets, approaches, methods, models, if applicable and assumptions used, descriptions of relevant policies and plans, and descriptions of changes from previously submitted information	

(iv) Has comprehensive and transparent, information been provided (including a description of data sets, approaches, methods, models, if applicable and assumptions used) to allow for reconstruction of the FREL/FRL?	Mexico has provided comprehensive and transparent information that allows for the full reconstruction of its national Forest Reference Emission Level (FREL). The UNFCCC assessment team (AT) concluded that the data and information used by Mexico are transparent, complete, and in overall accordance with the guidelines for reference level submissions (TARNREF, para. 32). The transparency of the submission was initially supported by a detailed methodological annex (TARNREF, para. 3). During the technical assessment process, facilitative exchanges with the AT led Mexico to submit a modified FREL on 22 July 2021 (TARNREF, para. 6). This modified version significantly improved the transparency and completeness of the information by including specific methodological elements for estimating carbon stock changes in all five carbon pools and providing detailed examples of how CO_2 emissions from deforestation and absolute forest degradation were calculated (TARNREF, paras. 17, 36). The FREL reconstruction is further supported by the clear description of datasets, including the use of 26,220 square plots (1 ha each) and the integration of National Forest Inventory (NFI) data with satellite monitoring via the Collect Earth tool (TARNREF, paras. 14, 16). Mexico also made the relevant databases and calculation examples available through a public online link, which the AT noted increased the reproducibility of the FREL calculations (TARNREF, para. 36; NREF, section 4.2).
(v) Is the FREL/FRL complete? (has information been provided that allows for the reconstruction of the FREL/FRL?)	Mexico has provided comprehensive information that allows for the full reconstruction and recalculation of its national Forest Reference Emission Level (FREL). The UNFCCC assessment team (AT) concluded that the data and information used by Mexico in constructing its FREL are transparent, complete, and in overall accordance with the guidelines for reference level submissions (TARNREF, para. 32). While the AT initially identified areas where completeness could be further enhanced, Mexico submitted a modified FREL on 22 July 2021 that successfully incorporated these technical inputs (TARNREF, para. 6). Specifically, the modified submission included essential methodological elements for estimating carbon stock changes across all five included carbon pools and provided detailed examples of how the CO_2 emissions from deforestation and absolute forest degradation were calculated (TARNREF, paras. 17, 36). The AT noted that these additions significantly improved the completeness of the submission and "increased the reproducibility of the FREL calculations" (TARNREF, para. 36). Furthermore, Mexico facilitates reconstruction by making the relevant datasets, including the 26,220 plot, multitemporal matrix and intermediate calculation products, accessible through a public online repository (TARNREF, para. 36; FREL, section 4.2) *http://file.cnf.gob.mx/FREL_modificado/*
(vi) Is the FREL/FRL consistent? (were data and methodologies applied consistently over the time series used for the construction of the FREL/FRL?)	Mexico has ensured total internal consistency in the data and methodologies applied throughout the historical time series (2007–2016) used to construct the national Forest Reference Emission Level (FREL) (TARNREF, para. 20). The emissions from gross deforestation and absolute forest degradation were estimated using the same stock-difference method for every year of the reference period (TARNREF, paras. 8, 12; FREL, section 4.3). Activity data (AD) was generated through a consistent multitemporal matrix of 26,220 sampling plots, which were monitored using a standardized photographic interpretation approach via

	the Collect Earth tool for the entire analysis period (TARNREF, paras. 14, 15). During the technical assessment (TA), the assessment team (AT) identified a potential consistency issue regarding the use of data from two different National Forest Inventory (NFI) cycles—the first cycle (2004–2007) and the second cycle (2009–2014) (TARNREF, para. 20). The AT initially noted that the original submission lacked sufficient information to demonstrate full consistency in the use of data between these two cycles (TARNREF, para. 20). In response, Mexico provided a modified submission on 22 July 2021 that included detailed information demonstrating that both NFI cycles maintain strict methodological consistency in terms of sampling design, plot design, and field data collection protocols (TARNREF, paras. 6, 20). The AT found this clarification acceptable and concluded that the information used in constructing the FREL is transparent, complete, and in overall accordance with the guidelines for reference level submissions (TARNREF, paras. 20, 32).
(vii) Is the FREL/FRL accurate? (The data and methodologies used neither over nor under-estimate emissions and/or removals during the reference period, so far as can be judged)	Mexico has implemented significant methodological improvements to ensure that its national Forest Reference Emission Level (FREL) provides an accurate and unbiased estimation of emissions. The UNFCCC assessment team (AT) noted that this second FREL represents a substantial advancement over Mexico's first submission, primarily because of the transition from a map-superimposition approach to a systematic sampling approach for generating activity data (AD) (TARNREF, paras. 10, 16a). The AT found that the previous map-based method contained significant biases, whereas the new sampling approach produced AD that are "aligned in magnitude and trend" with national greenhouse gas (GHG) inventory data (TARNREF, para. 16a). Accuracy is further reinforced by the use of subnational emission factors (EFs) at the substratum level (ecoregion × sampling intensity) (TARNREF, para. 16). The AT concluded that these specific EFs reflect carbon loss after a disturbance more objectively than the generic national factors used in the first FREL (TARNREF, para. 16i). To maintain a conservative approach and prevent the overestimation of emissions, Mexico accounted for post-disturbance carbon stocks for remaining woody vegetation whenever National Forest Inventory (NFI) data were available (TARNREF, para. 19). In cases where such data were unavailable, Mexico assumed a post-disturbance value of zero, a choice the AT recognized as it could theoretically lead to an overestimation of the emissions if there is woody biomass growth (and carbon gains) at some point in time (TARNREF, para. 19). During the technical assessment (TA) process, the AT identified an "unintended mismanagement of the database" which resulted in the incorrect labeling of certain plots as subject to absolute forest degradation (TARNREF, para. 21). Mexico successfully resolved this material accuracy issue by providing a modified submission on 22 July 2021 (TARNREF, paras. 6, 21). Furthermore, Mexico enhanced the precision of its estimates by improving its uncertainty analysis to remove the effect of temporal correlation of variables, a methodological step the AT found "commendable" for exceeding standard 2006 IPCC requirements (TARNREF, para. 24). Consequently, the AT concluded that the construction of the FREL is in overall accordance with the guidelines, and

	no material issues related to accuracy remained unresolved (TARNREF, para. 32).
Pools and gases, and activities listed in UNFCCC decision 1/CP.16, paragraph 70, which have been included in FREL/FRLs and the reasons for omitting a pool and/or activity from the construction of forest reference emission levels and/or forest reference levels, noting that significant pools and/or activities should not be excluded	
(viii) Of the five REDD+ activities, have all emissions from deforestation and forest degradation been included, if assessed as a significant source of emissions?	Mexico has included all emissions from the activity of "reducing emissions from deforestation" and has partially included emissions from "reducing emissions from forest degradation" in its national Forest Reference Emission Level (FREL) (TARNREF, para. 7) [. The total assessed FREL corresponds to a value of 20,245,016 tonnes of carbon dioxide equivalent (t CO_2eq) per year (TARNREF, para. 34). Within this total, gross deforestation is the primary source of emissions, accounting for 19,358,824 t CO_2eq/year, or 95.6 per cent of the FREL (TARNREF, para. 9). The activity of "reducing emissions from forest degradation" was included through a subset defined as "absolute forest degradation," which accounts for 886,192 t CO_2eq/year, or 4.4 per cent of the total FREL (TARNREF, para. 9). Based on this data, forest degradation (specifically the reported absolute degradation) is the less significant activity (TARNREF, para. 9). Mexico omitted the subset of "partial forest degradation" due to technical limitations in detecting partial canopy cover changes using the medium-resolution Landsat imagery available for the 2007–2016 reference period (TARNREF, para. 28)]. Additionally, the lack of tree-to-tree monitoring between the first two National Forest Inventory (NFI) cycles prevented the estimation of carbon stock changes at the plot level for forest land remaining forest land (TARNREF, para. 20). The UNFCCC Assessment Team (AT) acknowledged that Mexico included its most significant activity and a subset of the less significant activity in accordance with its national capabilities and circumstances (TARNREF, para. 28). The AT concluded that in doing so, Mexico correctly followed the stepwise approach (TARNREF, para. 35).
(ix) Have all of the most significant pools been included?	Mexico has included all of the most significant carbon pools in its national Forest Reference Emission Level (FREL) (TARNREF, para. 9). The FREL accounts for five carbon pools: above-ground biomass, below-ground biomass, deadwood, litter, and soil organic carbon (TARNREF, para. 16(f)). While the original submission initially excluded the litter pool because data from the second National Forest Inventory (NFI) cycle had not been fully processed, Mexico successfully incorporated this pool in its modified submission dated 22 July 2021 (TARNREF, para.26). The UNFCCC assessment team (AT) noted that the litter pool for 2015 represented approximately 4.7 per cent of the emissions from gross deforestation and concluded that the exclusion was not fully justified in the original submission. In the modified submission, the country-specific Tier 2 methodology used for its estimation is appropriate (TARNREF, para. 26) .

	The EFs for above-ground biomass, deadwood, and litter were all obtained from the information provided in the NFI (TARNREF, para. 16(f)). For below-ground biomass, EFs were estimated by applying the ratios from the 2006 IPCC Guidelines to above-ground biomass estimates, while EFs for soil organic carbon were obtained by applying IPCC change factors to country-specific data (TARNREF, para.16(f)).
(x) Have all gases that are a significant source of emissions been included?	Mexico has included carbon dioxide (CO_2) in its national Forest Reference Emission Level (FREL) as the primary greenhouse gas (TARNREF, para. 9). While non-CO_2 gases such as methane (CH_4) and nitrous oxide (N_2O) from forest fires were excluded, the Party demonstrated that these sources accounted for only 1.1 per cent of the emissions from deforestation and absolute forest degradation in 2015 (TARNREF, para. 27). The UNFCCC assessment team (AT) evaluated this exclusion and noted that the gases omitted by Mexico are likely to be insignificant in the context of the FREL (TARNREF, para. 39). Mexico has identified the inclusion of non-CO_2 gases as an area for future technical improvement as part of its stepwise approach (TARNREF, para. 27). Furthermore, forCH_4 emissions from anaerobic processes in mangroves, Mexico indicated a medium-term plan to use the 2013 Supplement to the 2006 IPCC Guidelines for National Greenhouse Gas Inventories: Wetlands (TARNREF, para. 27)
The definition of forest used in the construction of forest reference emission levels and/or forest reference levels and, if appropriate, in case there is a difference with the definition of forest used in the national greenhouse gas inventory or in reporting to other international organizations, an explanation of why and how the definition used in the construction of FREL/FRLs was chosen	
(xi) Has the definition of forest used in the construction of the FREL/FRL been provided and is it consistent with the definition of forest used in the national GHG inventory or in reporting to other international organizations?	Mexico provided a comprehensive definition of "forest" in its national Forest Reference Emission Level (FREL) submission, which includes an operational threshold of a minimum area of 1 ha, a height of more than 4 m, and a canopy cover of 10 per cent or more (TARNREF, para. 31). The UNFCCC assessment team (AT) noted that this definition is different from the one used in Mexico's national greenhouse gas (GHG) inventory and its reporting to the FAO, both of which utilized a 50 ha minimum area threshold (TARNREF, para. 31). The AT explicitly concluded that the FREL does not maintain full consistency in terms of forest definition with the national GHG inventory reported in the sixth national communication and second biennial update report (TARNREF, para. 37). Mexico justified this inconsistency by explaining that the 50 ha threshold in previous reports was a limitation imposed by the only available data inputs at that time (INEGI maps) (TARNREF, para. 31). The transition to a 1 ha threshold for the second FREL was made possible by the availability of new, unbiased activity data generated through a systematic sampling approach, which the AT recognized as a significant improvement in the National Forest Monitoring System (TARNREF, para. 31, 37). Mexico further clarified that it is developing its upcoming third biennial update report using the same sampling approach and the 1 ha forest definition to restore consistency in future reporting (TARNREF, para. 31). The definition was not consistent at the time of the FREL assessment but is justified by the application of better data and methodologies; this definition was already implemented in the third BUR GHGI.
Criteria that are additional to the UNFCCC Technical Assessment and Analysis process	
(xii) What is the historical reference period for the FREL/FRL?	Start of the historical reference period: 2007-01 End of the historical reference period: 2016-12

	Had the country already submitted a FREL/FRLs before 21 October 2024 with a reference period over 10 years and, if so, has the country provided a recalculation of the FREL/FRL and results based on submitted and technically assessed and analysed data/information, without changing the annualized estimations and using the same methodologies[15]. ☐ Yes, the recalculation is provided as Annex_____ ☒ Not applicable Mexico's national Forest Reference Emission Level (FREL) utilizes a historical reference period of 10 years, spanning from 2007 to 2016 (TARNREF, para. 8). This period includes the specific years of 2007, 2008, 2009, 2010, 2011, 2012, 2013, 2014, 2015, and 2016 (ATREDDMx, Table III). The selection of 2007 as the start date was driven by technical requirements related to the availability of field data from the National Forest and Soils Inventory (INFyS), which achieved 100 per cent completion of its first cycle of data collection in that year (FREL, section 6.2). The end date of 2016 is related to the publication of REDD+ national strategy in 2017, which marks the start date of REDD+ implementation in Mexico (FREL section 6.2). This reference period is an update from the 2000–2010 period used in Mexico's first FREL submission (TARNREF, para. 16b, 33). The UNFCCC assessment team (AT) acknowledged that this updated period, alongside other methodological refinements, is consistent with the stepwise approach for reference level improvement (TARNREF, para. 10, 35)
(xiii) How does the FREL/FRL for the results included in the proposal compare to the previous FREL/FRL that applies to the same area?	Is there a previous FREL/FRL that applies to the same area? Yes ☒ No ☐ If yes, provide a link _____ https://redd.unfccc.int/files/frel_mexico_modified.pdf Mexico's current national Forest Reference Emission Level (FREL), assessed at 20,245,016 tonnes of carbon dioxide equivalent (t CO_2 eq) per year, is significantly lower than its previous FREL of 44,388,620 t CO_2 eq per year, which was submitted in 2014 and subject to technical assessment in 2015. The UNFCCC assessment team (AT) noted that this substantial reduction is primarily due to the implementation of the stepwise approach and the integration of major methodological refinements. These improvements include a more recent reference period (from 2000–2010 to 2007–2016), using a revised forest definition, the transition to new and unbiased activity data (AD) generated through a systematic sampling approach, the inclusion of three additional carbon pools (deadwood, litter, and soil organic carbon), and the use of updated emission factors (EFs) derived from National Forest Inventory (NFI) data. Additionally, the current FREL expanded its scope to include the activity of "reducing emissions from absolute forest degradation" in addition to gross deforestation. (TARNREF para. 16).
(xiv) Does the FREL/FRL provide information on uncertainties, taking	Mexico's national Forest Reference Emission Level (FREL) provides a comprehensive uncertainty analysis developed in strict accordance with the 2006 IPCC Guidelines for National Greenhouse Gas Inventories (TARNREF, para. 16(h)). The aggregated uncertainty for the assessed

15 The recalculated FREL/FRL shall not be higher than the original calculated FREL/FRL. If the recalculated FREL/FRL is higher, then the original calculated FREL/FRL shall be used.

national capabilities and circumstances into account?	FREL covering the reference period 2007–2016 is calculated at 7.7 per cent (FREL, section 11.2; TARNREF, para. 24). The inclusion of this complete uncertainty analysis represents a major methodological improvement over Mexico's first FREL submission, which lacked an uncertainty analysis for its activity data (TARNREF, para. 16(h)). To estimate the uncertainty for the reference level, Mexico implemented the methodology for the propagation of uncertainties by the sum as provided in Chapter 3 of Volume 1 of the 2006 IPCC Guidelines (FREL, section 11.3). During the technical assessment process, Mexico further refined this analysis by mathematically removing the effect of temporal correlation between variables, a step that allows for a more accurate estimation of variance in time series data (TARNREF, para. 24). This advanced approach involved calculating the uncertainties of total annual emissions from the sum of the variances of carbon stocks in consecutive years while subtracting the effect of their high covariance (ATREDDMx, page 375; NREF, section 11.3). The UNFCCC assessment team (AT) explicitly commended Mexico for this improvement, noting that it increases the precision of the estimates beyond the standard requirements of the 2006 IPCC Guidelines (TARNREF, para. 24). The final aggregated uncertainty reflects the propagation of errors across the biomass (above-ground and below-ground), deadwood, and litter pools (FREL, section 11.2; ATREDDMx, Table II p 354).
F.2. REDD+ Results reporting	
(i) Does the technical annex comply with the guidelines on the elements to be included in the technical annex as contained in the annex to UNFCCC decision 14/CP.19?	Mexico's technical annex, submitted as part of its third biennial update report, complies with the guidelines for the elements to be included as set out in the annex to UNFCCC decision 14/CP.19 (TARTA, Summary; para. 31). The UNFCCC team of technical experts (TTE) concluded that the submission is in overall accordance with these guidelines and that the data and information provided are transparent and consistent with the assessed national Forest Reference Emission Level (FREL) (TARTA, Summary; para. 14). The technical annex provides all mandatory elements required by the decision, including summary information from the assessed FREL, results expressed in tonnes of carbon dioxide equivalent (t CO_2eq) per year, a demonstration of methodological consistency with the reference level, a description of the National Forest Monitoring System (NFMS), information necessary for the reconstruction of the results, and a description of how elements contained in decision 4/CP.15, paragraph 1(c–d) are taken into account (TARTA, para. 31). During the technical analysis process, the TTE identified specific issues concerning the clarity of calculation files and the reporting of sampling errors for years with zero detected emissions (TARTA, paras. 22, 25). Mexico successfully addressed these issues by providing a modified technical annex that updated the uncertainty estimations and improved the descriptions of auxiliary files (TARTA, paras. 22, 25). Consequently, the TTE found the information provided in the final technical annex to be

	consistent with decision 14/CP.19, paragraph 9, and concluded that no significant issues remained unresolved (TARTA, para. 47)
(ii) Is there consistency between the assessed reference level and the results in the technical annex in terms of methodologies, definitions, comprehensiveness and information provided? (including the inclusion of same pools, activities and gases)	Mexico has maintained full methodological and definitional consistency between its assessed national Forest Reference Emission Level (FREL) and the results reported in the technical annex for the period 2017–2019 (TARTA, Summary; para. 15). The UNFCCC team of technical experts (TTE) explicitly concluded that the results were estimated and reported using methodologies, definitions, assumptions, and information that are consistent with those used for constructing the assessed FREL (TARTA, paras. 15, 45). Specifically, consistency was ensured by using the same National Forest Monitoring System (NFMS) and identical operational definitions to detect the annual conversion of forest to other land uses (deforestation) and the total loss of canopy cover without land-use change (absolute forest degradation) (TARTA, para. 14(a), 14(f–g)). The estimation of emission factors (EFs) relied on the same National Forest Inventory (NFI) data and the same seven ecoregions for forest stratification used in the FREL construction (TARTA, para. 14(b), 35). Furthermore, the technical annex covers the same geographic area (the entire national territory, including the island of Cozumel), includes the same five carbon pools (above-ground biomass, below-ground biomass, deadwood, litter, and soil organic carbon), and reports on the same greenhouse gas (CO_2) (TARTA, para. 14(c–e)). Mexico also applied consistent assumptions regarding the rate of soil organic carbon loss (1/20th per year) and the accounting of post-disturbance carbon stocks (TARTA, para. 14(h–i)).
(iii) Is the data and information provided in the technical annex complete? (in the sense that it allows for the reconstruction of the results?	Mexico has provided comprehensive data and information in its technical annex that allows for the full reconstruction of the REDD+ results reported for the period 2017–2019 (TARTA, para. 30). The UNFCCC team of technical experts (TTE) explicitly commended Mexico for its efforts to ensure the completeness of the data and information provided, noting that it specifically allows for the reconstruction of the results (TARTA, para. 16). To facilitate this, Mexico included the R code (“EMISIONES_REDD_BA.R”) used in the estimation process within the public directories, which the TTE found to be very helpful for the reconstruction process (TARTA, para. 16). During the technical analysis, the TTE initially noted that it was unclear which specific calculation files were used to produce the results and that some spreadsheets contained inaccurate formulae (TARTA, para. 22). In response to these facilitative observations, Mexico submitted a modified technical annex that updated the information provided in Table IX, enhancing the clarity of the reported information and ensuring that accurate formulae and correct output data (generated by the R code) were transparently linked (TARTA, para. 22). Mexico also provided explicit links to all necessary datasets—including the 26,220-plot multitemporal matrix, carbon content databases by reservoir, and emissions and uncertainty calculation files—through a general public repository (ATREDDMx, Table XI; TARTA, para. 16, 29). The TTE concluded its analysis by stating that Mexico provided the information necessary for reconstructing the results for carbon stocks, emissions, and uncertainties (TARTA, para. 30). Consequently, the TTE found the final technical annex to be transparent, consistent, complete, and accurate (TARTA, para. 46).

(iv) Is the data and information provided in the technical annex transparent	The data and information provided by Mexico in the technical annex are considered to be transparent, consistent, complete, and accurate (TARTA, para. 46). During the technical analysis, the Land Use, Land-Use Change and Forestry (LULUCF) experts commended Mexico for its efforts to increase transparency and ensure the completeness of the data and information provided, noting that this allows for the reconstruction of the REDD+ results (TARTA, para. 16). Specifically, the provision of the R code "EMISIONES_REDD_BA.R" in the directories associated with the estimation of the results was highlighted as very helpful for transparency (TARTA, para. 16). Furthermore, any significant issues raised during the technical analysis were successfully resolved; for example, the experts noted that linking directly to the R code would increase transparency, and Mexico subsequently updated the information provided in Table IX of the modified technical annex to address this, thereby enhancing the clarity and transparency of the reported information (TARTA, para. 22). While the LULUCF experts identified a few minor areas where transparency could be further enhanced in future submissions—such as providing a schematic graphic to clarify how carbon densities are assigned (TARTA, para. 27), discussing the implications of plots labeled as forest land that lack emission factors (TARTA, para. 26), and clarifying the reporting of zero emissions alongside sampling errors (TARTA, para. 25)—these were identified as areas for future technical improvement rather than significant unresolved issues. Ultimately, the UNFCCC technical analysis concluded that the data and information provided by Mexico in the technical annex are transparent and overall consistent with the data and information used for establishing the assessed FREL (TARTA, Summary).
(v) Are the results proposed in the technical annex accurate to the extent possible (emissions and/or removals are neither over- nor under-estimated)?	The REDD+ results proposed by Mexico for the period 2017–2019 are accurate to the extent possible based on the methodologies and assumptions used (TARTA, para. 48). The UNFCCC team of technical experts (TTE) concluded that the data and information provided in the final technical annex are transparent, consistent, complete, and accurate (TARTA, para. 46). During the technical analysis (TA) process, several issues potentially affecting accuracy were identified and subsequently addressed. First, the TTE noted that some initial spreadsheets contained inaccurate formulae and it was unclear which specific files produced the results (TARTA, para. 22). Mexico resolved this by submitting a modified technical annex that updated Table IX to clarify calculation paths and ensure that accurate formulae from the R code were correctly represented (TARTA, para. 22). Second, the TTE identified an issue where a sampling error was reported for years with zero detected emissions; Mexico updated its uncertainty estimations in the modified technical annex to account for this (TARTA, para. 25). Regarding the treatment of non-response plots, Mexico acknowledged an oversight where these plots were treated as zero biomass rather than being excluded, resulting in a minor difference of approximately 0.8 per cent in confidence intervals (TARTA, para. 28). However, Mexico chose to maintain these estimations in the technical annex to ensure strict consistency with the previously assessed national Forest Reference Emission Level (FREL), a decision noted by the TTE (TARTA, para. 28). Finally, while the TTE observed limitations in the error propagation method regarding the assumed independence of carbon pools, they noted this

	approach was consistent with the FREL and concluded the results remain accurate to the extent possible (TARTA, para. 41).
(vi) What is the number of years between the last year of the FREL/FRL period and the first year of the results period under which the country intends to obtain RBPs?	Mexico's assessed national Forest Reference Emission Level (FREL) covers a reference period that concludes in the year 2016 (TARNREF, para. 8; FREL, section 11.2). The REDD+ results for which Mexico is seeking results-based payments (RBPs) cover a period that begins in the year 2017 (TARTA, para. 9; ATREDDMx, p. 351). The number of intervening years between the reference period (2007–2016) and the results period (2017–2019) is 0 (TARTA, para. 9; TARNREF, para. 8). This immediate succession ensures the highest degree of temporal continuity and methodological alignment between the established historical baseline and the reported performance.
(vii) Has the technical annex provided information on uncertainties of emissions and/or removals during the period for which results are reported, taking into account national capabilities and circumstances?	Mexico has provided a detailed uncertainty analysis for the REDD+ results reported for the period 2017–2019 within its technical annex (ATREDDMx, p. 375). The aggregated propagated uncertainty for emissions during this results period was calculated at 19.5 per cent (ATREDDMx, p. 376). The UNFCCC team of technical experts (TTE) explicitly concluded that Mexico provided the data and information necessary for the full reconstruction of these uncertainties (TARTA, para. 30). The uncertainty estimations were developed in strict accordance with the 2006 IPCC Guidelines for National Greenhouse Gas Inventories (TARTA, para. 22). To minimize systematic and random errors, Mexico implemented an advanced mathematical process to address temporal correlation by subtracting the effect of covariance between carbon stocks measured in consecutive years (ATREDDMx, p 375; TARTA, para. 23). This methodological improvement, which exceeds the standard requirements of the 2006 IPCC Guidelines, was recognized by the UNFCCC assessment team as a "commendable" step that increases the precision of the results (TARNREF, para. 24). Furthermore, during the technical analysis process, Mexico successfully addressed an identified issue regarding the reporting of sampling errors for years with zero detected emissions (TARTA, para. 25). Mexico provided a modified technical annex that updated these uncertainty estimations, which the TTE found acceptable and incorporated into the final analysis (TARTA, para. 25, 47). While the TTE identified a minor oversight concerning the treatment of non-response plots, which resulted in a negligible difference of approximately 0.8 per cent in the confidence intervals, Mexico chose to maintain these estimations to ensure strict methodological consistency with the previously assessed national Forest Reference Emission Level (FREL) (TARTA, para. 28). The TTE ultimately concluded that the results and their associated uncertainties are accurate to the extent possible based on the assumptions and methodologies used (TARTA, para. 48).

LOGICAL FRAMEWORK

G.1 GCF Outcome level: Reduced emissions and increased resilience (IRMF core indicators 1-4, quantitative indicators)

GCF Result Area	IRMF Indicator	Means of Verification (MoV)	Baseline	Target		Assumptions / Note
				Mid-term	Final	
MRA4 Forestry and land use	Core indicator 1: GHG emissions reduced, avoided or removed/sequestered	Biennial report in the APR in alignment with the BTR	0	94,472	262,801	The deforestation rate decreased linearly over the implementation period from ref value to 0%
ARA4 Ecosystems and ecosystem services	Core 2: Direct and indirect beneficiaries reached	Annual reports for implementation of project-supported interventions by CONAFOR	0	13,650	33,720 (30% women)*	Consolidated annual reports by CONAFOR count of direct and indirect beneficiaries reached by eligible project-supported interventions. * This indicator is the cumulative number of unique direct and indirect beneficiaries reached through eligible project-supported interventions. Direct beneficiaries will be identified through project beneficiary and participant registries covering productive reconversion and silvopastoral support,

						PES, ECAs and women-led productive initiatives. Indirect beneficiaries associated with Supplementary Indicator 2.1 and Output Indicator 3.2 are estimated using the average household size reported by INEGI for the priority states, which is five people. As one household member is already counted as a direct beneficiary, four additional household members are counted as indirect beneficiaries. The project will use beneficiary registries to avoid double counting across interventions. Beneficiary data will be disaggregated by sex, Indigenous self-identification and Afro-Mexican self-identification, where safe and appropriate.
ARA4 Ecosystems and ecosystem services	Supplementary 2.1: Beneficiaries (female/male) adopting improved and/or new climate-resilient livelihood options	Annual reports for implementation of silvopastoral systems by CONAFOR	0	600	1600	One direct beneficiary will be counted for each supported productive unit, corresponding to the unique producer registered as the person primarily responsible for managing that unit.

						1,600 counted as direct beneficiaries
ARA4 Ecosystems and ecosystem services	Supplementary 2.5: Beneficiaries (female/male) adopting innovations that stregthen climate change resilience	Annual reports for Payment for Environmental Services by CONAFOR	0	8,000	20,000	The target assumes 10 persons per ejido/community supported with up to 100 ha. 20,000 counted as direct beneficiaries
ARA4 Ecosystems and ecosystem services	Core 4: Hectares of natural resources brought under improved low-emission and/or climate-resilient management practice	Annual reports for Payment for Environmental Services by CONAFOR	0	80,000 ha	205,000 ha	New areas incorporated to conservation schemes through Payment for Environmental Services

G.2. Project specific indicators (project outcomes and outputs)

Project/ results (outcomes/ outputs)	Project specific Indicator	Means of Verification (MoV)	Baseline	Target		Assumptions / Note
				Mid-term	Final	
Outcome 1. Increased adoption of climate-resilient silvopastoral systems and diversified sustainable livelihoods in forest–livestock transition zones.						

	# of field schools implemented	Annual reports for implementation of field schools by FAO	0	500	1200	Operation for one year of field school for up to 20 producers.
Output 1.1. Demonstrative productive reconversion models developed and implemented at the local level	# of participants involved in field schools (F/M)	Annual reports for implementation of field schools by FAO	0	5,000	12,000	To avoid double counting across ECAs, approximately 43 percent (5,120 participants) of ECA participants at project completion are assumed, for ex-ante target-setting purposes, to be additional unique beneficiaries who do not also receive productive, income-generating or resilience-related project support. This assumption will be validated during inception and replaced, during implementation. 5,120 counted as direct beneficiaries.
Output 1.2 Strengthened sustainable practices in transition zones	Number of production units supported for productive transformation / implementation of SSP	Annual reports for implementation of silvopastoral systems by CONAFOR	0	600	1600	
Outcome 2. Increased economic incentives and access to finance for forest sustainable management, conservation, and forest-compatible production systems						

Output 2.1 Deforestation-free value chains and market access mechanisms developed and operational	# of regional value chains strengthened	Annual report for implementation by FAO	0	2	7	
Output 2.2: Payment for Environmental Services (PES) mechanisms designed and implemented with meaningful participation of Indigenous Peoples, Afro-Mexican communities, ejidos and communities	Ha supported with PES	Annual reports for implementation of Payment for Ecosystem Services by CONAFOR	0	80,000 ha	205,000 ha	Area supported with PES over 5 years
Output 2.3 Strengthen and harmonization of financial products to support sustainable practices in transition zones	Number of financial products incorporating sustainable practices in transition zones	Annual reports for implementation by FAO	0	3	5	
Outcome 3. Improved inclusive territorial governance and coordinated landscape management for forest conservation, productive restoration and women's leadership.						
Output 3.1 Territorial agents strengthened in sustainable management and territorial planning	Number of local public institutions or organizations supported to implement landscape approach	Annual reports by FAO MX	0	15	25	Organizations or JIMA supported for 5 years

Output 3.2 Women's participation and leadership in sustainable landscape management strengthened through productive and income-generating initiatives.	# of productive initiatives led by women	Annual reports for implementation by CONAFOR	0	50	120	120 counted as direct beneficiaries.
Outcome 4. Enhanced institutional capacity, coordination and monitoring systems to sustain REDD+ implementation and climate-resilient landscape management						
Output 4.1 Strengthened capacities of institutions, territorial actors and technical staff to support sustainable silvopastoral systems and project formulation	Institutional capacity index	TBD	TBD	TBD	TBD	Index to be developed during inception period (Q3-Q4 of Y1).
Output 4.2 Strengthened monitoring systems	# of tools for monitoring in silvopastoral systems developed	Annuals reports by FAO	0	1	3	
Project co-benefit indicators						
Improved and diversified livelihoods for indigenous peoples and afro Mexican population	Percentage of direct beneficiaries participating on-the-ground grant activities are Indigenous Peoples or Afro-Mexican population disaggregated by sex	Annual reports by CONAFOR	0	25	25	This indicator quantifies the percentage of indigenous peoples and afro Mexican population in ejidos, communities, and small landowners who receive support from CONAFOR from the outputs 1.2, 2.2 and 3.2.

Gender equality, including the promotion of productive activities led by women and the development of gender-responsive technical assistance and skills development schemes.	# of women participating in productive initiatives	Annual reports by CONAFOR	0	500	1200	Increase in the percentage of women participating in productive initiatives due to RBP support through accessing PES schemes, incentives for the implementation of silvopastoral systems and women-led productive projects, or RBP project-supported technical assistance and capacity building, compared to baseline conditions
	Percentage of RBP project supported technical assistance and training schemes that incorporate gender responsive criteria, participation targets, and sex disaggregated monitoring	Annual reports by CONAFOR and FAO		100 %	100 %	
Improved territorial and landscape level governance	# of agreements signed for coordination between government and territorial agents	Annual reports by CONAFOR	0	20	24	
	New areas (ha) implementing payment for	Annual reports by CONAFOR	0	80,000	205,000	

	environmental services (PES)					
Areas delivering ecosystem services expanded	% of ejidos/communities receiving PES that implement biodiversity monitoring in their territories	Annual reports by CONAFOR	0	20%	50%	Biodiversity monitorig using BIOCOMUNI framework developed by CONAFOR

G.3. Monitoring, reporting and evaluation arrangements (max. 500 words, approximately 1 page)

In its role as Accredited Entity, FAO (specifically the Project Task Force) will oversee and supervise the implementation of this project in accordance with the FAA and the Accreditation Master Agreement (AMA) signed between FAO and the GCF. As per the GCF Monitoring and Accountability Framework, and in accordance with the AMA, FAO will provide the GCF with an Inception Report, Annual Performance Reports, an independent Mid-term Evaluation report, a Project Closure Report, and an independent Final Evaluation report. FAO will also provide annual Financial Reports throughout project implementation. FAO has standard M&E procedures which are compliant with the GCF performance measurement framework. FAO will manage and coordinate reporting to the GCF according to its standards and procedures. The monitoring will take place under the following levels.

Project execution level: The project will include implementation of a monitoring system to understand efficacy, targeting and verifying the assumptions that the program is making as well as implementing a learning plan so elements emerging from the monitoring systems can feed back into the project implementation and planning Components. The M&E at this level will be managed by the M&E specialist with oversight and guidance from the Project Steering Committee (PSC). Data will be stored in a database accessible to the GCF, the counterpart as well as to FAO.

As specified in the Transfer Agreement, CONAFOR will be required to submit quarterly financial and narrative reports to FAO, including reports on the approved workplan, results framework, and budget execution. Submission and approval of these reports will constitute a condition for subsequent fund transfers and will be subject to review and clearance by the Budget Holder. CONAFOR will report on expenditures, implementation progress, and results achieved, and will provide supporting documentation as required under FAO rules and procedures.

Request for funds submitted by CONAFOR will be supported by financial reporting and evidence of expenditure in line with the Transfer Agreement provisions and will reflect funding needs based on the workplan for the subsequent implementation period. FAO will review these requests in relation to reported progress, expenditures and compliance, and may approve, adjust or withhold disbursement accordingly.

Supervision, Support and Evaluation level: FAO will support the PTC and PSC in reviewing and analysing progress reports and to assess performances against baseline and targets. FAO will also secure, according to its rules and regulations, financial control and midterm evaluation and final evaluation phases via an independent and external evaluation expert.

In accordance with the AMA between FAO and GCF, the FAO Office of Evaluation will be responsible for the independent interim and final evaluations. The evaluations will be conducted using a question-driven approach and address the GCF evaluation criteria. The interim evaluation will be instrumental in contributing – through operational and strategic recommendations – to improve implementation, setting out any necessary corrective measures for the remaining period of the project. The final evaluation will assess the relevance of the intervention, its overall performance, as well as sustainability and scalability of results, differential impacts and lessons learned; coherence in climate finance delivery with other multilateral entities; gender equity; as well as innovativeness in result areas. The evaluation should also assess the extent to which the intervention has contributed to the CONAFOR's higher-level goal of achieving a paradigm shift in mitigation and adaptation to climate change in Mexico.

Annual Reporting: The PMU will prepare Annual Reports for each year of implementation and FAO will review/clear them. The FAO agricultural climate change technical officer and the M&E Specialist will ensure that the indicators in the results framework are monitored and reported annually. Annual Reports will be shared with the PSC, PTC and other stakeholders. Annual Reports will be due to GCF 60 days after the end of the calendar year. The final Annual Report and the terminal evaluation report will serve as the final project report package.

Mid-Term and Terminal Evaluations: In compliance with the requirements in FAO's Accreditation Master Agreement with the GCF, the FAO Office of Evaluation (the Accredited Entity independent evaluation office) will be responsible for the independent evaluation of this project. The overall evaluation will, inter alia, study the effectiveness, efficiency, and timeliness of project implementation; analyse partnership arrangements; identify issues requiring decisions and remedial actions; and, through the interim evaluation report, the impact of the project is assessed, and the report may propose mid-course corrections or needed adjustments to the implementation strategy. The final evaluation report will focus on project impacts and the degree to which expected long-term results have been achieved and may be sustained. It may also identify future actions needed to sustain results and disseminate replicable good practices and key issues faced during project implementation. The evaluation budget includes all evaluation costs, such as inception phase, evaluation design, data collection activities, analysis, report writing, quality assurance and dissemination. FAO will communicate the results of this evaluation to the GCF Secretariat. At a minimum, this shall be done through the required interim and final independent evaluation reports following the timeline agreed upon by the Secretariat and FAO.

GCF POLICIES AND STANDARDS

H.1. Environmental and social risk assessment (max. 1000 words, approximately 2 pages)

(a) **For the results period**:

As part of the development of this RBP Funding Proposal (FP) for Mexico, a social and environmental due diligence report describing the extent to which the activities leading to the REDD+ results have been implemented in a manner consistent with the relevant GCF policies was conducted and it is included in Annex 4.1 of this FP. It retrospectively examines the policies and measures implemented since the start of REDD+ readiness in 2010, as well as those undertaken during the results period (2018–2019).

By 2019, Mexico had established a comprehensive safeguards framework comprising strategic, legal, institutional, operational, and reporting components. This process began with the identification of risks through the Strategic Environmental and Social Assessment (SESA) conducted during the development of ENAREDD+, evolved through the legal interpretation and institutional articulation of safeguards, became operational through instruments such as the Environmental and Social Management Framework (ESMF), the State Safeguards Plans (PES), and project-level safeguards instruments, and has been reported through the Safeguards Information System (SIS) and the Summary of Information (SOI). Together, these elements form an integrated safeguards architecture that provides a strong basis for demonstrating consistency with the Cancun Safeguards, as well as with the GCF's Environmental and Social Safeguards (ESS) standards and related policies, including those on Indigenous Peoples, Gender, and Prohibited Practices, and with FAO's Framework for Environmental and Social Management (FESM).

Mexico's development of these safeguards integrated framework was not based on the creation of parallel structures, but rather on the articulation and reinforcing of existing national laws, institutions, systems, and participatory mechanisms, progressively strengthened through REDD+ readiness, pilot initiatives, and on-the-ground implementation. In parallel with the development of safeguards elements, the Government of Mexico worked to identify and strengthen the institutional, legal, and technical conditions required to address and respect safeguards throughout the design and implementation of REDD+.

In the context of REDD+ implementation at the territorial level through CONAFOR's incentive programs, the Operating Rules evolved progressively over the assessment period to operationalize environmental and social safeguards within forest sector activities. This evolution involved the systematic integration of safeguards into programme eligibility criteria, prioritization mechanisms, implementation procedures, and monitoring requirements, strengthening the environmental and social performance of REDD+-related actions on the ground. As a result, safeguards are translated into concrete implementation measures that guide beneficiary selection, activity prioritization, targeting, and implementation, helping to prevent environmental and social risks while promoting equitable access to programme benefits. The system has also evolved through a process of continuous improvement, whereby lessons learned, stakeholder feedback, and implementation experience are incorporated into programme design and operational procedures. This has enabled Mexico to establish a safeguards system that is both institutionalized and adaptive, strengthening its effectiveness over time and ensuring its consistent application at the beneficiary level.During the assessment period, Mexico demonstrated the capacity to identify, assess, and manage environmental and social risks and impacts associated with REDD+ preparation and implementation. Key instruments supporting this process included the SESA and the ESMF developed during the formulation of ENAREDD+, as well as safeguards instruments—such as Indigenous Peoples Plans and Environmental Assessments—developed under initiatives supporting REDD+ implementation, notably the Forest and Climate Project (PBCC) and the Strengthening Entrepreneurship in Productive Forest Landscapes Project (PROFOEM). Building on these instruments, a screening checklist was applied to identify the main environmental and social risks and opportunities relevant to the policies, measures, and actions implemented during the assessment period. The results of this screening are presented in the Annex 4.1 (Annex 2) accompanying this proposal. In addition, the analysis of Mexico's policy, legal, and regulatory (PLR) framework—included in Annex 4.1 (Annex 3)—demonstrates how safeguards are supported by national legislation, contributing to the minimization of potential environmental and social risks associated with REDD+.

With regard to stakeholder engagement, the design of ENAREDD+ and the broader REDD+ readiness process in Mexico were underpinned by an extensive and inclusive participatory process involving multiple stakeholders, including government entities at different levels, Indigenous Peoples, Afro-Mexican peoples, ejidos and communities, civil society organizations, and academia. The progressive development of successive versions of ENAREDD+ relied on a

multi-level architecture for stakeholder engagement, combining national, regional, and subnational platforms that enabled continuous dialogue, consultation, and co-design. These platforms included the REDD+ Technical Advisory Committee (CTC-REDD+) at national and subnational levels, the National Forestry Council (CONAF), and the Inter-Secretarial Commission on Climate Change (CICC) and its REDD+ Working Group.

ENAREDD+ was subsequently subjected to a broad national consultation process, implemented in accordance with a multi-phase Consultation Plan and led by CONAFOR. This process is widely regarded as good practice, reaching 26,360 participants through a combination of online consultations, in-person forums nationwide, and thematic consultations targeting specific groups such as women, youth, and stakeholders from the agricultural sector. In addition, a differentiated consultation process was carried out with Indigenous Peoples and Afro-Mexican communities, incorporating culturally appropriate methodologies, and local languages.

Regarding grievance redress mechanisms, a range of national legal instruments provide the basis for citizen participation in grievance processes and ensure accessibility, transparency, and procedural safeguards, as detailed in the PLR assessment included in the due diligence assessment annexed to this FP. Additionally, in 2017, CONAFOR established the Citizen Attention Mechanism (MAC) as an institutional mechanism to receive, process, and respond to requests, complaints, grievances, and inquiries related to forestry activities. The MAC aims to: (i) facilitate access to procedures for submitting information requests and grievances; (ii) improve CONAFOR's responsiveness; (iii) identify potential negative impacts; and (iv) prevent conflicts associated with the implementation of forestry and climate-related actions. The mechanism operates through existing institutional channels, including the Internal Control Body (OIC), the Transparency Unit, and the Citizen Information and Attention Service (SIAC), depending on the nature of the grievance. Details on the type of grievances that each of these channels managed, and information on the resolutions processes and timelines, as well as information on relevant areas of improvement identified during the REDD+ readiness phase is included in Annex 4.1 (section 4.2.8).

(b) **For the reinvestment of RBP proceeds.**

This Environmental and Social Management Framework (ESMF) has been prepared for the proposed use of proceeds of Mexico's REDD+ RBP proposal for the 2018–2019 results period and it is included in Annex 4.2. The ESMF establishes the framework through which environmental and social risks and impacts associated with the reinvestment of RBP proceeds will be identified, assessed, avoided, minimized, mitigated, monitored and reported throughout project implementation. This instrument is consistent with Mexico's national interpretation of the Cancun Safeguards, the GCF Revised Environmental and Social Policy, the GCF Indigenous Peoples Policy, Gender Policy and Policy on Prohibited Practices, as well as FAO's Framework for Environmental and Social Management (FESM). It builds on Mexico's REDD+ readiness process, including the National REDD+ Strategy (ENAREDD+), the Strategic Environmental and Social Assessment, the National Safeguards System (SNS), the Safeguards Information System (SIS), and previous participatory processes with federal and state institutions, Indigenous Peoples, Afro-Mexican peoples, ejidos, communities, women, civil society, academia and producer organizations.

Mexico's RBP proposal aims to reinvest resources into a transformative programme that addresses a key driver of deforestation and forest degradation: the expansion of extensive livestock systems in forest–livestock transition zones. The approach combines productive restoration, silvopastoral and regenerative livestock practices, Payments for Environmental Services, sustainable finance, deforestation-free value chains, strengthened territorial governance, and enhanced monitoring and institutional capacities across priority landscapes in seven states (Chiapas, Guerrero, Jalisco, Michoacán, Oaxaca, Quintana Roo, and Yucatán).

Following the application of FAO's environmental and social risk screening checklist, the proposed RBP project has been classified as Category B, or moderate risk. The risks identified are expected to be site-specific, reversible and manageable through the mitigation measures established in this ESMF, the Exclusion List, the environmental and social management matrix, the Stakeholder Engagement Plan (Annex 5), the Gender Assessment and Gender Action Plan (Annex 6), and the Indigenous Peoples Planning Framework (Annex 4.3) . No Category A or high-risk activities will be financed under the project.

The screening identified the following FAO ESOPs and ESSs as applicable: ESOP 2 Stakeholder Engagement; ESS 1 Biodiversity Conservation and Sustainable Management of Natural Resources; ESS 2 Resource Efficiency and Pollution Prevention and Management; ESS 3 on Climate Change and Disaster Risk Reduction , ESS 4 Decent Work;

ESS 5 Community Health, Safety and Security; ESS 6 Gender Equality and Prevention of Gender-Based Violence; ESS 7 Land Tenure, Displacement and Resettlement; ESS 8 Indigenous Peoples; and ESS 9 Cultural Heritage. The main risks identified relate to stakeholder engagement and benefit distribution; perceived inequities between beneficiaries and non-beneficiaries; environmentally or socially unsuitable sites; use of inappropriate, non-native or invasive species; continuation or increase of pesticide or fertilizer use; poor grazing management; occupational and community health and safety; GBV/SEAH risks; exclusion of women, Indigenous Peoples, Afro-Mexican peoples, youth and vulnerable producers; land tenure disputes; unclear collective agreements; insufficiently culturally appropriate engagement; and potential impacts on cultural heritage, traditional knowledge and community governance systems.

A comprehensive environmental and social management matrix has been prepared as Annex 2 to the ESMF. The matrix identifies risks and management measures for the project's main intervention areas, including productive restoration through silvopastoral systems, Farmer Field Schools (ECAs) and capacity building, Payments for Environmental Services (PES), and gender-related risks and measures. It will serve as a preliminary monitoring and evaluation tool and will be refined during the project inception phase as part of the Environmental and Social Management Plan (ESMP).

The ESMF is complemented by standalone safeguards instruments. The Stakeholder Engagement Plan provides the framework for stakeholder identification, consultation, participation, information disclosure and engagement throughout project implementation. The Gender Assessment and Gender Action Plan establishes measures to promote women's participation, address gender gaps, prevent exclusion, and manage GBV/SEAH risks. The Indigenous Peoples Planning Framework defines procedures for engagement with Indigenous Peoples, Afro-Mexican peoples, ejidos, agrarian communities and other local communities, including Free, Prior and Informed Consent..

Stakeholder engagement undertaken in preparation of the RBP proposal included institutional and territorial consultations. Institutional engagement included federal-level socialization and co-construction meetings, a federal co-design workshop, a coordination sessions with participating state governments, and presentation of the proposal to the REDD+ Working Group of the Inter-Ministerial Commission on Climate Change. At the territory level, the proposal was socialized with the State Forestry Councils which have representation of ejidos and communities, Indigenous Peoples, Afro-Mexican peoples, women producers, livestock producers, local organizations, civil society, academia and technical service providers. Additionally, in addition, territorial consultation workshops have been conducted in the participating states with local stakeholders, including ejidos, communities, Indigenous Peoples, women, and producers. These workshops presented the project's objectives, components, and eligible activities while engaging participants in the identification of potential risks, benefits, mitigation measures, participation mechanisms, and available grievance redress channels. They provided a platform for dialogue and feedback, helping to strengthen project design and implementation. The results of all of these engagements are being incorporated in Annex 5 (the SEP).

The project will use and strengthen CONAFOR's existing Citizen Attention Mechanism (MAC) as the main grievance, feedback and conflict-resolution channel. The RBP proposal will not create a parallel grievance mechanism. Instead, it will support implementation of the MAC Improvement Plan and ensure adequate operation of the MAC throughout project implementation, including measures to strengthen accessibility, confidentiality, culturally appropriate communication, gender-responsive procedures, dissemination in Indigenous languages, referral of sensitive cases, participatory monitoring, and coordination with relevant institutions such as INPI and INALI.

Given that FAO, together with the Government of Mexico (through CONAFOR), will act as Executing Entities for the RBP project, they will be responsible for ensuring the implementation of the relevant management measures and procedures defined in the ESMF (to be transformed into an actionable ESMP during inception phase), and for ensuring safeguards compliance throughout the assessment, selection, implementation, monitoring, evaluation, and reporting of on-the-ground activities financed by GCF proceeds. The PMU will oversee the day-to-day management and execution of project activities and will also be responsible for the implementation, monitoring, evaluation, and reporting of the ESMP, including in relation to the complementary yet standalone frameworks (IPP, SEP and GAAP). Dedicated Safeguards and Gender Specialists will provide technical expertise on environmental and social safeguards, Indigenous Peoples' issues, and intersectionality considerations. Together, they will support the implementation, monitoring, evaluation, and reporting of safeguards-related management measures and procedures, including those related to participatory and consultative processes at the local level.

Overall, the ESMF provides the overarching framework to ensure that Mexico's RBP proceeds are reinvested in a manner that is environmentally sound, socially inclusive, gender-responsive, culturally appropriate, rights-based and

consistent with GCF and FAO requirements. It establishes the procedures, instruments and institutional responsibilities required to manage risks, strengthen participation, promote co-benefits, and support Mexico's long-term REDD+ implementation in forest–livestock transition landscapes.

H.2. Gender assessment and action plan (max. 500 words, approximately 1 page)

In Mexico, women face significant structural inequalities that increase their vulnerability to poverty and climate change. Women represent 30.1 percent of the population living in poverty and often have fewer economic opportunities, particularly in households headed by women, where limited access to income further increases exposure to risk. These vulnerabilities are compounded by lower adaptive capacity due to economic, social, and political inequalities. In rural and forest contexts, women also face restricted access to land, forest resources, and productive assets; 70 percent of forest lands are owned by men and women represent only 27 percent of rights holders within agrarian nuclei, reflecting longstanding tenure inequalities. Because access to public programs, credit, infrastructure, and subsidies is typically linked to land ownership, these structural barriers limit women's participation and benefits from rural and forest development initiatives.

To overcome these barriers, according to the Gender Analysis included in Annex 6 to this proposal, as of 2026, Mexico's legal and policy framework shows growing convergence between gender equality, climate action, forest governance, and social inclusion, providing a solid foundation for implementing the RBP Gender Action Plan in line with the GCF Gender Policy and FAO's FESM (ESS 6). This framework is supported by constitutional reforms, gender equality legislation, and sectoral laws related to forests, agriculture, and climate change. In particular, the LGDFS establishes that sustainable forest development must promote equitable access to benefits and participation, while instruments such as the LGDRS and the Agrarian Law reinforce women's participation, leadership, and access to productive resources in rural and forest territories. More broadly, national policies reflect a shift from earlier approaches cantered on social assistance toward structural measures promoting substantive equality and inclusive forest governance.

Mexico's alignment with international agreements further strengthens this foundation by embedding human rights, safeguards, participation, and gender equality within REDD+ and forest governance systems. The institutional framework reflects increasing coordination between gender institutions, environmental authorities, and forest governance bodies, enabling more integrated and rights-based approaches. However, challenges remain, including institutional capacity gaps, coordination constraints, and persistent structural inequalities, which must be addressed to ensure effective implementation and safeguards monitoring.

In terms of grievance redress, Mexico has developed a range of instruments—including codes of conduct, complaint mechanisms, social oversight processes, and institutional protocols—to support safe, inclusive, and accountable participation. These mechanisms allow for the reporting and resolution of issues related to discrimination, misconduct, or violence. Complementary efforts in capacity building and awareness-raising have strengthened institutional responses to gender equality, prevention of violence, and culturally appropriate engagement. Nevertheless, access to these mechanisms remains uneven, particularly for women and marginalized populations in forest-dependent areas.

Mexico's REDD+ process has progressively integrated gender equality and social inclusion as cross-cutting elements, even though these were not initially designed as standalone components. Over time, gender considerations have been incorporated through REDD+ readiness activities, safeguards systems, legal reforms, and participatory governance processes. This evolution has increased the visibility of issues such as women's participation, differentiated vulnerabilities, land tenure barriers, access to benefits, and unpaid care responsibilities. ENAREDD+ explicitly recognizes that forest territories are socially differentiated and that women, Indigenous Peoples, Afro-Mexican communities, and youth face unequal conditions. In this context, women are recognized not only as vulnerable stakeholders but also as key actors in forest management, restoration, biodiversity conservation, and climate resilience.

This approach has been reinforced through the gradual integration of gender criteria into CONAFOR's Operating Rules, including eligibility, prioritization, and affirmative action measures. These include prioritization criteria for applications submitted by women, women's groups, young women, and Indigenous and Afro-Mexican women; affirmative care measures that help address barriers related to unpaid care responsibilities; and dedicated support for women-led productive initiatives. In addition, specific programs promote women's entrepreneurship, strengthen women's forest enterprises, provide technical assistance and business incubation services, and encourage the active participation of women in conservation, productive restoration, and sustainable livelihood activities. Given that REDD+ implementation

relies heavily on these instruments, their evolution represents a practical pathway toward gender-responsive implementation.

In addition, Mexico's REDD+ readiness process involved one of the most extensive participatory efforts in the country, where women's participation was increasingly recognized as essential. Consultation outcomes highlighted that gender equality requires addressing structural barriers, such as unequal access to land and resources, limited representation, lack of gender-responsive finance, and care constraints. While progress has been made, these priorities were critical for guiding the definition of this RBP proposal to ensure that women can meaningfully participate, access benefits, and do so without reinforcing existing inequalities.

Mexico is committed to ensure women, as well as other vulnerable groups, fully participate, engage and benefit from the REDD+ RBP Program. Key gender-related results to be expected from the reinvestment of proceeds, with associated targets are still being determined. Considering this and building on the findings from the GA, its recommendations, and the gender provisions in Mexico's legal and institutional framework, a Gender Action Plan (GAP) for the proposed REDD+ RBP proposal has been defined and it is included in Annex 6. The GAP proposes gender-responsive actions to be taken during the Program's execution, indicators to track progress of proposed actions.

The GAP will be implemented under the umbrella of the project's ESMF (and upon project inception, the ESMP) and complemented by the SEP (Annex 5) and the IPPF (Annex 4.3). Implementation of the GAP will be responsibility of the full-time safeguards team to be hired as part of the Project Management Unit.

H.3. Financial management and procurement (max. 500 words, approximately 1 page)

FAO and CONAFOR, as the Executing Entities, will establish the contractual arrangements necessary for the implementation of their respective project activities in accordance with their institutional procurement, financial management and administrative procedures, as well as the provisions of the Transfer Agreement. The specific contractual arrangements, including those for the procurement of goods, services and consultants, as applicable, will be identified and finalized during the project inception phase, ensuring compliance with the applicable policies and procedures of each Executing Entity.

As Accredited Entity for this project, FAO will ensure that financial management and procurement of goods and services using GCF resources adheres to relevant FAO rules and regulations, as well as relevant provisions in the Accreditation Master Agreement (AMA) signed between FAO and GCF. These rules and regulations were reviewed and deemed satisfactory by the GCF Secretariat and Accreditation Panel as part of FAO's accreditation process.

FAO has deployed an Oracle-based Enterprise Resource Planning (ERP) system, the 'Global Resources Management System' (GRMS), which provides all FAO employees in all locations globally with travel, human resources, procurement, and finance functionalities. Using GRMS improves the flow of financial information, supports financial monitoring and reporting, increases transparency and visibility, and strengthens internal control. FAO maintains a Chart of Accounts which is used by the whole Organization and that allows for a separation of income and expenditure by donor and project, and it provides a standardized coding structure that enables data to be recorded, classified, and summarized to facilitate internal management and external reporting requirements.

Direct procurement by FAO is done in accordance with its Manual Section 502 on "Procurement of Goods, Works, and Services". To sub-contract the delivery of specific activities using Letters of Agreement, FAO operates in accordance with its Manual Section 507 on "Letters of Agreement". Such services are managed by the FAO Procurement Service, which provides policy and operational support to ensure that the Organization procures goods, works, and services based on "Best Value for Money" principles.

Financial management and procurement executed by CONAFOR as Executing Entity of GCF proceeds will be overseen and supervised by the Project Task Force. The FAO project supervision team will undertake regular supervision missions and recruit a qualified, internationally recognized auditing firm to perform one spot check and one audit per year to ensure financial management by CONAFOR are conducted in line with agreed standards and practices in accordance with FAO's Manual Section 701 on "Operational Partners".

Selected components of the project will be implemented by CONAFOR. The provisions regarding CONAFOR's responsibilities as EE, together with all financial details, will be included in the Transfer Agreement, which will also serve as subsidiary agreement, to be signed between FAO and the Government of Mexico acting though CONAFOR.

FAO will apply a risk-based management approach in accordance with FAO´s Manual Section 701 on Implementing Partnership. Prior to implementation, FAO will establish a Partner Risk Profile and Risk Score based on capacity assessments and screenings and will integrate identified risks into the project risk mitigation plan, including defined mitigation and capacity development measures. Assurance activities will be carried out to verify the appropriate use of funds and the achievement of results, including monitoring visits, spot checks and audits. The frequency and scope of these assurance activities will be determined based on the Partner Risk Score and the level of funds transferred. The Budget Holder will ensure that assurance activities are implemented as planned, and that findings from audits and spot checks are reviewed and addressed through corrective actions, as required.

As Accredited Entity of the GCF, FAO will have overall responsibility for quality assurance and oversight, and shall assume fiduciary responsibility in accordance with FAO standards and procedures. In addition to this, FAO will be responsible for the financial execution of GCF funds according to FAO rules and regulations mainly contained and detailed in the FAO Handbook (including those referred to financial monitoring, audit and procurement).

During implementation, FAO will provide oversight and quality assurance in accordance with its policies and procedures. This may include monitoring missions, spot checks and participation at project governance meetings. The project will be audited internally and externally following FAO's Financial Regulations.

H.4. Disclosure of funding proposal

☒ No confidential information: The accredited entity confirms that the funding proposal, including its annexes, may be disclosed in full by the GCF, as no information is being provided in confidence.

☐ With confidential information: The accredited entity declares that the funding proposal, including its annexes, may not be disclosed in full by the GCF, as certain information is being provided in confidence. Accordingly, the accredited entity is providing to the Secretariat the following two copies of the funding proposal, including all annexes:

- full copy for internal use of the GCF in which the confidential portions are marked accordingly, together with an explanatory note regarding the said portions and the corresponding reason for confidentiality under the accredited entity's disclosure policy, and
- redacted copy for disclosure on the GCF website.

The funding proposal can only be processed upon receipt of the two copies above, if containing confidential information.

ANNEXES		
I.1. Mandatory annexes		
☒	Annex 1	NDA no-objection letter and written consent of national REDD+ focal point
☒	Annex 2	Simplified budget plan
☒	Annex 3	Implementation timetable for use of proceeds including key milestones
☒	Annex 4	☒ Annex 4.1 Due diligence report describing the extent to which the activities leading to the REDD+ results have been implemented in a manner consistent with the relevant GCF policies ☒ Annex 4.2 Environmental and Social Management Framework (ESMF) ☒ Annex 4.3 Indigenous Peoples Planning Framework (IPPF)
☒	Annex 5	Summary of Consultations and Stakeholder Engagement Plan
☒	Annex 6	Gender assessment and action plan
☒	Annex 7	Legal due diligence (regulation, taxation and insurance)
☒	Annex 8	Monitoring and evaluation plan
☒	Annex 9	AE fee request
I.2. Other annexes as applicable		
☒	Annex 10	Evidence of internal approval
☒	Annex 11	Map(s) indicating the location of proposed interventions
☒	Annex 12	Compliance with GCF Investment Criteria
☒	Annex 13	AML/CFT (KYC)
☒	Annex 14	Eligibility criteria
☒	Annex 15	RAF. FAO Mexico_Assessment Report
☒	Annex 15.1	RAF_OnGranting Assessment_GCF Mexico RBP_overview of MS 705
☒	Annex 15.2	RAF_GCF_PSAA Application and Review Checklist_Mexico_FAO_CONAFOR
☒	Annex 16	Term Sheet

** Please note that a funding proposal will be considered complete only upon receipt of all the applicable supporting documents.*