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To: Mailbox, REDD
Subject: Comments and suggestions: TREES

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Dear ART Secretariat:

Below you will find first, a general comment with regards to your proposed institutional design and implementation approach under the TREES program, and second, a table with specific suggestions to improve implementation feasibility on some of your program's provisions.

In general, I would like to convey our perspective, which takes into account the Mexican context of implementation and policy experience. I direct the Mexico Clean Economy 2050 at Stanford University. As part of this program's activities, we are conducting multi-stakeholder capacity building activities to inform the policy process for climate and smart cities policies in Mexico. We are partnering with international expert practitioners, Mexican researchers and scientists to enhance understanding, in-country, on how to best maximize the benefits of climate finance and GHG mitigation that **natural climate solutions** can offer to Mexican agro/forestry communities (i.e., AFOLU in connection to the proposed Mexican emissions trading system, as well as the global carbon market through environmental commodities/products). A key issue of concern about your program, as currently designed, is that the jurisdictional/national engagement approach may not be received well by some communities (which are key for the success of the program). In the past, jurisdictional programs between the World Bank and the government of Mexico (through the forestry commission, CONAFOR and the ministry of finance, SHCP) were perceived by some communities and key policymakers as limiting by not allowing any other donor or private program engagement, as well as by not providing a direct economic benefit to the members of the community actually delivering the environmental service and/or conservation activity. Funds appear to have been used for the development and management of the program within government. Thus, the effectiveness of your program's safeguards to make sure the community is rewarded/compensated fairly for their efforts is going to be key to the success of the program.

Below are some specific suggestions regarding your proposed program:

TREES provision	Discussion	Suggested approach
Participant: Can only be a national government	This limitation may not promote ownership of subnational programs; it may also be useful to allow entities that could support a national government program given the resource constraints of national governments.	Allow subnational governments or entities appointed by national or subnational governments (e.g. similar to the accredited entities of the GCF or GEF), with approval of the national government
Subnational eligibility: Must be an area of between 4 and 6 million	Too stringent and may not target priority regions, i.e. high GHG emissions area, or large forest	Allow subnational jurisdictions that have: a minimum level of GHG emissions (e.g. 1 million

ha and 30% of national forest	areas under threat, i.e. one can be eligible as a large area with little forest, or an area with large forest that is not threatened (low emissions).	tCO2) and a minimum amount of forest area (e.g. 1 million ha).
Subnational timeline: Only allowable to 2025	A 5-year duration is insufficient incentive for subnational participation.	Allow participation at least to 2030.
Crediting level: Exogenous 20% reduction	Given all the other deductions—for uncertainty, leakage, reversals, etc.—this seems overly punitive and is unlikely to invite participation.	Delete provision but instead require the crediting level to decrease over time.

I hope these comments are useful to advance your important initiative.

Please do not hesitate to contact me if you have any questions.

Best regards,
BLPH

Blas L. Pérez Henríquez

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