



Mexico-UK PACT Fund

Climate Policy, Green Finance and AFOLU Call for Proposals Q&A

* This document was updated with additional questions submitted via mexico@ukpact.co.uk during the clarification questions period, which ran until 8 September.

September 12, 2025

Contents

1. Introduction	2
2. Eligibility criteria:	3
2. Application process:	8
3. Scope and focus of the CfP:	15
4. Finance requirements:	21
5. Other:	24

1. Introduction

This document compiles the questions and answers from the Mexico–UK PACT Fund Call for Proposals (CfP) on Climate Policy, Green Finance, and AFOLU. It includes queries raised during the market engagement event (14 August) as well as those submitted during the clarification period following the publication of the Terms of Reference (3 September). They are divided into five categories:

- Eligibility criteria
- Application process
- Scope and focus of the CfP
- Finance requirements
- Other

2. Eligibility criteria

Q1. Are organisations not registered in Mexico, including international NGOs, academic institutions, or private companies, eligible to apply as the lead organisation, or must they have legal representation in Mexico?

- A. Yes, international organisations can apply individually or as lead under a consortium, but they need to comply with the eligibility criteria provided in the Terms of Reference (ToR). As an individual applicant all international organisations must demonstrate their capacity to work in Mexico.

In a consortium, international organisations do not need to be based in Mexico, but they must include at least one local partner.

A local partner is defined as an organization that can demonstrate its capacity to operate in Mexico under a National Registration (such as TAX ID) or any other appropriate evidence. It can be a local organization, a civil society group, a community / indigenous association, among others. The local partner does not have to be the consortium leader.

Q2. Can newly established civil society organisations or those without prior projects in Mexico participate as lead applicants?

- A. Newly established civil society organisations (CSOs) or those without prior projects in Mexico are not eligible to serve as lead applicants in the Mexico-UK PACT Call for Proposals due to the eligibility criteria outlined in the initial phase for submitting Expressions of Interest, particularly the management capacity requirement. However, these organisations can actively participate as members of a consortium, offering a valuable opportunity to contribute to the programme.

Q3. Are for-profit companies eligible to apply directly if their projects align with UK PACT objectives and deliver public-good environmental outcomes, or must they partner with an eligible lead applicant?

- A. Profit and non-profit organisations can apply. If applying as a consortium, the consortium lead can either be a non-profit or a for-profit organisation. While for-profit organisations are eligible, profit is not an eligible cost.

Q4. If the lead organisation is Mexican, can international organisations be included as consortium partners?

A. Yes.

Q5. Is a government partner or beneficiary required for private organisations or NGOs to apply?

A. Private organisations and NGOs may apply either as lead applicants or as part of a consortium, without the requirement to include government entities as implementing partners. Government agencies or departments, including subnational governments, are explicitly ineligible to participate as lead or consortium members. However, each proposal must identify the designated government institution specified in the ToR as the primary counterpart and main beneficiary of the project's outputs. Other government entities may also be involved as key counterparts/stakeholders when relevant to the project's objectives and context.

Q6. Are educational institutions, such as universities (from the UK or elsewhere), eligible to apply as lead applicants or partners?

A. Yes, if they comply with the eligibility criteria. See Q1.

Q7. Are local or municipal government entities, metropolitan bodies (e.g., IMEPLAN in Guadalajara), or state-owned enterprises eligible to apply as lead applicants or partners?

A. Government agencies and state-owned enterprises are not eligible to apply but can be beneficiaries to the projects (see Q5). Detailed information on the eligibility criteria for interested organisations will be included in the Call for Proposal Terms of Reference (ToR's), to be published on September 3, 2025.

Q8. Is it possible for private entities (trade associations) to be beneficiaries of the projects?

A. Main counterparts (beneficiaries) will be specified in the ToR for each specific intervention area. Other key stakeholders (such as other governmental institutions, community-based organisations, local cooperatives, or civil society stakeholders, etc.) can be included as deemed relevant and should be well justified in the proposal.

Q9. Can a second-tier civil society organisation (CSO) apply for the UK PACT programme?

- A. Second-tier civil society organisations (CSOs) that support other CSOs through funding or capacity-building are unlikely to be eligible as lead applicants for the Mexico-UK PACT Call for Proposals, as they must demonstrate a reference project exceeding £300,000 led in Mexico. However, they can participate as consortium members, contributing with technical expertise if the lead applicant meets the management capacity criteria.

Q10. Can UN agencies, multilateral banks and other international organizations participate in this CfP?

- A. Yes. Profit and non-profit organisations can apply. If applying as a consortium, the consortium lead can either be a non-profit or a for-profit organisation. While all non-governmental organisations/firms are eligible, profit is not an eligible cost.

Q11. At the EOI stage, is it mandatory to list consortium partners, or can applicants apply as a lead organization and add partners at the full proposal stage?

- A. Yes, it is mandatory to list all consortium partners at the EOI stage.

Q12. Can an organisation be a partner in multiple proposals within the same intervention area, or does the one-proposal-per-area rule apply to both leads and partners?

- A. The one-proposal-per-intervention-area rule applies to both lead applicants and consortium partners. An organisation may only participate in one proposal per intervention area, regardless of its role. However, it can be involved in proposals across different intervention areas.

Q13. Are decentralised public entities with legal and financial autonomy eligible to apply as lead applicants under the current UK PACT Mexico Country Fund Call for Proposals?

- A. No, public entities—including government agencies, departments, decentralised entities, subnational governments, and state-owned enterprises—are not eligible to apply as lead applicants or consortium members under the UK PACT Mexico Country Fund Call for Proposals.

Q14. Can a UK-based company register as the Lead Partner in the UK PACT Mexico Country Fund Call for Proposals?

- A. Yes, UK-based companies can apply as Lead Partners if they meet all eligibility criteria outlined in the Terms of Reference.

Q15. If a single reference project is split into three separate contracts—e.g. for plant production, reforestation in coffee-growing areas, and reforestation in cattle ranches—can we submit all three contracts and explain in the summary that they represent one integrated project?

- A. Yes, it is acceptable to submit all three contracts, provided they are clearly presented as components of a single, integrated reference project. This should be explicitly explained in the summary to ensure clarity and alignment with submission guidelines.

Q16. Can we include reference projects that meet the technical requirements but fall below the £300,000 budget threshold, if they demonstrate relevant experience and impact?

- A. The £300,000 threshold applies exclusively to the assessment of management capacity. Technical and management capacities are evaluated separately. For further details, please refer to Section 15 of the Terms of Reference, which outlines the selection criteria for the Expression of Interest.

Q17. In a consortium, must the lead organisation be the one with experience managing resources in the target country?

- A. Yes. The lead organisation is expected to demonstrate experience managing resources. For further details, please refer to Section 15 of the Terms of Reference, which outlines the selection criteria for the Expression of Interest.

Q18. Can an organisation submit multiple project applications within the same intervention area?

- A. No. Organisations may apply to more than one intervention area, but they are not allowed to submit more than one application to the same intervention area.

Q19. In what format should applicants present the reference projects that demonstrate their technical and management capacities?

- A. There are no specific templates required. Applicants should provide evidence as described in the Terms of Reference, ensuring that the information clearly

demonstrates compliance with the technical and/or management capacity criteria: o If using one project to demonstrate both capacities, the supporting documentation (e.g., final report, contract, or equivalent) must cover both technical aspects (such as outcomes and impacts) and management aspects (such as budget above £300,000, duration of at least one year, governance, transparency, and VfM indicators). o If using two separate projects, submit evidence for each criterion separately: for technical capacity, focus on outputs and demonstrated impacts; for management capacity, focus on operational and financial aspects. All Submissions should be concise, relevant, and avoid confidential or excessive materials.

Q20. For reference projects presented as evidence of technical capacity, can these include projects executed as part of a consortium (where the applicant was not the lead), provided the applicant can demonstrate a substantive role and contribution?

A. Yes, reference projects for technical capacity can include those executed as part of a consortium where the applicant was not the lead, as long as the applicant outlines their substantive role, contributions, and how the project demonstrates relevant experience in the intervention area.

Q21. Can reference projects that are still ongoing be accepted, provided they already meet the budget and minimum one-year duration requirements?

A. Yes. Ongoing projects may be accepted if they already meet the budget threshold (£300,000+) and the minimum one-year duration from start to current date. Applicants must provide evidence of delivery, budget management, and interim impacts.

Q22. The call for applications states that “Applicants can apply in one or more intervention areas but cannot apply more than once to the same intervention area.” Could you please confirm whether this restriction applies to the intervention area itself (e.g. Green Finance 2.1), rather than to broader sectors (e.g. Green Finance). or to specific projects listed within each intervention area?

A. The restriction applies at the level of the intervention area (e.g., Green Finance 2.1 or 2.2), rather than the broader sector (e.g., Green Finance). Applicants may submit proposals to multiple intervention areas (e.g., one for 2.1 and another for 3.2), but only one proposal is allowed per intervention area. If an intervention area includes multiple specific projects (e.g., 2.2.1 and 2.2.2 under 2.2.3), applicants must select and respond to only one. Submitting separate or combined proposals for multiple projects within the same intervention area is not permitted.

Q23. Can a stakeholder such as the Tequila Regulatory Council, be part of the consortium?

- A. Yes. Non-governmental stakeholders such as the Tequila Regulatory Council may join a consortium as partners if they meet eligibility criteria and their role is justified within the project.

Q24. Can organisations participate in more than one proposal under the same intervention area, either as lead or as a consortium member?

- A. Yes, organisations may participate in multiple proposals within the same intervention area, provided they serve as the lead in only one proposal and as a consortium member in another. Each proposal must address a distinct project and clearly demonstrate that there is no duplication of efforts.

2. Application process

Q25. Is it mandatory to demonstrate a reference project in Mexico with a budget exceeding £300,000 and a duration of at least one year to meet the management capacity criteria, or can international experience with projects of this size (e.g., projects over £300,000 in Colombia or Brazil) suffice for lead applicants?

- A. Yes. To assess management capacities, applicants must submit a reference project that demonstrates good governance, transparency and Value for Money (VfM), led by the applying organisation, executed in Mexico, with a budget of +£300k and a duration of 1 year.

Q26. Does the reference project for management capacity need to be audited, and must it be distinct from the project submitted for technical capacity?

- A. The Mexico-UK PACT Fund call does not explicitly require the management capacity reference project to be audited, but it must demonstrate good governance, transparency, and Value for Money, suggesting verifiable financial records are beneficial. The same project could be considered for both technical and management capacity if it meets all criteria of both areas.

Q27. Must the management capacity (in Mexico) be demonstrated by the consortium's lead organisation? In other words, can only organisations with management experience in Mexico serve as consortium leads?

- A. Only the lead organisation should demonstrate management capacities in Mexico. The consortium's partners do not need to demonstrate management capacity in Mexico.

Q28. Can organisations submit proposals for multiple projects, or is the application limited to a single project or intervention area?

- A. Organisations may submit proposals for multiple projects across different intervention areas (Climate Policy, Green Finance, AFOLU) in the Mexico-UK PACT Fund Call for Proposals, provided each proposal targets a distinct intervention area. However, organisations cannot submit more than one proposal per intervention area (e.g., only one proposal for Green Finance 2.1 Classification and reporting standards for the Sustainable Finance Mobilisation Strategy and Taxonomy appropriation by private sector). Each proposal will be assessed independently.

Q29. Can we include a letter of support from government entities with prior collaboration as part of the proposal?

- A. This is not necessary during the stage one of the application. However, if applicants are selected after the approval of their Expression of Interest (EoI) during the stage one, a letter of support from government entities with prior collaboration may be included as part of their full proposal in stage two, as it enhances the demonstration of engagement with key counterparts. It is advisable to include such a letter as an annex to the full proposal, if considered relevant and well-justified.

Q30. How can an organisation qualify as the lead for a proposed project, and what specific management capacity requirements must it meet in Mexico?

- A. To qualify as the lead organisation, applicants must meet the eligibility criteria and demonstrate the management capacity to deliver projects in the relevant sectors (Climate Policy, Green Finance, or AFOLU). They must provide a reference project led by the applicant, implemented in Mexico, with a budget over £300,000 and a minimum duration of one year. The project should evidence good governance, transparency, and Value for Money (VfM), while demonstrating the organisation's familiarity with the local context and ability to engage effectively with counterparts.

Q31. Where can detailed information on the intervention areas (e.g., Green Finance 2.1, 2.2; AFOLU 3.1, 3.2, 3.3) be found?

A. Detailed information on the intervention areas can be found in the Terms of Reference, which will be available on the Mexico-UK PACT fund page to be published on September 3, 2025. This document provides specific details on the scope and priorities of each intervention area.

Q32. Does UK PACT provide tools or guidance to support applicants in developing proposals that align with the established intervention areas?

A. Yes, UK PACT provides applicants with handbooks, templates, and supporting documents. During the first stage, applicants are required to submit only the Expression of Interest (EoI) and the following documents will be available to consult:

- Terms of Reference
- Applicant handbook
- UK PACT GEDSI guidance
- Risk Management Guide for Applicants
- Q&A Document

Shortlisted applicants will be invited to submit a full proposal. These applicants will have access to the previous documents and the following templates, which will need to be filled as part of their proposal:

- Technical proposal template
- Workplan and Budget template
- Theory of Change template
- Risk Register

Q33. Can NGOs participate without direct engagement with government entities such as SHCP, SEMARNAT, or SICT?

A. NGOs can participate in the Mexico-UK PACT Country Fund, but as a demand-led programme, engagement with government counterparts such as SHCP, SEMARNAT, or SICT is mandatory during the second stage (full proposal). Applicants must demonstrate early engagement to confirm counterparts' needs and priorities, integrating these into the proposal's rationale and Theory of Change to align with Mexico's climate goals, ensuring project adoption, and impact.

Q34. Is a letter of support from government counterparts required or permissible as an annex to the Expression of Interest (EoI)?

A. See answer in Question 15.

Q35. How many proposals are planned to be selected per sector or intervention area?

- A. A single proposal will be selected for each specific project within its respective intervention area, in line with the details outlined in the Terms of Reference, and subject to the programme's budgetary availability for the Mexico-UK PACT Fund.

Q36. Is it possible to extend the deadline for submitting full proposals beyond 24 October 2025?

- A. No, the deadline for submitting full proposals is 24 October 2025, and extensions beyond this date are not possible. Any changes to the timeline will be communicated via the Call for Proposals webpage.

Q37. What are the specific requirements for reference projects to demonstrate technical and management capacities in the Eol, and are there specific formats for submitting evidence of these projects?

- A. Applicants are expected to demonstrate their technical and management capacities by providing evidence of relevant or comparable project experience. A reference project may consist of documented proof of previous work, such as contracts, agreements, deliverables, or other outputs that illustrate the applicant's ability to implement projects successfully. Evidence can be uploaded in common formats (e.g. PDF, Word, or scanned documents) through the online portal my.ukpact.co.uk, where applicants must first register.

Q38. Can an organisation submit multiple Eols for different intervention areas, and is a separate Eol required for each area? Are there specific operational rules for each sector or intervention area?

- A. Yes, an organisation may submit multiple Expressions of Interest (Eols) for different intervention areas and their specific projects. However, it cannot apply more than once to the same intervention area. A separate Eol is required for each project within an intervention area, and each proposal will be assessed independently. The Terms of Reference, to be published from 3 September 2025, will outline detailed requirements for each project within its corresponding intervention area. Application guidelines and general programme operations are provided in the Applicant Handbook, available on the Call for Proposals webpage.

Q39. Can an organisation participate in more than one consortium and submit multiple Eols?

- A. Yes, an organisation may participate in multiple consortia and submit multiple Expressions of Interest (Eols) for different intervention areas, as long as each Eol is distinct and pertains to a separate intervention area project.

Q40. Will detailed feedback be provided for Eols not shortlisted?

- A. All applicants will receive an email notifying if they were selected or not to submit a full proposal for the second stage, but no detailed feedback will be provided during the first stage. For selected applicants to submit a full proposal during the second stage, feedback will be provided after thorough review.

Q41. How are criteria such as innovation and scalability weighted against technical compliance?

- A. Proposals are evaluated based on the criteria outlined in the Terms of Reference, to be published on September 3, 2025, on the Call for proposals webpage. Innovation and scalability are balanced with technical compliance to ensure transformative impact and feasibility.

Q42. What legal/fiscal documents (e.g., audited financial statements, authorised status) are required for submission?

- A. The specific requirements for legal and fiscal documents are part of the due diligence process, as detailed in the Applicant Handbook (Section 7). These documents are only required at the grant signing stage, not at the initial Expression of Interest (Eol) or full proposal submission stages.

Q43. Are there specific considerations for involving subcontractors or third parties?

- A. Yes. Subcontractors are entities formally engaged by the lead applicant to deliver specific project tasks or services, usually contracted during project implementation. While they may be identified and contracted later, their expected costs must be included in the budget submitted with the full proposal (stage 2 of the CfP).

Third parties may include consortium partners collaborating from the outset, or other stakeholders (e.g. community groups, advisors) contributing without subcontracting arrangements. Where third parties act as consortium partners, a formal consortium agreement with the lead organisation will be required if the project is selected for funding.

Applicants must clearly outline the roles, responsibilities, and contributions of all subcontractors and third parties in the full proposal, ensuring alignment with project objectives and compliance with due diligence requirements.

Q44. When describing the proposed team structure, can we include candidates to be hired if the project is approved, or only current team members?

- A. Yes, proposals may include plans to hire personnel or external consultants—such as a GEDSI expert—who are not yet part of the organisation at the time of submission. However, it is strongly encouraged to present as complete a team as possible to strengthen the application and demonstrate readiness for implementation.

Q45. If a single reference project is split into three separate contracts—e.g. for plant production, reforestation in coffee-growing areas, and reforestation in cattle ranches—can we submit all three contracts and explain in the summary that they represent one integrated project?

- A. Yes, it is acceptable to submit all three contracts, provided they are clearly presented as components of a single, integrated reference project. This should be explicitly explained in the summary to ensure clarity and alignment with submission guidelines.

Q46. When submitting supporting documents for reference projects, what is the required language? Should we provide both the original Spanish version and an English translation? Additionally, does the translation need to be certified, or is a non-certified translation acceptable?

- A. Supporting documents may be submitted in either Spanish or English. If a translation is provided, it does not need to be certified.

Q47. Which institutions should provide letters of endorsement for proposals?

- A. They should come from the main counterparts listed in each project and provide a rationale of how the proposal addresses the counterpart priorities. Additional endorsements from other stakeholders can be included if relevant.

Q48. In what format should applicants present the reference projects that demonstrate their technical and management capacities?

- A. There are no specific templates required. Applicants should provide evidence as described in the Terms of Reference, ensuring that the information clearly demonstrates compliance with the technical and/or management capacity criteria:
- a. If using one project to demonstrate both capacities, the supporting documentation (e.g., final report, contract, or equivalent) must cover

both technical aspects (such as outcomes and impacts) and management aspects (such as budget above £300,000, duration of at least one year, governance, transparency, and VfM indicators).

- b. If using two separate projects, submit evidence for each criterion separately: for technical capacity, focus on outputs and demonstrated impacts; for management capacity, focus on operational and financial aspects. All Submissions should be concise, relevant, and avoid confidential or excessive materials.

Q49. The Terms of Reference identify government institutions as the primary counterparts and beneficiaries. What evidence of government engagement, if any, is expected at the Expression of Interest stage?

- A. At the EoI stage, evidence of government engagement is not required.

Q50. What level of detail is expected regarding GEDSI (Gender Equality, Disability and Social Inclusion) in the Expression of Interest? Should applicants provide a general approach and rationale, or already outline specific activities and commitments at this early stage?

- A. At the EoI stage, there is no requirement to include detailed information on GEDSI, as this is not a selection criterion at this phase.

Q51. If the development of the project requires the use of confidential information from a private sector partner with whom I have a confidentiality agreement, will UKPACT require access to that information, or will the agreement be respected and only the results need to be shared?

- A. UK PACT will respect confidentiality agreements and will not require access to sensitive private-sector information. Implementing partners should share only results, aggregated data, or non-confidential outputs. Any confidentiality constraints should be clearly noted in the proposal's risk management section.

Q52. How can applicants access the contact details of other organisations interested in applying to the call?

- A. UK PACT requested consent during the informative webinar to share contact details of organisations interested in applying to the call, with the aim of fostering collaboration and potential consortia. Those who provided consent received an email with access instructions. For further support, applicants may contact mexico@ukpact.co.uk

3. Scope and focus of the CfP

Q53. What is the definition of "sustainable taxonomy" in the context of the showcased intervention area referring to it (Green Finance)?

- A. In the context of Green Finance, a sustainable taxonomy is a classification system used by governments, companies, and financial institutions to identify and define economic activities, investments, and projects that contribute to environmental and social objectives, such as emissions reduction and inclusive development. It guides investments towards activities aligned with Mexico's climate goals, including its Nationally Determined Contributions (NDC). For details, refer to Mexico's Sustainable Taxonomy: <https://www.gob.mx/shcp/documentos/taxonomia-sostenible-de-mexico>.

Q54. What does "climate reconversion" mean in the context of AFOLU intervention area 3.2 (livestock)?

- A. In the context of the AFOLU intervention areas, "climate reconversion" refers to the adoption of sustainable production practices across all sub-sectors (crops, livestock, forestry, and fisheries), guided by the Food and Agriculture Organization's (FAO) climate-smart agriculture principles. For livestock systems, these practices enhance productivity, reduce greenhouse gas emissions, and increase climate resilience, aligning with Mexico's Nationally Determined Contributions (NDC). For further details, see the FAO's climate-smart agriculture framework: <http://www.fao.org/climate-smart-agriculture/en/>.

Q55. What level of alignment with Mexico's Sustainable Taxonomy is expected for Green Finance interventions (e.g., literal adoption, adaptation, or development of derived tools)?

- A. The technical assistance requested within the intervention areas is expected to foster the adoption of Mexico's Sustainable Taxonomy, understood as the alignment of investments, projects, and financial operations with its objectives and criteria. This may involve not only literal adoption but also adaptation and the development of complementary or derived tools, as appropriate for this purpose. Further details are provided in the corresponding Terms of Reference.

Q56. Can proposals in AFOLU (agroindustry support) include private capital instruments or the design of a specific programme to monitor greenhouse gas emissions in invested companies?

- A. In general, production units in the AFOLU sector are predominantly small-scale and are not legally required to report emissions under the current regulatory framework. Larger-scale agro-industrial operations must report to SEMARNAT's National Emissions Registry (RENE) only if their annual GHG emissions exceed 25,000 tonnes of carbon dioxide equivalent (tCO₂e). The

demand for technical assistance specifically targets small- and medium-scale primary (non-industrial) producers. Consequently, proposals involving private capital instruments or the design of specific programmes to monitor GHG emissions in invested companies do not fall within the intended scope and are therefore not eligible. For further details on the requested projects, please consult the corresponding Terms of Reference.

Q57. Can proposals include collaboration with large companies undertaking infrastructure projects to act as catalysts for Small and Medium-sized Enterprises?

- A. The demand for technical assistance primarily seeks to ensure that public sector infrastructure investments, including public works, concessions, economic development hubs, and PPPs, among others, align with green, environmental, and sustainable criteria. This is achieved by supporting the development of public policy guidelines, directives, and strategies. It is important to note that this assistance is not intended to provide direct support to private sector companies. For further details, please refer to the corresponding Terms of Reference.

Q58. Must projects in AFOLU intervention areas focus exclusively on priority regions such as the Balsas and Pátzcuaro basins (3.1: crops), specific livestock landscapes (3.2: livestock), or the Trans-Mexican Volcanic Belt (3.3: forests), or can they include other basins, regions, or ecosystems (e.g., mangroves, urban forests, biocultural corridors between Protected Natural Areas - ANPs)?

- A. In the context of AFOLU intervention areas (3.1: crops, 3.2: livestock, 3.3: forests), projects are generally expected to align with the priority geographic areas outlined in each project description—for example, the Balsas and Pátzcuaro basins for crops, specific livestock landscapes, or the Trans-Mexican Volcanic Belt for forests, as set out in Mexico's National Development Plan. Projects may also target other zones if identified through engagement with government partners and recognised as institutional priorities, ensuring the relevance and uptake of results. Proposals must provide a clear rationale for the chosen areas and evidence of meaningful government engagement.

Q59. Are diverse activities such as organic agriculture, beekeeping, regenerative tourism, or watershed management in other parts of Mexico eligible, and will projects in the specified regions receive higher priority?

- A. Projects in the AFOLU intervention areas (3.1: crops, 3.2: livestock, 3.3: forests) must primarily address the technical assistance priorities set out in the Terms of Reference: (i) capacity building for emissions accounting to meet the Paris Agreement's Enhanced Transparency Framework; (ii) transitioning the livestock sub-sector, which accounts for 80% of emissions; (iii) managing land-

use change; (iv) ensuring traceability for zero-deforestation production; and (v) restoration in priority watersheds. While scattered activities such as organic agriculture, beekeeping, regenerative tourism, or watershed management exist across the country, their mitigation potential is limited. Proposals should therefore focus on the specific priorities identified. They may only include such activities where a clear rationale is provided, and strong counterpart engagement is demonstrated to ensure relevance and uptake.

Q60. In Climate Policy (1.1 Development and Implementation of Key Instruments in Support of Mexico's NDC.), would proposals involving the restructuring of CFE tariffs, redirecting energy subsidies, or building capacities for subnational governments or the legislature be eligible?

- A. The full details of what projects and interventions entail, will be included in the ToR's to be published on on the Mexico-UK PACT Fund page.

Q61. Is it permissible to submit proposals for projects that differ from those presented in the webinar, provided they align with the intervention areas?

- A. No. Proposals must strictly address the specific requirements set out in the Terms of Reference for the intervention areas within Climate Policy, Green Finance, and AFOLU sectors, and cannot deviate from the projects solicited. They must also demonstrate clear alignment with the outlined priorities and respond to the identified needs of the relevant government counterparts.

Q62. Is it possible to integrate multiple components (Climate Policy, Green Finance, and AFOLU) into a single project proposal?

- A. No. Proposals must respond to the specific projects outlined within each intervention area, as these will be assessed independently. Combining components from multiple areas into a single proposal is not permitted. Applicants must therefore submit separate proposals for each intervention area project, providing a clear rationale and demonstrating strong engagement with government counterparts to ensure relevance and uptake.

Q63. Does the programme directly support private carbon projects or projects already under development?

- A. The UK PACT Mexico Country Fund is a demand-driven programme that works in partnership with government decision-makers to advance Mexico's climate priorities. It does not directly fund private carbon projects or initiatives already under development.

Q64. Does the requirement for counterpart integration and adoption imply that a government institution must actively participate in the project?

A. The Mexico-UK PACT Country Fund is a demand-driven programme that works in partnership with government decision-makers to advance Mexico's climate priorities. Therefore, it is expected that the main counterpart of each project actively engages with the Implementing Partners and, adopts and executes the products delivered.

Q65. Are all subnational governments (states and municipalities) eligible, or are there prioritisation criteria?

A. The full details of what projects and interventions entail, will be included in the ToR's to be published on the Mexico-UK PACT fund page.

Q66. Is cooperation with other Latin American countries (e.g., Colombia) encouraged to strengthen implementation in Mexico?

A. Collaboration among UK PACT supported countries is encouraged but not mandatory.

Q67. Is there an expectation of an additional call for proposals in the coming months for other sectors, such as energy?

A. During 2025, Mexico-UK PACT Fund will only launch this Call for Proposals.

Q68. Is the scope of Intervention Area 3.1 under the AFOLU line limited to specific crops such as agave, or are proposals involving other crops—like maize—also eligible, provided they incorporate Climate-Smart Agriculture (CSA) practices?

A. The scope of Project 3.1.1 Fostering sustainable agave cultivation through technical assistance, learning communities and field schools to promote CSA practices and compliance with traceability standards with a sustainable market approach, under Intervention Area 3.1 Fostering climate action in crops is limited to agave. Applicants are encouraged to ensure their proposals reflect the goals and criteria outlined in the ToR.

Q69. Has the focus on subnational-level green finance projects changed, given that the Terms of Reference no longer include the previously mentioned project on capacity building for municipalities and state governments to adopt the Sustainable Taxonomy?

A. The Mexico-UK PACT Country Fund is demand-driven and reflects evolving priorities identified by government stakeholders. If a project presented during the Market Engagement Event no longer appears in the current Terms of Reference, it indicates a shift in focus. Applicants should ensure proposals align with the latest ToR and stated goals.

Q70. Can applicants propose additional counterparts beyond those listed in the ToR, if well justified?

- A. Applicants may propose additional counterparts beyond those listed in the ToR, if well justified and beneficial to project implementation. However, engagement with the main counterparts identified in the ToR is expected, in order to ensure effective coordination and adoption of project outputs.

Q71. Can a project combine elements from two intervention areas, or must each proposal focus on just one?

- A. Each proposal must focus on a single intervention area. While cross-cutting elements may be relevant, projects should be clearly aligned with one intervention area as defined in the Terms of Reference.

Q72. The Market Engagement Event mentioned a project on developing key instruments to support Mexico's NDC under Area of Intervention 1; however, the ToR only lists the GHG Emission Inventory Visualisation Platform. Does this mean only inventory-related proposals are eligible, or are other NDC-supporting projects still accepted?

- A. The Mexico-UK PACT Country Fund is demand-driven and reflects evolving priorities identified by government stakeholders. If a project presented during the Market Engagement Event no longer appears in the current Terms of Reference, it indicates a shift in focus. Applicants should ensure proposals align with the latest ToR and stated goals.

Q73. Can proposals focus on extending or strengthening existing bilateral climate initiatives, or must they strictly align with the three intervention areas and listed projects?

- A. While UK PACT continues to explore new collaboration opportunities between the UK and Mexico, proposals submitted under this Call must strictly align with the Terms of Reference for each intervention area and project. Submitting a proposal outside these parameters may result in disqualification.

Q74. Is the scope of projects under this call limited to the specific tools or outputs outlined, or can proposals include broader elements that support NDC implementation?

- A. Project proposals should focus on the main goals described in the Terms of Reference. However, they can include additional elements that support the implementation of the NDCs, as long as these are clearly linked to the expected outcomes. Furthermore, there are no fixed technical methods -these should be defined through the proposed activities, based on what is realistic and possible with the available resources.

Q75. Are applicants required to conduct fieldwork or follow a specific methodology, or can they propose alternative approaches that use existing data and outputs from ongoing initiatives to strengthen partnerships, improve coordination, and enhance outreach—especially in achieving the expected results?

A. Proposals should clearly explain their chosen methodology and activities, making sure they align with the objectives of the selected intervention area. There is no requirement to conduct fieldwork or follow a specific method. Applicants can suggest alternative strategies that use existing data and outputs from ongoing initiatives to build partnerships, create synergies, and improve outreach—provided these approaches effectively support the expected results. Engaging with government counterparts during proposal development is encouraged, and all proposals will be assessed based on the published selection criteria.

Q76. Has progress already been made by institutions—such as identifying a preliminary set of variables, starting data collection, selection of stakeholders, etc.—or will these elements be defined as part of the project activities?

A. Applicants are expected to address key elements during the proposal design phase. This should be done in close collaboration with government counterparts to ensure the proposal is technically sound and aligned with stated priorities.

Q77. If government counterparts request activities that differ from the illustrative examples provided, may we include them in the proposal as long as they contribute to the intended outcomes and impacts?

A. Yes. The illustrative activities are intended as guidance only. You may propose additional or alternative activities, provided they clearly align with the objectives, rationale, and expected outcomes of the intervention area. Proposals must demonstrate alignment with national priorities and counterpart needs, include a strong sustainability and exit strategy, remain within the defined scope and budget, and fully comply with the ToR.

Q78. For projects involving the alignment of financing mechanisms and technical assistance (e.g., Project 2.2.3), must the focus be on Cosechando Soberanía, or can broader initiatives aligned with AFOLU sector goals also be considered?

A. Yes, Cosechando Soberanía must be the focus. Broader initiatives that align with the sector's goals can also be considered, provided they meet the objectives

outlined in the intervention area. Applicants should confirm their approach with the relevant government counterpart during the proposal design phase to ensure alignment with priorities.

Q79. Could you share the specifications of the areas of intervention?

- A. All specifications related to each intervention area under this Call for Proposals are comprehensively outlined in the Terms of Reference, available on the Call for Proposals webpage.

Q80. Could you please confirm if the project: Development and Implementation of Key Instruments in Support of Mexico's NDC, will no longer be considered in this CfP?

- A. The project "Development and Implementation of Key Instruments in Support of Mexico's NDC" is not considered in this CfP.

4. Finance requirements

Q81. What is the estimated budget range for these projects?

- A. Projects can be supported for up to 500,000 GBP per fiscal year (the fiscal year runs from April to March).

Q82. It was mentioned that the participating organisation must have financial resources to cover reporting, activities, and other requirements. Must the demonstrated financial resources match the total amount required for the project?

- A. Applicants should budget according to the project's needs (based in Value for Money) including the reporting activities and UK PACT requirements. During implementation, the organisation must have resources to cover those costs in a quarterly manner and submit financial reports and invoices of all expenditure for reimbursement after the payments have been made.

Q83. Can indirect, administrative, or human resources costs of the organisation be included?

- A. Yes. Both indirect and direct costs are considered under the programme. Indirect costs, also referred to as overheads, may be included. These are costs that support the organisation as a whole but are not directly attributable to a specific project, product or service. For example, expenses such as office space and premises, or supporting functions like HR or internal accounting, which continue to exist beyond the duration of a project, can be considered overheads. Direct costs, in contrast, are those directly linked to project delivery and may include personnel, domestic and international travel, accommodation and subsistence, workshops and events, printing, or other project-related

items. Further guidance on how to treat overheads and how to prepare the full project budget is provided in the UK PACT Applicant Handbook.

Q84. Are there restrictions or guidelines on overhead costs that can be included in the project, and is there a maximum percentage of the budget that can be allocated to these costs?

- A. Guidelines for overhead costs are included in the UK PACT Applicant Handbook. If the overhead costs are up to 15% of the direct project costs, no more information will be required to verify the rate. If the percentage exceeds 15%, organisations must complete an "alternative overhead" tab in the budget template, and the UK PACT team will verify the calculations based on financial audit reports required during the due diligence process. Final assessment and approval will be needed to accept an overhead above this percentage.

Q85. Can fees for an administrator or accountant be considered as direct costs?

- A. Administrative costs can be included as part of the overhead costs as explained in the previous questions.

Q86. Regarding the requirement of having managed a budget of £300,000 in previous projects, must this have been within a single one-year project, or can it have been executed over a longer period?

- A. The reference project should have managed a £300,000 budget during the last 5 years with a total duration of at least 1 year.

Q87. Can staff salaries be included as eligible project costs?

- A. Consultancies and staff time are eligible under UK PACT personnel costs. Personnel costs must be budgeted based on daily rates – the actual cost to the business of employing the personnel without overheads, profit or contingency. Personnel costs must be calculated and budgeted based on the time each staff member will employ for the proposed activities of the project. These costs will be requested during the second stage of the call. For more information, please refer to the UK PACT Applicant Handbook (Page 19, Section 3.8).

Q88. For technical staff to be hired, does the funding allow inclusion of payroll costs, social security contributions (e.g., IMSS in Mexico), or employer contributions?

- A. Organisations can include costs related to taxes and pensions as part of their overheads or included in their day rate, but these costs must not duplicate in the direct and indirect costs filled in the budget template. This will be required to the shortlisted applicants, as part of the full proposal during the second stage of the call,

Q89. What is meant by “subsistence costs”? Are these distinct from administrative costs?

- A. Subsistence costs are related to “Accommodation and subsistence” categories under UK PACT’s eligible costs. Activities including travelling, could include subsistence costs such as hotel accommodation, meals, and other incidentals.

Q90. It was stated that an external auditor must be engaged. Is the cost of the audit included in the project budget, or must it be covered directly by the organisation?

- A. Audit costs must be included as part of the budget for the project under “Project Management” costs.

Q91. For AFOLU projects, can consumable costs be included as eligible expenses, particularly for technical projects?

- A. Meals and other incidentals are eligible costs under UK PACT. Other material assets are considered capital expenditure, which is an ineligible cost under UK PACT. For more detailed information on eligible costs, please consult the UK PACT Applicant Handbook (Page 18, Section 3.8).

Q92. Is it feasible to include the purchase of materials, vehicles, or other tangible assets?

- A. No. UK PACT does not cover any capital expenditure costs such as land, buildings, machinery, laptops, vehicles, or other material. Please review all eligible costs in the UK PACT Applicant Handbook (Page 20, Section 3.8).

Q93. Is it possible to include overhead costs? And if so, what is the allowed percentage?

- A. Yes, it is possible to include overhead costs. According to the UK PACT Applicant Handbook (Page 25, Section 3.8), if overhead costs are up to 15% of the direct project costs, no additional documentation is required to verify the rate. However, if the overhead percentage exceeds 15%, the UK PACT team will verify the calculations using financial audit reports submitted during the due diligence process. A final assessment and approval will be necessary to accept overhead costs above the 15% threshold.

Q94. Does the 15% cap on overheads apply individually to each consortium partner, or only to the consolidated project budget?

- A. The 15% overhead cap applies to the consolidated project budget, calculated as a percentage of total direct costs, not to each consortium partner individually. Each partner should calculate overheads separately using the prescribed methodology, and the lead organisation must consolidate these in the overall budget, clearly identifying the rates per partner.

Q95. If requesting an overhead rate higher than 15%, what verification or review process will apply, and what documentation should applicants expect to provide?

- A. Overhead rates above 15% may be requested but must be justified with audited financial statements from the past three years, showing that the higher rate reflects organisational norms and eligible costs. UK PACT will review the request at the full proposal stage, assessing transparency, value for money, and consistency. Applicants should provide a cost breakdown (e.g., premises, utilities, governance, Human Resources), excluding ineligible items such as profit or contingencies, and demonstrate that no costs are duplicated. If approved, the rate is fixed at the outset and reconciled quarterly.

5. Other:

Q96. Is it possible to access a draft of the NDC 3 to align with it? We understand they will be published too late to be used for the proposals.

- A. While we understand that the updated NDC will be published too late to inform proposals, applicants are encouraged to engage with governmental counterparts, such as SEMARNAT, to explore available information that could guide alignment with emerging NDC 3 priorities. Nonetheless, proposals should draw on the available information on climate policy priorities relevant to the sectors in question.

Q97. Have you previously partnered with carbon projects, and if so, could you share examples?

- A. The Mexico-UK PACT Fund has supported the development of carbon projects through technical assistance and capacity building under the *Consolidation of the Mexican Climate Finance Hub* project. This initiative involved identifying and evaluating potential carbon projects in collaboration with selected subnational entities and community groups, using applicability standards such as start date, location, baseline, and environmental, regulatory, financial, or technological additionality.