

## Readiness Progress Fact Sheet

**COUNTRY: PANAMA**

**Draft, October 2013**

### 1. R-PP Preparation and FCPF Readiness grant

- R-Plan assessed by FCPF PC at PC3 (June 2009), requesting Panama to address the key issues identified in the TAP assessment, the preliminary findings from the World Bank's due diligence, and the Summary Report. This process is pending.
- UN-REDD National Program (NP) was assessed and approved at October 2009 UN-REDD Policy Board meeting. The national coordinator was hired in July 2011 and the rest of the project management unit during 2011 and 2012.
- Panama has requested UNDP to be the Delivery Partner for its FCPF R-PP in June 2011 (PC9).
- In March 2013 Panama requested a joint mission from FMT and UNDP to discuss and clarify next steps for the finalization of the RPP and signature of the transfer agreement.
- Since April 2013, the implementation of new activities of the UN-REDD National Programme has been put on hold, while the mid-term evaluation and independent investigation take place.
- In May 2013, the Authority of Environment (ANAM) sent a letter to the FMT indicating that it is working on a roadmap to address the comments of the TAP, and that the conclusions and recommendations of the evaluation of the UN-REDD National Programme of Panama will serve to improve the process of stakeholder engagement for responding to TAP comments, and for updating and finalizing the RPP document once the UN-REDD National Programme resumes.
- In Oct 2013, ANAM is working on responding to TAP comments

### 2. National REDD Readiness Management Arrangements

- In 2009 the Ministry of Economy and Finance (MEF) has formally endorsed the Readiness Preparation process.
- ANAM is the lead institution in charge of managing the REDD readiness efforts in the country. In 2011 ANAM has established a working group of 8 professionals from ANAM to lead and supervise the implementation of the REDD+ activities in the country.
- The involvement of other institutions and stakeholders into the preparation of the national REDD strategy and definition of most appropriate management arrangements for a future REDD structure in the country is taking place during the meetings of the REDD National Working Group (*Mesa Nacional REDD*) described in section 3, below.
- The management arrangements for the FCPF R-PP will build on the arrangements developed for the UN-REDD National Programme. As the NP is on hold while an evaluation and investigation considers the claims made by COONAPIP concerning the management arrangements, further discussion on the management arrangements for the FCPF R-PP is pending the outcomes of the evaluation.

### 3. Stakeholder Consultations and Communication

- From 2010 to February 2013, several local, national and regional meetings with local and national indigenous authorities were organized in Panama, to discuss REDD+ and the process for the elaboration of the national REDD+ strategy.
- The process of consultation and engagement with stakeholders was strengthened in 2012 with the organization of the first meetings of the REDD National Working Group (*Mesa Nacional REDD*). ANAM or-

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ganized the first meeting of the REDD national working group in September 2012. The working group is composed of different stakeholders from the government, NGOs, university, as well as several representatives from different indigenous groups. The second meeting of the REDD National Working Group took place in December 2012.

- A communication and information plan was prepared in 2012 and implementation commenced, including provincial level workshops.
- After the allegations made by COONAPIP in February 2013, the UN-REDD Programme launched an independent mid-term evaluation of the National Programme, with a view to thoroughly investigate the allegations. Although the evaluation assessed the entire National Programme, it put particular emphasis on the participation of indigenous peoples. The investigation started in May. The preliminary results have been presented in June. During the 10<sup>th</sup> UN-REDD Policy Board meeting in Lombok, discussions took place between ANAM and COONAPIP and continued once back in Panama. The final version of the investigation report was released in September. The preliminary mid-term evaluation report was posted for public comments in September and is now being finalized. It should be released later in October.
- In October, ANAM and the UN agencies are preparing to respond to the evaluation recommendations, explaining how the recommendations will be addressed.
- All new activities of the UN-REDD National Programme in Panama as well as those that involve indigenous people as well as the meetings of the national REDD working group are still suspended.
- UNDP recommends that consideration of its due diligence for the FCPF R-PP project be contingent on the outcome of the UN-REDD evaluation.

### 4. REDD Strategy Preparation

- In 2012, Panama has conducted 4 Regional Workshops in order to know the expectation of local communities about the future REDD+ Strategy. These workshops were held from July to November 2012 and led by ANAM.
- In the second meeting of the REDD National Working Group the general guidelines of the National REDD Strategy and a roadmap were developed. During the 3<sup>rd</sup> meeting, the mission and vision of the National REDD Strategy have been defined.
- The meeting of the REDD+ national platform as well as the preparation of the REDD+ strategy had been put on hold since March 2013 and continues on hold until the evaluation process reaches its end.
- A first opportunity cost analysis has been conducted and finalized in July 2013.

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### 5. Implementation Framework

- Regarding the implementation framework for REDD in the country, a first phase of analysis was concluded in 2011-12. It included a review of the current situation on legal issues associated to a REDD program. The analysis were focused on (i) legal framework; (ii) environmental governance, (iii) land tenure; (iv) rights associated to carbon use and (v) carbon sequestration in the current national legislation. The results and recommendations from these analysis will contribute to generate an appropriate national implementation framework for REDD in Panama.
- A specific sub-group of the national REDD working group has started working on the institutional framework requested for the implementation of REDD+ in Panama in Sept 2012. And another sub-group responsible for social and economic aspects has been working on opportunity costs and multiple benefits since Sept 2012. Data collection for opportunity costs and multiple benefits of REDD completed, deforestation models completed, and a BAU scenario developed. The opportunity costs and multiple benefits team from UNEP have organized several meetings with local stakeholders from rural and indigenous communities to get and validate the information generated.
- In April 2013 UNEP conducted a technical workshop on opportunity costs and multiple benefits with participation of ICRAF, CATIE and NJP team (ANAM and UN agencies).
- UNEP Finance Initiative conducted several interviews and meetings about the opportunities for private sector for participation in a future financing REDD mechanism.

### 6. SESA Social Environmental Strategic assessment

- In 2011, ToR's for SESA have been drafted by the National REDD Group.
- Panama participated on May 23-26, 2011, in Washington DC in Task Force Meeting on the Common Approach to Environmental and Social Safeguards for Multiple Delivery Partners.

### 7. Development of a Reference Scenario

- In 2011 a preliminary study on the causes of deforestation in Panama was completed with funds from the regional German REDD+ support program carried out by GIZ.
- The general structure of the national forest and carbon monitoring system has been defined and agreed upon. It will consist of the following components:
  - o a new forest and vegetation base map;
  - o a national forest inventory;
  - o a remote sensing based system for monitoring area and area changes of land use and forest types;
  - o a national greenhouse gas inventory.
- Existing documentation and information related to REDD in Panama has been compiled.
- In July 2013, forecasts of forest cover in 2028 have been finalized, taking into account several scenarios of development in the country.

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### 8. MRV

- New satellite images have been purchased and were delivered early 2012. The design of the national forest and carbon inventory was finished in 2012.
- In 2013 finalized the acquisition of equipment and software for the national forest monitoring system. The GIS software for the mapping component has been purchased as well as the purchase of equipment for the field inventory.
- Coordination has also been established with other organizations and institutions carrying out monitoring activities, such as STRI, GIZ and UTP (Universidad Tecnológica de Panamá).
- Work on definitions and a system for classification of forests and land use concluded in 2012.
- The national forest and carbon inventory design was finalized by FAO/ANAM team and the distribution of 72 sample units for the first inventory phase was undertaken. The field work was planned to start in the beginning of 2013 but had to be put on hold due to the evaluation of the national UN-REDD programme.
- The preprocessing of Rapideye satellite images for the forest cover map was finished in 2012. The classification/interpretation of the Panama Canal basin area and the Bocas del Toro province area was finished in February 2013.
- Until May 2013, 7 professional from ANAM and stakeholders have participated to more than 10 different trainings on use of GIS, MRV, forest monitoring.
- 7 permanent inventory plots have been established to date.
- The elaboration of the forest cover map for the Caribbean area has been completed in May 2013. This is the area of the Mesoamerican Biological Corridor.

### 9. Other

- In June 2012 a cooperation agreement was signed between ANAM, the Authority of the Canal of Panama (ACP) and GIZ to design a REDD+ pilot project in the Panama Canal area. In March 2013 CCAD-GIZ, ANAM and NJP UN-REDD held a coordination meeting to discuss work plan and future actions in the framework of the pilot project in the Panama Canal area. The REDD project with ACP is presently working on the MRV component of the project. For design of benefit distribution scheme is being considered the ACP experience in compensation for environmental services.
- STRI in cooperation with McGill University has conducted a LIDAR mapping project to calculate the carbon contents in Panamanian forests. The results of this project have been released (<http://www.redorbit.com/news/science/1112904403/first-high-resolution-national-carbon-map-panama-072313/>)