

# Panama National Programme Submission Form

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UN-REDD PROGRAMME

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Working document

October 2009



## National Programme (NP) Submission Form to the UN-REDD Programme Policy Board

### 1. Policy Board Submission

Policy Board Meeting <input checked="" type="checkbox"/> No. 3	Inter-sessional Meeting <input type="checkbox"/>
Date of Meeting: 29-30 October 2009	Date of Inter-sessional Decision:

### 2. National Programme Summary

#### *Details of National Programme*

Country	Panama
Programme <sup>1</sup> Title	UN-REDD Panama Programme
Implementing Partner(s) <sup>2</sup>	ANAM - Autoridad Nacional del Ambiente

#### *Details of Participating UN Organizations' Representatives*

UN Resident Coordinator: <i>Name:</i> Jose Eguren	Contact details: <i>Telephone:</i> +507-3024500 <i>Email:</i> jose.eguren@undp.org
FAO: <i>Name:</i> Deodoro Roca <i>Title:</i> Country Representative	Contact details: <i>Telephone:</i> <i>Email:</i> deodoro.roca@fao.org
UNDP: <i>Name:</i> Peter Grohmann <i>Title:</i> Country Director	Contact details: <i>Telephone:</i> +507-3024601 <i>Email:</i> peter.grohmann@undp.org
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#### *Type of National Programme*

Full NP:	Initial NP
<input checked="" type="checkbox"/> New Full NP	<input type="checkbox"/> New Initial NP
<input type="checkbox"/> Continuation from an Initial NP	<input type="checkbox"/> Continuation from previous funding
<input type="checkbox"/> Other (explain)	<input type="checkbox"/> Other (explain)

<sup>1</sup> The term "programme" is used for projects, programmes and joint programmes.

<sup>2</sup> Refers to National counterparts. List the lead entity first.

### 3. Executive Summary

The increasing pressures on natural resources in Panama, in particular forests resources, is the reason an incentive-based approach to reducing emissions from deforestation and forest degradation (REDD – as considered under the Bali Action Plan) is urgently needed. This proposal aims to establish the capacity for Panama to reconcile the promotion and financing of a change in the way forest resources are used, the creation of an environmental culture directed at conservation for sustainable development, and the opportunities that Panama offers to participate in the global effort to reduce emissions, achieving a competitive, low carbon economy.

The Government of Panama has identified a number of challenges to implement a REDD mechanism. These include fragmented data on the causes, dynamics and rates of deforestation in Panama (currently being assessed for the year 2008); a lack of capacity and investment for monitoring and protecting forests, in particular at the district level; a lack of cross-sectoral cooperation; institutional weakness at the regional and local level in implementing national policies; a lack of clarity in the legal framework; a lack of awareness on the benefits provided by forests; a limited understanding of the underlying causes of deforestation in certain regions; lack of clarity on rights to carbon on indigenous and non-indigenous lands; and insecure tenure.

For these reasons, the “*Panama UN-REDD Programme*” will help in designing and organizing the necessary steps to initiate the “readiness” process that will allow a country to participate in a future REDD mechanism, by the end of 2012. The overall objectives are to recover or increase the forest cover, measured against a national baseline, so that forests provide ecosystem services and new revenue sources for communities ; and to strengthen overall environmental management in Panama.

The existing legal framework establishes that management of environmental issues be undertaken by the National Environmental Authority (ANAM), civil society and the Environmental Inter-institutional system acting as coordinating entity. COONAPIP, the National Coordination of Indigenous Peoples of Panama, will play a key role in coordinating and communicating on the REDD readiness process on indigenous lands, contributing to the efforts towards fully engaging indigenous populations in REDD initiative and benefit fully from them. ANAM and COONAPIP have entered into regular dialogues in nine fora across the country following the principle of free, prior and informed consent.

The *Panama UN-REDD Programme* will contribute to:

- a) The design of a valid legal framework for the implementation of the national REDD strategy that includes recommendations on carbon rights and clarity on land tenure
- b) The elaboration of an operational framework for implementing the national REDD strategy, including an analysis of the current and future causes of deforestation, an assessment of existing programmes, logistical, infrastructure and financial needs at the national and local level, the establishment a carbon registry mechanism for coordination and supervision, and planning for consultation with all Indigenous, civil society and private sector stakeholders
- c) Strengthening national capacities for the implementation of the REDD strategy, with a focus on MRV systems, financial models, legal framework, monitoring and evaluation, participatory management, information systems, conservation of biodiversity and local management
- d) The design of a transparent, valid and operational system of payments and benefit distribution;
- e) The design of a national inventory and monitoring system for forest carbon that allows for full participation of local experts in data collection as to build capacity
- f) The establishment of a reference emissions scenario, based on consolidation and harmonization of existing but discrete data, that presents several options
- g) The design of a system for carbon accounting and for generating information on emissions, exploring possible national synergies.

In effect, the NP defines a set of minimum requirements for preparation, and supports the country in establishing its path towards achieving REDD implementation.

<b>4. National Programme Budget (UN-REDD Fund Source only)</b>						
<b>Outcomes</b>	<b>National Total (\$)</b>	<b>Pass-Through Allocations</b>	<b>FAO (\$)</b>	<b>UNDP (\$)</b>	<b>UNEP (\$)</b>	
1. Institutional capacity established for the efficient coordination and execution of a REDD programme in Panama	<b>2,155,141</b>					
a. Valid legal framework for the implementation the REDD National strategy						
b. Operational framework for the implementation of the REDD strategy						
c. Sectoral, institutional, municipal and individual capacity strengthened						
d. A valid and operational system of payment and distribution of benefits						
2. Technical capacity to monitor, measure, report and verify emission reductions from deforestation and forest degradation	<b>2,798,131</b>					
a. A national inventory and monitoring system for forests and carbon						
b. A reference emission scenario						
c. An accounting system for carbon and for generating information on emissions						
Indirect Support Costs	346,728					
<b>Grand Total (\$)</b>	<b>5,300,000</b>					

NOTE: A breakdown of the budget allocations using the UNDG “harmonized input budget categories” must be provided to the UN-REDD Secretariat (for onward transmission to the Administrative Agent) with the signed NP document. Please see Annex 1

<b>5. Secretariat Review</b>		
<i>Submission Criteria</i>		
(a)	Is the NP consistent with the UN-REDD Programme Framework Document?	Yes <input checked="" type="checkbox"/> No <input type="checkbox"/> Unclear <input type="checkbox"/>
(b)	Has the UN Resident Coordinator been involved in submitting the NP?	Yes <input checked="" type="checkbox"/> No <input type="checkbox"/> Unclear <input type="checkbox"/>
(c)	Is documentation of the in-country validation meeting(s) included?	Yes <input checked="" type="checkbox"/> No <input type="checkbox"/> Unclear <input type="checkbox"/>
(d)	Did the validation include the national government counterpart (or designate)?	Yes <input checked="" type="checkbox"/> No <input type="checkbox"/> Unclear <input type="checkbox"/>
(e)	Did the validation include civil society/Indigenous Peoples representation as per the UN-REDD Operational Guidance <sup>3</sup> ?	Yes <input checked="" type="checkbox"/> No <input type="checkbox"/> Unclear <input type="checkbox"/>

<sup>3</sup> In this context the representative(s) will be determined in one of the following ways:

i. Self-determined representative(s) meeting the following requirements:

- Selected through a participatory, consultative process

## 5. Secretariat Review

(f)	Does the NP comply with the required format ( <i>incl., cover page, results framework, etc.</i> )?	Yes <input checked="" type="checkbox"/> No <input type="checkbox"/> Unclear <input type="checkbox"/>
(g)	Does the NP comply with UN-REDD Rules of Procedure and relevant Operational Guidance?	Yes <input checked="" type="checkbox"/> No <input type="checkbox"/> Unclear <input type="checkbox"/>
(h)	Is the required budget allocation provided (see section 3 above)?	Yes <input type="checkbox"/> No <input type="checkbox"/> Unclear <input checked="" type="checkbox"/>
(i)	Are the Indirect Support Costs within the approved rate?	Yes <input checked="" type="checkbox"/> No <input type="checkbox"/> Unclear <input type="checkbox"/>
(j)	Is the Programme Summary completed? ( <i>for posting on website</i> )	Yes <input checked="" type="checkbox"/> No <input type="checkbox"/> Unclear <input type="checkbox"/>
(k)	Is the Progress Report included? ( <i>for supplementary funding only</i> )	Yes <input type="checkbox"/> No <input type="checkbox"/> Unclear <input type="checkbox"/>
<p>If the answer is 'No' or 'Unclear' to any question, or further explanation is required, please provide here:</p> <p>The "pass-through" allocations among the UN Agencies are yet to be provided, however they are expected to be available before the Policy Board meeting and will be made available to the Policy Board members.</p>		

- 
- Having national coverage or networks
  - Previous experience working with the Government and UN system
  - Demonstrated experience serving as a representative, receiving input from, consulting with, and providing feedback to, a wide scope of civil society/Indigenous Peoples organizations
  - ii. Representative(s) who participated in a UN-REDD Programme scoping and/or formulation mission and sit(s) on a UN-REDD Programme consultative body established as a result of the mission
  - iii. Individual(s) recognized as legitimate representative(s) of a national network of civil society and/or Indigenous Peoples organizations (e.g. the GEF Small Grants National Steering Committee or National Forest Programme Steering Committee)

## 5. Secretariat Review

### *Review Issues*

#### (l) Ownership of the NP by government and non-government stakeholders

At the time of the second Policy Board meeting in June 2009, questions were raised about the ownership of the NP by both government and non-government stakeholders. On the one hand, a new government administration was yet to take office and on the other hand, no validation process had been conducted for the UN-REDD National Programme with civil society and Indigenous Peoples stakeholders. Moreover, Indigenous Peoples had expressed their concern with the REDD national process.

Since July a significant number of actions have been taken that demonstrate renewed and strengthened ownership of the NP:

- Official communication from the government to the UN Resident Coordinator (July) confirming its support for the UN-REDD Programme in Panama and designating ANAM as the official counterpart for the UN Agencies
- Ongoing and regular involvement of senior management of ANAM, including the Administrator and Sub-Administrator
- Involvement of other key Ministries, including the Ministry of Economy and Finance
- Agreement by COONAPIP (Indigenous Peoples representatives) to participate in the finalization of the NP and decision to make 6 Indigenous technicians available full time to work with ANAM and the UN Agencies
- The Administrator of ANAM officially calling for the validation meeting and the fact that ANAM, COONAPIP, Ministry of Economy and Finance, UN Agencies and other stakeholders participated in the meeting

The steps undertaken since July clearly demonstrate the ownership of the NP by the government and non-government stakeholders.

#### (m) Level of consultation, participation and engagement

In concert with the increased stakeholder ownership, there has been an associated increase in consultation, participation and engagement. ANAM has taken clear steps to broaden the number of government and non-government stakeholders involved in the process, as evidenced by:

- A national stakeholder meeting (18 Sept), resulting in the official creation of a National REDD Committee
- Ongoing regular meetings between COONAPIP and ANAM, resulting in the agreement to support indigenous participation in the revision of the NP
- COONAPIP national workshop (Oct 6) involving 11 indigenous congresses, resulting in 19 recommendations to be included in the revised NP
- The full involvement of COONAPIP as a member of the multi-stakeholder group revising the NP
- The increased involvement of the Smithsonian Tropical Research Institute, especially in considering the national forest carbon monitoring components of the NP and responding to the comments of the independent technical reviewer
- Ongoing regular meetings between senior ANAM management and the UN Agencies

Not only does the progress since July demonstrate a sufficient level of consultation, participation and engagement, but in the opinion of the Secretariat it represent the type of “good practice” that would be of benefit to share with other REDD countries. The Secretariat would be happy to work with Panama and the UN Agencies to document and disseminate the process.

## 5. Secretariat Review

### *Review Issues*

(n)

Programme effectiveness, coherence with country strategies and other relevant initiatives, and cost-efficiency

The NP makes reference to the National Environmental Strategy and the results framework refers to strengthening poverty reduction and rural development policies. In addition, the NP is linked to the United Nations Development Assistance Framework (UNDAF) which includes an objective to strengthen national strategies and local action. Nevertheless, the NP lacks a clear description of how the National REDD Strategy integrates into and contributes to the national development planning process. It is recommended this issue be reviewed again by the Secretariat before the NP is signed.

There is very little reference to the FCPF and how the NP coordinates with the approved R-PP. This needs to be addressed. While it is understood that the UN-REDD Programme and FCPF teams have worked very closely together in Panama, this is not adequately reflected. Panama could provide more information on how the NP and R-PP will be linked. The two initiatives could be linked as the NP document is finalized for signature and the World Bank due diligence process for the grant agreement is underway.

(o)

Management of risks and likelihood of success

The independent technical reviewer identified the following risks in July:

- i. The in-coming administration has no ownership of the proposal.
- ii. Key agencies outside the environmental sector have no ownership of the proposal and are not committed to REDD.
- iii. Conflicts between ANAM and Indigenous Peoples increase.
- iv. The activities undertaken do not contribute to reducing emissions and deforestation.
- v. The ANAM lacks technical and institutional capacity to complete the design process and implement the proposed activities effectively.
- vi. The grant will not succeed in sustainably increasing ANAM's institutional capacity due to institutional instability and staff rotations.

Items (i) and (ii) are no longer considered a risk. The risk level of item (iii) has reduced significantly. Items (iv) – (vi) remain risks that must be managed in the normal course of implementing a programme such as this – they are akin to saying “the programme may fail”.

The current draft NP includes a monitoring framework (Table 2), which includes identified risks and assumptions. While these are useful, the Secretariat recommends that the final National Programme document should include a more detailed assessment of risks and the associated risk mitigation measures before it is signed. The risk management approach established by the UN Development Group should be followed, including a risk log for environmental, financial, operational, organizational, political, regulatory, strategic and social risks.

Other points:

The Government of Panama, through ANAM, is commended for the considerable effort that has been made to respond to the issues raised in June.

The current draft NP is not yet complete for signature. The UN Agencies are encouraged to continue working with the lead national partners to finalise the implementation and fund management arrangements.

The Secretariat recommends there is a need for a better description of the coordination between the NP and R-PP. As the NP has been developed over the past 6 months or more, it is understandable that it was not possible to reconfigure the Results Framework in the context of the newly harmonized readiness

## 5. Secretariat Review

### *Review Issues*

components. Nevertheless, it would be useful if, as the document is finalised for signature, section 4 (strategy) is revised to include a summary of how the NP contributes to the readiness framework. This will make it easier to see how the NP and the R-PP fit together.

## 6. Independent Technical Review

(a)	Was an independent technical review undertaken?	Yes <input checked="" type="checkbox"/> No <input type="checkbox"/>
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If not, why not?

### *Synthesis of Independent Technical Review*

As requested at the second Policy Board meeting, the review was organised immediately and was undertaken in July. This was just as the new Government administration in Panama was taking over. As a consequence, the new administration has incorporated the comments below into the final design of the National Programme.

The reviewer identified the following principle risks:

- The in-coming administration has no ownership of the proposal.
- Key agencies outside the environmental sector have no ownership of the proposal and are not committed to REDD.
- Conflicts between ANAM and Indigenous Peoples increase.
- The activities undertaken do not contribute to reducing emissions and deforestation.
- The ANAM lacks technical and institutional capacity to complete the design process and implement the proposed activities effectively.
- The grant will not succeed in sustainably increasing ANAM's institutional capacity due to institutional instability and staff rotations.

To increase the likelihood of success and manage these risks as well as possible, the reviewer made the following recommendations:

- Begin consultations as soon as possible with the in-coming administration and fully brief in-coming officials on the background to this initiative.
- Take steps to ensure high-level involvement of relevant agencies outside ANAM and emphasize to ANAM that this will be one of the main criteria for evaluating their performance with regards to project implementation.
- Encourage ANAM to seek effective Indigenous Peoples participation in the design of REDD strategies. Address key indigenous concerns such as encroachment of their territories, recognition of indigenous communities outside comarcas, sharing of the benefits of REDD initiatives, incorporation of Indigenous representatives on key committees and commissions, and clarification of rights over carbon.
- Design a strategy to Reduce Emissions from Deforestation and Degradation that is firmly grounded in a clear understanding of the magnitude, location, and causes of those processes, targets the most relevant areas and actors, and has a clear and explicit causal framework that explains how the actions taken will address the problems.
- Provide ANAM with technical assistance related to both strategies to reduce deforestation and degradation and methodologies for monitoring, reporting, and verifying changes in land use and carbon stocks and developing reference emissions scenarios.
- Train sufficient Panamanian professionals both within and outside ANAM in issues related to REDD and involve multiple institutions in the activities.

## 6. Independent Technical Review

The reviewer highlighted the following key issues:

- Ensuring the in-coming administration has ownership of the proposed strategy; addressing policies outside the environment or forest sector that affect deforestation and forest degradation, relations between ANAM and Indigenous Peoples; targeting proposed consultation, communications, and training activities based on an understanding of the magnitude, location, and causes of deforestation and forest degradation; improving the technical design of the proposed activities related to the monitoring of land use and forest carbon stocks and the design of reference strategies.
- Portions of the document are hard to follow and poorly argued, which makes it difficult to understand what the objectives are, what exactly is being proposed and what it will cost and how the authors expect the proposed activities to achieve the desired objectives.

The reviewer made the following suggestions for improving the technical design of the NPD:

- Panama's in-coming administration should be given an opportunity to determine if they would like the proposal to be funded as is or if they would like to propose substantive changes to it.
- This proposal and/or subsequent REDD proposals in Panama should have specific mechanisms for ensuring that policymakers responsible for land tenure, infrastructure development, agriculture, mining, urban planning, and tourism are fully incorporated into the discussions and decisions regarding REDD.
- The ANAM should create a high-level mechanism for dialogue with the National Commission of Indigenous Peoples of Panama (CONAPIP) and seek to reach concrete and verifiable agreements with CONAPIP regarding REDD.
- The NPD should include a proposal to analyze the existing land use data and other information regarding deforestation and degradation in Panama and to conduct rapid assessments of land use change in high priority regions and to use this information to develop a coherent REDD strategy. This activity should occur early on in the process and should serve as a key input into the design of the consultation, communications, and training activities and the monitoring, reporting, and verification and reference scenario activities.
- With the support of FAO, CATHALAC, and STRI the ANAM should strengthen its proposal regarding efforts related to predicting, monitoring, reporting, and verifying changes in land use and carbon stocks.

## 7. Secretariat Response

- Provide comments and request re-submission to a future Policy Board meeting
- Provide comments to be addressed before forwarding to the next immediate Policy Board meeting
- Forward to the Policy Board (with comments if necessary) with a recommendation to fund specific portions or phases (including an inception phase) of the NP
- Forward to the Policy Board (with comments if necessary) with a recommendation to fund the NP.

## 7. Secretariat Response

Explanation of Response:

The new ANAM administration has responded to the recommendations of the independent technical reviewer.

A response matrix explaining how each comment in the review has been addressed and reflected in the revised final National Programme document has been prepared.

Further information is required on how the FCPF grant for R-PP implementation will be linked to the NP.

This Submission Form will be updated to reflect the pass-through allocations to each participating UN organisation before the Policy Board meeting.

The Secretariat recommends the Co-Chair from Panama recuses himself from this decision and further recommends the Administrative Agent (the Multi-Donor Trust Fund Office) accepts this Submission Form signed only by the UN Agency Co-Chair.

## 8. Decision of the UN-REDD Policy Board

Decision of the UN-REDD Programme Policy Board:

- Full NP approved, as per budget allocation in Section 4
- Initial NP approved, as per budget allocation in Section 4
- Approved with a revised budget of \$
- Approved with modification/condition
- Deferred/returned with comments for further consideration

Comments:

**8. Decision of the UN-REDD Policy Board**

*[Name]*

*[Title]*

**Co-Chair, UN-REDD Programme Policy Board**

\_\_\_\_\_  
**Signature**

*[Date]*

*[Name]*

*[Title]*

**Co-Chair, UN-REDD Programme Policy Board**

\_\_\_\_\_  
**Signature**

*[Date]*

**9. Administrative Agent Review**

Action taken by the Administrative Agent: Multi-Donor Trust Fund Office, Bureau of Management, UNDP

Programme consistent with provisions of the UN-REDD Programme MDTF Memorandum of Understanding and Standard Administrative Arrangements with donors.

Administrative Agent:

*Bisrat Aklilu, Executive Coordinator, Multi-Donor Trust Fund Office*

.....  
Signature

.....  
Date

**Annex 1: Standard Joint Programme Budget**

CATEGORY	ITEM DESCRIPTION	UNIT COST	NUMBER OF UNITS	AMOUNT**
1. Supplies, commodities, equipment and transport				
2. Personnel (staff, consultants and travel)				
3. Training of counterparts				
4. Contracts				
5. Other direct costs				
<b>Total Programme Costs</b>				
Indirect Support costs***				
<b>GRAND TOTAL**</b>				

\*\* The AA requires only completion of 'AMOUNT,' 'Total Programme Costs,' Indirect Support Costs,' and 'GRAND TOTAL.' The Steering Committee may require additional details which can be included in this budget.

\*\*\* Indirect support cost should be in line with the rate or range specified in the Fund TOR (or Joint Programme Document) and MOU and SAA for the particular JP. Indirect costs of the Participating Organizations recovered through programme support costs is 7%.

All other costs incurred by each Participating UN Organization in carrying out the activities for which it is responsible under the Fund will be recovered as direct costs, in accordance with the UN General Assembly resolution 62/209 (2008 Triennial Comprehensive Policy Review principle of full cost recovery).

Note: This budget format needs to be submitted for each Participating Organization's budget allocation within a National Joint Programme, in addition to the total budget for the entire Joint Programme.