



## **Preparation of the First Biennial Transparency Report (BTR)**

### **Part I: Project Information**

**GEF ID**

10953

**Project Type**

EA

**Type of Trust Fund**

GET

**CBIT**

CBIT No

**Project Title**

Preparation of the First Biennial Transparency Report (BTR)

**Countries**

Panama

**Agency(ies)**

UNDP

**Other Executing Partner(s)**

Wetlands International Latin America and the Caribbean

**Executing Partner Type**

CSO

**GEF Focal Area**

Climate Change

**Taxonomy**

Climate Change, Focal Areas, Climate Change Mitigation, United Nations Framework Convention on Climate Change, Paris Agreement, Enabling Activities, Climate Change Adaptation, Stakeholders, Gender Equality, Capacity, Knowledge and Research

**Sector**

Enabling Activity

**Rio Markers**

**Climate Change Mitigation**

Climate Change Mitigation 2

**Climate Change Adaptation**

Climate Change Adaptation 1

<b>Type of Reports</b>	<b>Submission Date</b>	<b>Expected Implementation Start</b>	<b>Expected Completion Date</b>	<b>Expected Report Submission to Convention</b>
UNFCCC Biennial Transparency Report (BTR)	4/12/2022	6/30/2022	5/31/2024	12/31/2023

**Duration**

24In Months

**Agency Fee(\$)**

45,980.00

**A. FOCAL/NON-FOCAL AREA ELEMENTS**

<b>Objectives/Programs</b>	<b>Trust Fund</b>	<b>GEF Amount(\$)</b>	<b>Co-Fin Amount(\$)</b>
CCM-EA	GET	484,000.00	125,000.00
		<b>Total Project Cost(\$)</b>	<b>484,000.00</b>
			<b>125,000.00</b>

**B. Project description summary**

**Project Objective**

To strengthen institutional capacities to develop the First Biennial Transparency Report fulfilling the requirements provided in decision 18/CMA.1

<b>Project Component</b>	<b>Expected Outcomes</b>	<b>Expected Outputs</b>	<b>GEF Project Financing(\$)</b>	<b>Confirmed Co-Financing(\$)</b>
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Project Component	Expected Outcomes	Expected Outputs	GEF Project Financing(\$)	Confirmed Co-Financing(\$)
1. National Greenhouse Gas Inventory	1.1 Increase and improve institutional capacities on the elaboration of National Greenhouse Inventories.	1.1.1. An inter-institutional team strengthened in the development of GHG inventories and improved plan of the prior national GHG inventories series.	157,000.00	35,000.00
	1.2. Improve the methods and metrics for the temporal series of NGHGI from the period 1990-2021 under the indications of IPCC 2006.	1.1.2. Inter-institutional agreements revised and agreed for data collection for the (i) Energy, (ii) IPPU, (iii) Agriculture, (iv) LU-LUCF and (v) Waste sectors.		
		1.2.1 Tier 2 emission factors developed for some specific sectors, mainly in the AFOLU sector.		
		1.2.2 National inventory report of anthropogenic emissions by sources and removals by sinks of greenhouse gases (GHG) under the modalities, procedures and guidelines established (Chapter II, Annex, Decision 18/CMA.1)		

Project Component	Expected Outcomes	Expected Outputs	GEF Project Financing(\$)	Confirmed Co-Financing(\$)
2. Progress tracked in the implementation and achievements of the NDC, including information on mitigation policies and measures	2.1 Improve the generation of information to track the progress reached in the implementation and achievements of the NDC under Article 4 of the Paris Agreement.	2.1.1 The component of national circumstances and institutional agreements is developed with information regarding the physical, geographical, and socio-economic features (climate, population, economy, education, health, means of living, among others) and how they can affect the national development goals.	123,000.00	25,000.00
	2.2 Strengthen the capacities to track the progress reached in the implementation and achievement of the NDC.	2.1.2 The information to update the NDC regarding policies and measures for mitigation, action and plans is developed and compiled including those with collateral mitigation benefits arising from adaptation actions. The minimum information included is name, description, goals, kind of instrument (normative, economic, or another), status (planning, adopted or applied), sector(s) involved, gases, target years,		

Project Component	Expected Outcomes	Expected Outputs	GEF Project Financing(\$)	Confirmed Co-Financing(\$)
3. Information on climate change impacts and adaptation efforts.	3.1. Increase visibility and profile of the adaptation and its balance with mitigation, with gender approach.	3.1.1. Information on climate change impacts, risks and vulnerability has been compiled and includes data on current and projected climate hazards, observed and potential impacts of climate change, including sectoral, economic, or social vulnerabilities with gender approach.	100,000.00	35,000.00
	3.2 Improve learning and comprehension of the adaptation needs and actions.	3.1.2 The adaptation policies, strategies, plans, programmes, and actions that enable the integration of adaptation into national development policies, and how gender perspectives are integrated into adaptation are documented.		
		3.1.3 Gender and indigenous peoples analysis, mainstreaming and action plan prepared.		
		3.2.1 System established in the Ministry of Environment for		

Project Component	Expected Outcomes	Expected Outputs	GEF Project Financing(\$)	Confirmed Co-Financing(\$)
4. Publication and submission of the First BTR, support needed and received, Knowledge Management and Monitoring and Evaluation	4.1 Compile the information on support needed and received for financing, technology transfer and capacity building.	4.1.1 Report of information on the sources of financial and technical support needed and received, as well as capacity building, for the implementation of climate change related projects, including the elaboration of the First BTR, is updated and published.	61,000.00	30,000.00
	4.2 Build the capacities to generate the REDD+ Technical Annex.	4.1.2 Information on the financial support needed is presented in tabular format, including information on the sectors where international finance is required, the barriers, and a description of how the support received shall contribute to the implementation of the NDC and the goals of the Paris Agreement.		
	4.3 Publication and submission of the First BTR to the UNFCCC, Knowledge Management, and Monitoring and Evaluation	4.1.3 Information on plans, needs and priorities related to technology development and transfer is compiled, including support needed and received and other exercises conducted on a national level.		

<b>Project Component</b>	<b>Expected Outcomes</b>	<b>Expected Outputs</b>	<b>GEF Project Financing(\$)</b>	<b>Confirmed Co-Financing(\$)</b>
		<b>Sub Total (\$)</b>	<b>441,000.00</b>	<b>125,000.00</b>
<b>Project Management Cost (PMC)</b>				
		43,000.00		
	<b>Sub Total(\$)</b>	<b>43,000.00</b>		<b>0.00</b>
	<b>Total Project Cost(\$)</b>	<b>484,000.00</b>		<b>125,000.00</b>

**Please provide justification**

**C. Source of Co-Financing for the Project by Name and by Type**

<b>Sources of Co-financing</b>	<b>Name of Co-financier</b>	<b>Type of Co-financing</b>	<b>Investment Mobilized</b>	<b>Amount(\$)</b>
Donor Agency	Food and Agriculture Organization	In-kind	Recurrent expenditures	30,000.00
Recipient Country Government	Ministry of Environment	In-kind	Recurrent expenditures	95,000.00
<b>Total Co-Financing(\$)</b>				<b>125,000.00</b>

**Describe how any "Investment Mobilized" was identified**

Not Applicable

**D. GEF Financing Resources Requested by Agency, Country and Programming of Funds**

<b>Agency</b>	<b>Trust Fund</b>	<b>Country</b>	<b>Focal Area</b>	<b>Programming of Funds</b>	<b>Amount(\$)</b>	<b>Fee(\$)</b>	<b>Total(\$)</b>
UNDP	GET	Panama	Climate Change	CC Set-Aside	484,000	45,980	529,980.00
<b>Total Gef Resources(\$)</b>					<b>484,000.00</b>	<b>45,980.00</b>	<b>529,980.00</b>

## **Part II. Enabling Activity Justification**

### **A. ENABLING ACTIVITY BACKGROUND AND CONTEXT**

Provide brief information about projects implemented since a country became party to the convention and results achieved

Panama ratified the United Nations Framework Convention on Climate Change (UNFCCC) through Law No. 10 of 12 April 1995 and became a party to the Kyoto Protocol in 1998. In addition, Executive Decree No. 163 of 22 August 2006 created a Climate Change Unit. (Currently the National Directorate for Climate Change) in the National Environmental Authority (currently the Ministry of Environment) with the responsibility to coordinate all actions related to the local implementation of international climate change instruments, as the national focal point of the UNFCCC.

Panama's commitment to global mitigation efforts is reflected in the following legislations and actions: Adoption of the National Climate Change Policy in 2007, the establishment of the National Climate Change Committee (CONACCP) in 2009, the updating of the General Environment Law by Law 8 March 2015, which created the Ministry of Environment and included a title on climate change with two chapters on mitigation and adaptation.

Title V on Climate Change contains Chapter I on Adaptation to Climate Change, which states the following:

- ? Section 82. The State recognises that climate change is a major global environmental threat that affects the population, ecosystems, and all productive sectors of the country's economy.
- ? Section 83. The Ministry of Environment, in coordination with the competent authorities, will promote climate change adaptation initiatives that increase the country's resilience to the adverse climate change effects, with special emphasis on the most vulnerable population and ecosystems.

Panama ratified the Doha Amendment in 2015 and the Paris Agreement in 2016 and submitted its first Nationally Determined Contributions (NDCs). The NDC includes the Energy and Land Use, Land Use Change and Forestry (LULUCF) sectors, which are the highest emitting sectors in the country. These contributions include the implementation of measures to increase other renewable energy sources such as solar and wind energy. In 2020 Panama presents the update of its NDC1 giving greater strength and transparency to its NDC presented in 2016. Within this update, commitments have been presented in ten (10) sectors and priority areas, which were addressed with an integrated vision of adaptation - mitigation; namely: energy, forests, agriculture, sustainable agriculture, livestock and aquaculture, integrated watershed management, biodiversity, marine-coastal systems, resilient human settlements, sustainable infrastructure, public health, and circular economy. In addition, at the end of the first half of 2021, the National Climate Action Plan (NCAP) for the implementation of the commitments of the Updated NDC1 will be presented.

The National Climate Action Plan (NCAP) for the implementation of the commitments of the Updated NDC1 was presented at a national level at the end of the year 2021, and its overall objective is focused on providing a vision of the country as well as guidelines for short, medium, and long term for climate action. The document contains a framework and strategic pillars around the sectors worked within the NDC1 with a vision of a 2030-2050 timeframe. In addition, the document includes the collection of three indicators that will be used to follow up on the implementation of the NCAP.

The Ministry of Environment in 2020, has presented the update of the country's First Nationally Determined Contribution which includes strengthening and new climate commitments. The Republic of Panama is moving towards decarbonising the economy and increasing resilience, incorporating a broad concept of climate action in the country's development management, in compliance with the Paris Agreement. Encompassing ten strategic sectors and areas of the economy, by 2030, Panama will achieve a reduction of 11.5% of greenhouse gas emissions from the energy sector and 24% by 2050. Thus, it reaffirms the commitment to achieve 30% of electricity produced by renewable sources such as wind and solar by 2050. Likewise, in the forestry sector, the National Forest Restoration Plan will be implemented by 2025, achieving the goal established in this plan of restoring 50,000 hectares across the country.

With the implementation of these sectoral planning and management instruments in Energy, Forestry, Integrated Watershed Management, Marine-Coastal System, Biodiversity, Sustainable Agriculture, Livestock and Aquaculture, Resilient Human Settlements, Public Health, Sustainable Infrastructure and Circular Economy, we seek that, in the medium term, every initiative integrates climate as an intrinsic variable from the earliest stages of its conception.

Gradual progress has been made in all sectors; we consider it is important to highlight the progress made in the Energy and Forestry sectors:

Energy: NDC1 defines an energy transition agenda scenario (ATE in Spanish) and a baseline scenario (BAU). Regarding the ATE, there are currently five strategies for the electricity sector and two strategies for the hydrocarbon sector, developing a transitional mechanism to guarantee a strategic reserve, a solar thermal energy action plan approved and published, a feasibility study of a pilot project to reduce the gas/electricity subsidy through the inclusion of solar panels and a cost-effectiveness study of the modernization of public fleets.

Forestry: In terms of the commitments established for the sector, Panama is currently in the process of implementing the National Forest Restoration Program project, which expects the natural recovery of 1,515 hectares of degraded areas in intervened forests of Cerro Canajagua, in addition to 1,485 hectares of degraded areas in cattle ranches located in critical areas of the biological corridor of Cerro Canajagua. The recovery of these 3,000 hectares is carried out through conservation and restoration

actions in the main water production area of the zone, and its surrounding areas, through the implementation of silvopastoral and agroforestry systems, and the creation of the Water Reserve, with community participation in the aforementioned basin. In the 2021 period, 1,344,976 seedlings have been planted for a total of 3138.82 hectares at the national level using native species such as cocobolo, national mahogany, bitter cedar, guayacan, and other native species. On regards the commitment to develop a national technical guide on climate change for the UTCUTS sector with a focus on adaptation and mitigation, Panama is currently structuring the use of the guidelines established under the technical guide on nature-based solutions for its development. and it is expected to have the implementation of the national adaptation plan to complete the comprehensive development of this document.

Panama has initiated a national process to strengthen the State's climate governance and institutionality. The first step and most important milestone in this transformation, since the presentation of the First Biennial Update Report (?BUR1) in 2018, is the approval of Executive Decree No. 100 of 20 October 2020, which regulates Chapter II of Title V of the Single Text of the General Environmental Act on Global Climate Change Mitigation and establishes the Reduce Your Footprint National Programme (PNRTH) for the management and monitoring of low-carbon economic and social development in Panama.

Since 2020, work has begun on the Monitoring and Evaluation System for Climate Change Adaptation in Panama, made of quantitative and qualitative indicators that will measure the progress of adaptation measures and actions.

In 2021, a programme aimed at quantifying and reducing the carbon and water footprint at an organisational level began, it is called Reduce Your Corporate Footprint, and it was launched in 2021.

In 2021,the National Forest Restoration Programme (PNRF) was also introduced, whose goal is to reforest more than 50,000 hectares over the next five years (2021-2025) with a clear vision on the protection and conservation of priority watersheds and water producers at national level, together with strategic partners and allies, allowing future administrations to generate measurable information with real results in 5 years.

Panama is already affected by climate change impacts and is highly vulnerable to its effects, as proven today by a series of hydro-climatic hazards such as floods, extension of the dry season, as well as impacts associated with slow onset events such as temperature changes and sea level rise. On these

grounds, Panama has prepared its Vulnerability Index map, which becomes an initial information tool for decision-makers and project promoters that will allow them to identify the necessary actions to improve the characterisation, development and implementation of their initiatives and projects.

On the other hand, the creation of the National Climate Transparency Platform has been established, operating under the National Environmental Information System (SINIA) of The Ministry of Environment (MiAMBIENTE), as an official mechanism for the management, monitoring, reporting and registration of national initiatives that move the country towards sustainable, inclusive, low-emission and resilient development to comply with the Paris Agreement.

Panama has so far submitted three (3) National Communications in 2001, 2012 and 2018, respectively. Likewise, the country submitted the first Biennial Update Report (BUR 1) to the UNFCCC in December 2018 and the second BUR was submitted in March 2021.

For the third National Communication and first BUR, a preliminary system was drafted and presented with the respective identification of key actors and the necessary documentation to establish the relevant institutional arrangements. These reports did not include specific components on capacity building, however, institutional capacity building has been achieved with the support of other projects, such as those for the implementation of offsetting measures following the REDD+ mechanism. In this regard, cooperative arrangements for capacity building in the sector of the IPCC Guidelines for Agriculture, Forestry and Other Land Use (AFOLU) of REDD+ / 2006 have been funded through the Forest Carbon Partnership Facility (FCPF) project.

Within the third communication, the impacts and possible adaptation measures are also presented in a general way, for some sectors such as: Water Resources, Agriculture, Coastal zones, Resilient Cities and Human Health. The climate change scenarios generated for this report are a starting point. The case study for the Guna Yala Region was also submitted with a high vulnerability scenario considering the socio-economic conditions of its population and its traditional practices displaying a fragile economy relying on artisanal fishing and tourism. Poverty conditions, population growth together with a precarious infrastructure with respect to basic services in the communities, highlight their vulnerability to changes in the environment and climate related to extreme events and rising sea levels.

Panama submitted in April 2021 to the Green Climate Fund its proposal for the National Climate Change Adaptation Plan (PNACC), which is the basic planning instrument to promote coordinated action to address the effects of climate change for the countries that are developing it. Its main goal is to avoid or reduce present and future damage from climate change and to build a more resilient economy and society.

The PNACC foresees the development of sectoral plans for the following sectors: Water Resources, Agriculture and Food Security, Health, Infrastructure and Energy. And the development of guidelines for the sectors Coastal Marine Systems, Biodiversity, Forests, Human Settlements.

The regulation of Chapter I of Title V of the Unified Text of Act 41 of 1 July 1998, General Environmental Law of the Republic of Panama, on Adaptation to Global Climate Change, establishes the guidelines for the country to advance in building its climate resilience, based on a better understanding of vulnerability and climate risk and strengthening adaptive capacity in this regard, this regulation establishes tools such as the National Climate Change Adaptation Data System for the Management, Assessment and Monitoring of Climate Risk and Vulnerability to Climate Change; the National Adaptation Monitoring, Evaluation and Reporting System and the National Build your Resilience Programme, which contribute to the sustainable and resilient development of Panama.

With the execution of Act 209 of 22 April 2021, Panama takes a vitally important step in climatology and hydrology by establishing an Institute of Meteorology and Hydrology, which will be responsible for generating warnings, making weather forecasts, and providing authoritative, reliable, and timely meteorological and hydrological information on the state and behaviour of the atmosphere and all water resources in the Republic of Panama.

Disclose timely information and issue warnings on the development of weather and water resources across the country as an effective tool for farmers, indigenous peoples, public and private enterprise, and all national activities that require it will be key to decision making and preparing for extreme weather events.

Improving climate transparency for Panama remains a challenge, as it is not only a matter of submitting national reports periodically, but also of institutionalising the process. For national circumstances, it becomes a means for improving scientific information to develop new policies to address climate change, measure, and track progress on NDCs and estimate future impacts. It is therefore of utmost necessity to establish all the necessary technical and technological tools, capacity building and arrangements through a solid and permanent participatory process.

For that reason, Panama has included in its national proposal for the Capacity Building Initiative for Transparency (CBIT) the development of a National Climate Transparency Framework "Panama Reports", which includes mitigation, adaptation, climate finance and consists of the following five components:

- ? A GHG inventory management system.
- ? An appropriate MRV system for mitigation actions
- ? A MRV for climate finance (support received).
- ? An M&E system for the adaptation and
- ? National emissions register.

These components have been included in this framework to facilitate the transparent collection, management, and disclosure of climate-related data. The CBIT project will also help Panama to focus

its efforts in relevant areas such as data improvement, accounting, and monitoring of mitigation actions in the AFOLU and Energy sectors (NDC sectors), as well as the assessment of climate change impacts on Panama's cities, coasts, and human health (NAP sectors). The CBIT proposal includes specific outputs that were grouped into the following activities and are linked to this proposal:

- ? Establishment of new and formal institutional arrangements within the entities directly involved with GHG inventories and adaptation indicators.
- ? GHG inventory data collection and management tool (national protocol and procedures for reporting, collecting, and archiving relevant data using hardware and software) and training of data compilers, suppliers, and users of the national platform.
- ? Improvements in the GHG Inventory for the AFOLU and Energy sectors (country-specific emission factors and activity data for better transparency of NDCs). For example, disaggregated activity data, the objective is to characterise Panama's vehicle fleet, as the transport sector has been the largest emitter in the last national inventories.
- ? Training, knowledge sharing and participation of society (Communication plan to share the information included in the platform).

Furthermore, by ratifying the Paris Agreement, Panama commits under Article 4.2 to prepare, communicate, and maintain successive NDCs, and will pursue domestic mitigation actions in order to achieve the objectives of these contributions. In this regard, it is also important to recognise that national GHG Inventories are the basis for identifying key data gaps, evaluating GHG mitigation strategies and their results, as well as achieving periodicity in the delivery of different reports (NC, BTR, National Inventories Report (NIR), NDC and Sustainable Development Goals (ODS in Spanish), which the country has acquired.

To ensure the sustainability of the national GHG inventory system proposed in the CBIT project, part of this request is the development of time series. The TCN included two GHG inventories (with the base year 2005 and 2010) developed under the 2006 IPCC Guidelines and the BUR1 included an inventory with the base year 2013. The inventories included in the two previous national communications were developed using the 1996 IPCC Guidelines, creating an inconsistent series.

A good practice implemented by the Government of Panama was the voluntary request for a Peer Review conducted with the support of experts from the Latin American Network of National Greenhouse Gas Inventories (RedINGEI), where national institutions were identified as key actors for the development of GHG inventories. The exercise included the review of Panama's BUR1 and the 2013 GHG inventory included in this report and concluded with the following recommendations for future inventories:

1. Cross-cutting themes and report submission:
  - ? Mapping of institutions directly or indirectly linked to the development of GHG Inventories and national reporting to the UNFCCC.

- ? Definition of roles and responsibilities of each of the entities involved in the preparation and reporting of GHG inventories through institutional arrangements.
  - ? Institutionalisation of a national inventory system.
  - ? Development of a Work Plan for the elaboration of the next GHG inventories.
  - ? Submission of time series consistent with the guidelines for NC and BUR.
  - ? Implementation of a Quality Assurance and Quality Control (QA/QC) system for inventories (general and category specific) and internal QC procedure for technical work carried out by the team.
  - ? Implementation of an Archiving and Documentation System to establish procedures to ensure regular and systematic documentation and archiving to improve transparency and ensure the sustainability of the process.
  - ? Development of a GHG Inventory Improvement Plan.
2. GHG Inventories for the different categories:
- ? Technical capacity building in the use of the 2006 IPCC Guidelines.
  - ? Understanding the basis (point of origin of GHG emissions and removals) of national inventories results in the appropriate use of the calculation methods and tools provided by the 2006 IPCC Guidelines to avoid over- and under-estimates of emissions/removals (due to omission or misuse of the tools), as well as reducing uncertainties in the results.
  - ? Strengthening transparency within the key actors involved in the development of GHG inventories (data generators, processors, and compilers) is relevant. This directly impacts the quality, completeness and accuracy of the inputs related to data, emission factors and the correct use of expert judgements, providing high quality and reliable information for this work. As well as impacting the preparation of the report to compile and present it in a transparent manner.
  - ? Reinforcing the thoroughness of the data generated during the drafting of the report. This is in line with abovementioned point, it is better to report complete information (using data, methodologies and tools generated by default, rather than omitting information).
  - ? Implementation of standardised protocols (at national level) for the collection and reporting of data related to the emission source categories and sink removals identified in the 2006 IPCC Guidelines.

This peer review led to the establishment of the National GHG Inventory sustainable system, which was launched in June 2021, and the institutional arrangement for this, were settled in the national executive decree 100 of 2020. The country may continue with the implementation and reinforcement of this national system and its tool. Specially Quality Assurance and Quality Control (QA/QC) system and GHG Inventory Improvement Plan. We hope this will be ready for the BTR submission.

It is important to highlight that the second BUR (presented in March 2021) was developed entirely by the country team because of the vision of building national capacities. This team was formed within the Climate Change Directorate of the Ministry of Environment and supported with the participation of other government entities and the private sector. During the technical assessment from the ICA process, the country was commended by the Teams of Experts for the improvement performed during this second BUR. Even though this time we have not performed the peer reviewed, we have plans to

develop a QA workshop with the UNFCCC secretariat. In case this is not possible, The Latin American GHG network (RedINGEI), could also do this exercise for us.

Between 2020 and 2021, the formation of the team was formalised through Executive Decree No. 100 of 20 October 2020, which regulates Chapter II of Title V of the Unified Text of Act 41 of 1 July 1998, General of the Environment of the Republic of Panama, on the Mitigation of Global Climate Change, creating the Reduce Your Footprint National Programme for the management and monitoring of low carbon economic and social development in the Republic of Panama, as well as the Executive Decree N°125 of 2 March 2021 which establishes the new organisational structure and the Manual of Organisation and Functions of the Ministry of Environment.

The BUR2 constructs a time series of greenhouse gas emissions for the period 1994-2017, using the IPCC 2006 guidelines, which represents a significant leap in terms of the quality of the information presented, because of the continuous improvement process that the country has implemented. The results show that Panama is carbon negative, i.e., it absorbs more GHGs than it emits. While this places Panama in a select group of countries that contribute substantially to climate change mitigation, it also poses a challenge, as a developing country, to continue its economic growth while maintaining its carbon negative status. Therefore, the National Reduce Your Footprint programme has been proposed and an ambitious climate agenda is being pursued, given that the country is highly vulnerable to the effects of climate change as reflected in the report of the Climate Change Vulnerability Index of the Republic of Panama.

Through this request, Panama seeks not only to ensure consistency and comparability in national emission and removal values, but also to ensure that technical capabilities are ensured in MiAMBIENTE.

The inventory data is an important input for the design of the carbon pricing mechanism led as part of a joint implementation between the National Energy Secretariat and the Ministry of Environment and AFOLU data for REDD+ initiatives led by the Ministry of Environment. However, there are other sectors that could use the inventory data such as development planning, the waste sector, agriculture, transport, and academic and research institutions, among other more specific economic sectors in the country. Furthermore, Panama has requested the support of the members of the NDC Partnership, which aims to plan and implement national inputs, including the design of an MRV tool, based on the monitoring and progress of targets and their implementation. This plan will allow for better execution of actions, institutional coordination and planning and distribution of national financial input to achieve these objectives.

The need for a permanent legal framework and a robust MRV system that establishes responsibilities and competencies of the key actors involved has been recognised to achieve the optimal development of the country on climate change issues and commitments made in the Updated NDC1. Through the institutional frameworks, technical coordinators and professionals who would work on each project outcome, these gaps will be gradually filled.

All this national preparation responds to decision 18/CMA.1 which sets out the Modalities, procedures, and guidelines for the transparency framework for action and support referred to in Section 13 of the Paris Agreement. At this moment, Panama does not keep its periodicity of submission of these reports and this transparency framework proposed by the UNFCCC up to date. More importantly, at the national level, the absence of updated information makes it difficult for decision-makers to develop and analyse policies based on technical information, and it is not possible to provide information.

Panama's BUR2, International Consultation and Analysis (ICA) next steps analysis (source: electronic correspondence ICA process):

- i. Circulation of the final draft capacity-building needs, taking into consideration teleconference (including additional areas of technical clarification).
- ii. Party to submit to the secretariat at the latest 9 July, the prioritized list of capacity-building needs and responses to areas of technical clarification.
- iii. Preparation and publication of the final draft report (9 months):
  1. Circulation to Party (at the latest 28 September 2021).
  2. Party review and comment (at the latest 28 December 2021)
  3. TTE addresses comments from Parties; Party clearance and publication of final report (at the latest March 2022)

## **B. ENABLING ACTIVITY GOALS, OBJECTIVES, AND ACTIVITIES**

The proposal should briefly justify and describe the project framework. Identify also key stakeholders involved in the project including the private sector, civil society organizations, local and indigenous communities, and their respective roles, as applicable. Describe also how the gender equality and women's empowerment are considered in project design and implementation

This project is prepared in line with the GEF7 climate change mitigation objective CCM3: Foster Enabling Conditions to Mainstream Mitigation Concerns into Sustainable Development Strategies and following goals and objectives:

The goal of the project is to assist the country in mainstreaming and integration of climate change consideration into national and sectoral development policies by giving continuity to the institutional and technical capacity strengthening process, partly initiated and sustained by the National Communications on Climate Change.

The immediate objective of the project is to assist the country in the preparation and submission of the first Biennial Transparency Report on Climate Change to the United Nations Framework Convention on Climate Change (UNFCCC) for the fulfillment of its obligations to the Convention under the CoP decisions 1/CP.16 and 2/CP.17; in addition, common tabular formats adopted by Decision 5/CMA.3 for the electronic reporting of the information will be included in the activities.

The project has been prepared based on the GEF-7 guidelines, Climate Change focus area, objective 3.

The expected results of the project are:

? Panama has the institutional arrangements and capacities to submit its first Biennial Update Report (BUR) and subsequent reports.

? The country's capacities to prepare, present and analyse greenhouse gas emissions and climate change impacts have been built or strengthened.

The expected outputs of the project are:

a) National Greenhouse Gas Inventory Report - Time Series 1990-2021.

b) NDC Progress Report.

c) Climate Change Impacts Report (risk, losses, and damages) and Climate Change Adaptation Measures Report.

d) Report on Support Received and Support Needs.

Each of these reports will identify opportunities for improvement, lessons learned and present recommendations for strengthening the country's capacities.

The recommendations issued under the ICA analysis of BUR1 were taken on board in the development of BUR2, so that with the funds for the development of BUR2 the corresponding technical and information gaps were filled. For BUR2 the expectation is to further improve the Activity Data for the INGEI in the AFOLU sector using the 2013 Wetlands Supplement, Chapter 4 Coastal-Wetlands.

Regarding the observations issued, these were covered practically in their entirety and those that were not covered were due to a lack of data in the country, which depend on the generation of data from other public entities, for which institutional agreements are being established under the Sistema Sostenible de Inventarios Nacionales de Gases de Efecto Invernadero (SSINGEI). Through the 1BTR project, data production will be strengthened by implementing the institutional agreements which are still advancing.

**Stakeholders Involvement:**

The key actors involved in the project comprise various institutions and organisations, with different roles and participation.

The Ministry of Environment, through its Climate Change Directorate, will act as implementing agency, partner, and coordinator of the project. Relevant government institutions, such as the National Energy Secretariat, Ministry of Commerce and Industries and the Ministry of Agricultural Development, play a key role in the elaboration of the national greenhouse gas inventories, as they are responsible for the estimation of the respective sectoral emissions according to the IPCC 2006 guidelines and under the guidance and coordination of the Climate Change Directorate. Other agencies, such as the National Institute of Statistics and Census of the Comptroller General of the Republic, the Ministry of Health, and local governments (Municipalities) have an important role as providers of information for greenhouse gas inventories.

In addition, relevant ministries and agencies, such as the Urban and Household Cleaning Authority, the Ministry of Agricultural Development, the National Energy Secretariat, the Ministry of Health, the Ministry of Economy and Finance, the Panama Canal Authority, the Civil Aviation Authority and the Panama Maritime Authority have a key role as strategic partners in the development of mitigation measures and scenario development; particularly, in the sector-specific mitigation plans included in the NDC update submitted in December 2020 to the UNFCCC.

Municipalities and local governance structures such as watershed committees, regional competitiveness centres, among others, shall be included in the stakeholder mapping to add them as allies and indirect beneficiaries of the country process and actions related to information on climate change impacts and adaptation work.

The Ministry of Environment shall participate in capacity building activities for the identification, preparation, and implementation of greenhouse gas emission mitigation actions in key economic sectors. Relevant ministries and agencies shall participate in capacity building and strengthening activities aimed at the identification, preparation, and implementation of GHG emissions mitigation actions in key economic sectors, as well as prioritised municipalities. Other bodies, such as the National University of Panama (UP), the Technological University of Panama (UTP), the National Secretariat of Science and Technology (SENACYT), the Institute of Agricultural Research of Panama (IDIAP) and the National Institute of Vocational Training and Training for Human Development (INADEH), among others, will also participate in the training activities, considering their role in promoting science, technology, and innovation initiatives.

Civil society and the private sector will participate mainly through the National Environmental Consultative Commission (Title 1, Chapter III, Art. 12), which will serve as a consultative body of the Ministry of Environment for making decisions of national and intersectoral importance and will issue recommendations to the National Environmental Consultative Commission. In addition, they will also participate through the provincial, county and district consultative commissions - regulated by Executive Decree No. 57 of 16 March 2000 - whose function will be to analyse the relevant issues in the context of the province, county, or district (as the case may be), and to formulate observations, recommendations, and proposals to the Regional Environmental Administrator (Act 8, Chapter III, Section 15). Likewise, national level institutions and civil society organisations shall also participate in capacity building activities. The bodies represented in the different consultative commissions (according to their area of action) are the business sector, the workers' sector, representatives of non-governmental organisations, the academic sector, representatives of agricultural producers, representatives of local governments, representatives of professional associations, and representatives of the "comarcas" and indigenous territories.

In relation to the private sector, the Project will maintain interaction with the Panamanian Industrial Union (SIP), the National Council of Private Enterprise (CONEP) and its Cleaner Production Centre, the Panamanian Association of Business Executives (APEDE), through a permanent schedule of exchange through workshops and consultation sessions throughout the development of the project.

Regarding the gender dimension, women will be involved, not only as beneficiaries, but also in the decision-making process of climate change related activities. This will consider the equal participation of men and women in the consultation, training, and information activities to be carried out, considering schedules and support resources to ensure their effective participation. Understanding how the different social roles and economic situations of men and women affect and are affected differently by climate change will enable the appropriate implementation of climate change adaptation and mitigation measures. In this regard, and for this specific project, the update of the national circumstances chapter of this biennial transparency report shall consider this gender dimension, to better understand how the different roles of men and women, as well as national social and economic circumstances, can affect a country's capacity.

The project will involve many stakeholders, below is a list of the relevant actors and their proposed roles in the framework of the project implementation:

Sector	Actor	Role
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Regional	UNDP	Implementation Agency for oversight
Public	Ministry of Environment	Executing Agency, Focal Point to the UNFCCC, Focal Point to the GEF, entity responsible for the development of the BTR and INGEI (with support from other government entities). It will lead the outreach to other relevant stakeholders.
Public	Ministry of Foreign Affairs	Government entity in charge of promoting international cooperation and rapprochement with other countries for the exchange of experiences.
Public	Ministry of Economy and Finance	Government entity in charge of national budget, financial resources and the effective implementation of the Government's Strategic Plan, Follow-up and approval of the financial support received from International Financial Institutions, member of CONACCP.
Public	Ministry of Agricultural Development	Responsible for the agriculture and cattle industry through policies, strategies and sector plans, provider of activity data for the development of INGEI, intermediary with members of the agricultural sector, member of CONACCP
Public	Ministry of Health	Government entity responsible for the health sector, Member of CONACCP through the National Ozone Unity maintains a register of the import of HFCs, Focal Point to the Vienna Convention in charge of the implementation of the Montreal Protocol and Kigali Amendment.
Public	Ministry of Social Welfare	Entity in charge of monitoring the progress of sustainable development goals. Through the National Women's Institute, it advocates for women's interest and their active participation in all areas of society.
Public	National Energy Secretary	Entity in charge of the country's energy policy. Provider of activity data for INGEI, member of CONACCP
Public	Authority of Panama Canal	Entity that administers and operates Panama Canal
Public	Civil Aviation Authority	Entity in charge of the regulations in aerial transport, focal point before International Civil Aviation Organization (OACI), data provider for the INGEI, CONACCP member
Public	Panama Maritime Authority	Entity in charge of maritime transport regulations, focal point before OMI, data provider for INGEI, CONACCP member
Public	National Institute of Statistics and Censors	Institution in charge of collecting, processing, and publishing the country's statistical data, will provide support in data verification and support in guidelines for the use of statistical data from various sectors. Data provider for INGEI

Public	Transit and Land Transport Authority	Entity in charge of the regulation of land transport, activity data provider for INGEI
Public	AMUPA	Association of Municipalities of Panama, shall support coordination with local governments.
Public	National Authority of Customs	Entity in charge of the control and registration of imports and exports of goods into the country. Data Provider for INGEI
Public	Urban and Household Sanitation Authority	Entity in charge of the collection and disposal of solid waste in Panama City. Data Provider for INGEI
Public	Panama Sanitation Programme	Entity attached to the Ministry of Health, in charge of the waste-water collection and treatment programme for the districts of Panama, San Miguelito, Arraij?m and La Chorrera (those with the largest population). Data Provider for INGEI
Public	Institute of Meteorology and Hydrology of Panama	Entity in charge of generating meteorological warnings and early alerts and preparing weather forecasts and providing authoritative, reliable, and timely meteorological and hydrological information on the state and behaviour of the atmosphere and all water resources in the Republic of Panama.
Public	Indigenous Peoples' Environment Office	Advisory office of the senior office of the Ministry of the Environment, in charge of promoting and complying with the plans, programmes, goals and projects established in the public environmental and integral development policies of the peoples, in coordination with the Vice-Ministry of Indigenous Affairs, traditional authorities of the indigenous peoples and public entities linked to their integral development.
Public/Research	National Secretariat for Science, Technology, and Innovation	It is an entity that ensures the strengthening of the development of science and technology and promotes research and innovation in the country.
Private	Chamber of Commerce, Industry and Agriculture	Entity that oversees the vision and interests of the private sector, in particular business, industry, and agribusiness enterprises. It ensures private sector participation to reflect private sector participation and interests.

Private	Panamanian Chamber of Construction	Entity that oversees the vision and interests of the construction sector. Ensures private sector participation to reflect the interests of the private sector.
Private	Union of Industrialists of Panama	Entity grouping the country's industrial sector, a fraction of its members provide information to INGEI, shall ensure representation of the industrial sector in the project.
Private	Panamanian Association of Business Executives	Organisation representing professionals and business executives. It shall ensure the participation of the private sector in the project.
Research/Education	Universities	University of Panama, Technological University of Panama, Other private universities.
Civil Society	Research Centres, environmentalist NGOs and Indigenous People	Centro del Agua del Tropico Humedo para America Latina y el Caribe (CATHALAC), Centro de Investigaciones Hidraulicas e Hidrotecnicas (CIHH-UTP), Smithsonian Tropical Research Institute, Fundaci?n Natura, The National Coordinating Body of Indigenous People in Panama (COONAPIP).

A preliminary Stakeholder engagement plan envisage the following meetings:

- ? Inception workshop to discuss conceptual framework and design for each chapter; and to highlight any prevailing challenges to data acquisition and sharing, monitoring assessment and reporting
- ? Validation workshops to discuss results and validate accuracy of the analyses
- ? Individual meetings with sector representatives
- ? Group discussions to solicit ideas, create synergies and opportunities for networking, knowledge sharing and joint actions
- ? Final dissemination workshop to discuss findings, raise awareness and reinforce collaboration and networking

Stakeholder engagement plan will include measures to manage risks that the Covid-19 pandemic and the possible reinstatement of containment measures may pose on the mobility and engagement of both project staff and stakeholders. Project will employ video-conferencing equipment/tools for virtual meetings and workshops, revise workplan, apply social distancing and provide personal protective equipment (PPE) to prevent exposure among project staff, stakeholders, and participants as and when necessary. Budget will be included for IT support and PPE accordingly.

The impact of the Covid-19 on the project progress will be closely monitored and the adaptive management will be used to minimize, and address impacts it may have on the availability of technical expertise, capacity, and changes in timelines. Project will focus on strengthening capacity and experience for remote work and online interactions as well as limited remote data and information access.

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### **Gender dimension:**

The project will encourage the active participation of women and men in decision-making processes. Gender balance will be considered in project management structures and capacity building actions (trainings, workshops). The guidance on gender integration through the NCs and BURs developed by the Global Support Programme (GSP) through UNDP and in collaboration with UNEP and GEF will be applied. In addition, in line with the GEF SEC's policy on gender equality[1]<sup>1</sup> and Guidance to advance gender equality in GEF projects and programs[2]<sup>2</sup>, project will prepare and finalize Gender analysis and Gender action plan[3]<sup>3</sup> during its inception phase[4]<sup>4</sup>.

An initial stocktaking and gender analysis across all areas ? and inclusion of stakeholders who understand gender issues in relation to their sectors ? will be conducted to assess and understand where deeper analysis and action is required. The areas where data and information on gender and climate change is not available will be identified with priorities and steps to fill gaps.

Gender analysis will follow the structure of five priority areas of UNFCCC Gender Action:

- ? Capacity building, knowledge sharing and communications
  - ? Gender balance, participation, and women's leadership
  - ? Coherence
  - ? Gender responsive implementation and means of implementation
  - ? Monitoring and reporting.
-

The Project will provide capacity-building in relation to BTR purpose and content, gender issues in environment and their role in the BTR process if necessary.

For all analysis included in the project (national circumstances, mitigation actions and adaptation communication), gender-disaggregated data from national statistical agency and international approved sources for the following topics: education level, employment by economy sectors and other sectors identified as GHG emitters, gender pay gap (general and by sectors), economic empowerment, and health among others will be included.

Currently, the Climate Change Directorate of the Ministry of Environment is pursuing two initiatives associated with the gender issue.

The first is the elaboration of the National Gender and Climate Action Plan, for the mainstreaming of the gender approach in the updated NDC1. This initiative is led by the Climate Action department in collaboration with the Mitigation and Adaptation and Resilience departments and is currently at the stage of reviewing the first draft. Consultations were carried out with civil society, public sector actors, private sector entities and indigenous communities. The purpose of these activities was to be able to carry out a baseline information survey that allowed to know the status of the gender perspective in the different sectors and thus take the necessary measures to address this issue.

The second initiative consists of the development of gender indicators to be incorporated into the development of biennial reports and national communications on climate change, with this initiative it is expected that the national reports shall have a gender perspective from the development of their technical components and that the indicators shall allow the monitoring the progress of this issue.

These initiatives reflect the country's work to mainstream the gender perspective in each of the projects that are formulated in climate change mitigation and adaptation, thus enabling the fair and equitable development of men and women.

Translating the results obtained from the actions described in these initiatives into the BTRs will consolidate the country as a guarantor of gender equality and equity.

Within the framework of the development of the CBIT initiative, the gender perspective is incorporated in the implementation of the CBIT Project, guiding the actions of the project team in its

implementation and in the presentation of results. The process of elaboration of the Gender Action Plan developed a phase of consultation with various stakeholders and interest groups, for which meetings were held to build the Plan, which establishes the guidelines to ensure:

- ? Use of inclusive and non-sexist language
- ? Promoting equal participation
- ? Gender information registry

In the case of the Gender Action Plan developed by the 4NC/2BUR, a gender goal is established with its respective indicators, methods for data collection and risks and assumptions that could influence the collection of information, as well as the lack of aggregate information and in some cases the lack of its generation, so it is necessary to initiate the necessary actions to reduce these risks associated with the generation of information.

With indigenous peoples the climate change agenda is being addressed through two national instances: a) the National Environmental Strategy, through the recently created Office of Environment of Indigenous Peoples of the Ministry of Environment, and b) the implementation of the National Plan for Indigenous Peoples, whose process is being carried out with the support of UNDP Panama. This process was agreed upon by the Government of Panama and the representation of each of the country's Indigenous Peoples. The plan has its own governance structure and work architecture; therefore, the Ministry of Environment considers it pertinent to continue advancing with the efforts on climate change and Indigenous Peoples in accordance with what was previously agreed.

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[1] [http://www.thegef.org/sites/default/files/council-meeting-documents/EN\\_GEF.C.53.04\\_Gender\\_Policy.pdf](http://www.thegef.org/sites/default/files/council-meeting-documents/EN_GEF.C.53.04_Gender_Policy.pdf)

[2] [http://www.thegef.org/sites/default/files/council-meeting-documents/EN\\_GEF.C.54.Inf\\_.05\\_Guidance\\_Gender\\_0.pdf](http://www.thegef.org/sites/default/files/council-meeting-documents/EN_GEF.C.54.Inf_.05_Guidance_Gender_0.pdf)

[3] Guide to Conducting a Participatory Gender Analysis and Developing a Gender Action Plan for projects supported by UNDP with GEF financing:

[https://intranet.undp.org/unit/bpps/sdev/gef/\\_layouts/15/WopiFrame.aspx?sourcedoc=/unit/bpps/sdev/gef/Gender%20Library/UNDP%20GEF%20Guidance.%20How%20to%20conduct%20gender%20analysis%20and%20gender%20action%20plan.pdf&action=default](https://intranet.undp.org/unit/bpps/sdev/gef/_layouts/15/WopiFrame.aspx?sourcedoc=/unit/bpps/sdev/gef/Gender%20Library/UNDP%20GEF%20Guidance.%20How%20to%20conduct%20gender%20analysis%20and%20gender%20action%20plan.pdf&action=default)

[4] The GEF Enabling Activities and policy/strategy work 33. Enabling Activity projects provide financing for the preparation of a plan, strategy, or national program to fulfil the commitments under

the Conventions that the GEF serves, including national communication or reports to the Conventions. Similarly, many GEF-financed medium- and full-size projects include activities that focus on developing and preparing national policies or strategies and, as such, do not work directly with beneficiaries on the ground. These plans and strategies provide an essential opportunity to recognize, build capacity, and to develop actions to advance GEWE. Some possible actions to include in these national documents include the following:

- ? request that gender experts review draft plans and strategies.
- ? ensure that any background and stocktaking exercises associated with development of the plans and strategies adequately account for the different roles for women and men.
- ? ensure that women are effectively engaged as members of stakeholder groups consulted during development of the strategies and plans.
- ? consider including gender-disaggregated data collection and/or gender-specific indicators; and
- ? consider how national gender policies can be incorporated into sectoral strategies and action plans.

### **C. DESCRIBE THE ENABLING ACTIVITY AND INSTITUTIONAL FRAMEWORK FOR PROJECT IMPLEMENTATION**

Discuss the work intended to be undertaken and the output expected from each activity as outlined in Table A

The project will be implemented under the NGO Implementation Modality. The Executing Agency of the project will be Wetlands International Foundation in coordination with the Ministry of Environment, through the Directorate of Climate Change.

The Executing Entity is responsible for executing this project. Specific tasks include:

- Project planning, coordination, management, monitoring, evaluation, and reporting. This includes providing all required information and data necessary for timely, comprehensive, and evidence-based project reporting, including results and financial data, as necessary. The Executing Agency will strive to ensure project-level M&E is undertaken by national institutes and is aligned with national systems so that the data used and generated by the project supports national systems.
- Overseeing the management of project risks as included in this project document and new risks that may emerge during project implementation.
- Procurement of goods and services, including human resources.

- Financial management, including overseeing financial expenditures against project budgets.
- Approving and signing the multiyear workplan.
- Approving and signing the combined delivery report at the end of the year; and,
- Signing the financial report or the funding authorization and certificate of expenditures.

The development of the project will be supported by the National Climate Transparency Framework, which is being developed with support from GEF resources and the Capacity Building for Transparency Initiative (CBIT). One of the objectives of the project is to have a National Climate Transparency Platform to facilitate the development of periodic reporting to the United Nations Framework Convention on Climate Change (UNFCCC). This platform will help in the development of the technical part of the report, but also as a mechanism for consultation with the public, where the activities to be developed will be communicated and will allow for consultations and contributions from the various sectors of society.

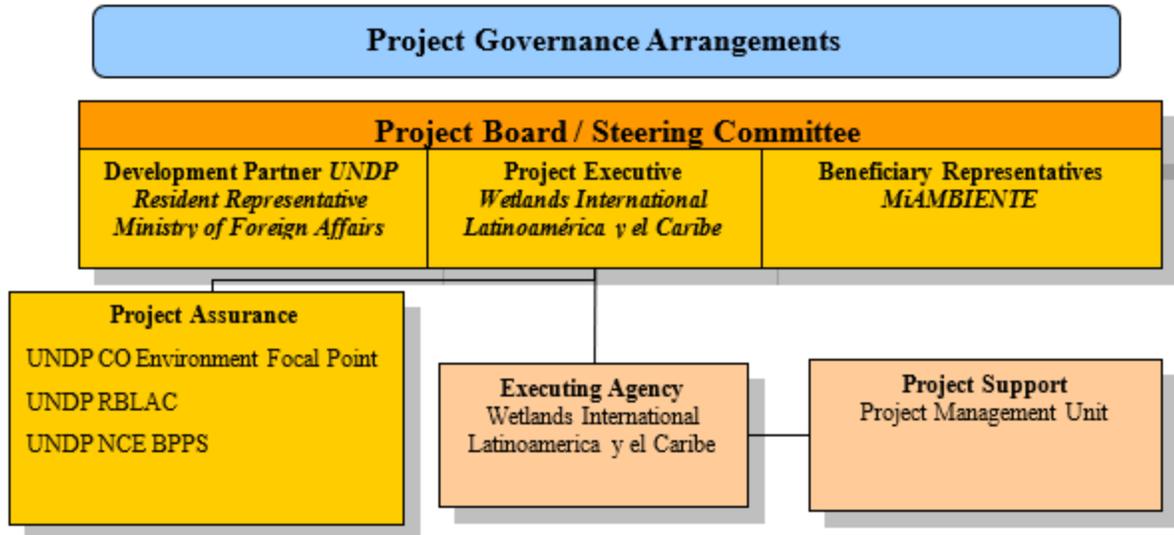
In addition, working groups will be formed and will build on the capacities created in the development of the fourth national communication, the second biennial update report, and the national climate transparency platform:

The National Climate Change Committee of Panama (CONACCP) will provide support in the development of the technical issues.

An external advisory committee will be set up, with the participation of trade unions, private sector, and civil society associations, as well as academia, to provide recommendations.

A high-level committee will be formed for decision-making and alignment with government policy.

Figure 1. Institutional arrangement for project implementation



**Second line of defense:**

- ? Regional Bureau oversees RR and Country Office compliance at portfolio level.
- ? BPPS NCE RTA oversees technical quality assurance and GEF compliance. BPPS NCE PTA oversees RTA function.
- ? UNDP GEF Executive Coordinator and Regional Bureau Deputy Director can revoke DOA/cancel/suspend project or provide enhanced oversight.

The UNDP Resident Representative assumes full responsibility and accountability for oversight and quality assurance of this Project and ensures its timely implementation in compliance with the GEF-specific requirements and UNDP's Programme and Operations Policies and Procedures (POPP), its Financial Regulations and Rules and Internal Control Framework. A representative of the UNDP Country Office will assume the assurance role and will present assurance findings to the Project Board, and therefore attends Project Board meetings as a non-voting member.

The creation of the following thematic roundtables for the preparation of the BTR components is proposed: (i) National Greenhouse Gas Inventory, (ii) progress in the implementation of the NDC, (iii) climate change impacts and adaptation measures. (iv) support received and support needs, (v) participation, education, awareness raising and capacity building. Each of these roundtables will be made up of an interdisciplinary and multi-sectoral group to ensure the involvement of all sectors of the country and the representativeness of the results and decisions.

The Project Steering Committee (PSC) will be the highest policy-level body, which shall provide support and guidance to the implementation of the project and ensure that the project findings are disseminated to, and validated by, all relevant stakeholders in Panama.

UNDP shall act GEF Implementing Agency and will monitor and support implementation of project activities in line with UNDP-GEF standard procedures. UNDP shall be responsible for reporting, monitoring and evaluation of the project to GEF, providing a substantive support to the project team in meeting the administrative, finance and management requirements.

### **Component 1 National Greenhouse Gas Inventory.**

Under the BUR2 an INGEI was developed for each sector using the 2006 IPCC Guidelines, with a recalculation of the 1994-2017 time series with estimates for the years 1994, 2000, 2005, 2010, 2013 and 2017. The 1st National GHG Inventory Report for Panama 1994-2017 was also developed.

#### National Greenhouse Gas Inventory:

The time series will be developed and recalculated for the period 1990-2021, in accordance with the IPCC 2006 guidelines; additionally, the 2019 refinement will be employed for the GHG Inventory, mainly in the agricultural sector.

Activities to be developed:

- ? Training and capacity building of the GHG inventory development team on those items corresponding to the Improvement Plan of previous inventory series.
- ? Review and description of the inter-institutional agreements for data collection for the sectors of (i) Energy, (ii) IPPU, (iii) Agriculture, (iv) -LU-LUCF and (v) Waste.
- ? Collection and validation of activity data by sector for the time series (recalculation of previous years and calculation of new year(s)).
- ? Development of Tier 2 emission factors in some specific sectors.
- ? Quantitative uncertainty estimation.
- ? Analysis of main categories.
- ? QA/QC implementation of activity data, emission factors, compilation, etc.
- ? Compilation, design and editing of the National Inventories Report (NIR).
- ? Disclosure of the results of the NIR.
- ? Report on lessons learned, opportunities for improvement and specific support needs.

The NIR shall be disclosed to CONACCP and relevant actors in the private sector, academia, and civil society.

## **Component 2 Progress made in the implementation and enforcement of the NDC:**

Panama's Nationally Determined Contribution (NDC1) to the United Nations Framework Convention on Climate Change shows the challenge we are taking on as a country to set our path towards a green economy, and an action plan that brings us closer to the eradication of inequalities, and projects us towards the fulfilment of the Sustainable Development Goals.

The country amplified its goals with 8 additional sectors, each with important actions to be taken. For such purpose, we committed to develop activities to report on the country's progress in implementing the Nationally Determined Contribution (NDC); this will require the development of progress indicators, as well as an explanatory analysis that clarifies the progress made and the national circumstances that have had an impact on progress.

Activities to be developed:

- ? Preparation of national circumstances report and description of progress made in the implementation of the NDC, as well as information on circumstances affecting GHG emissions and absorption in the country.
- ? Review and description of inter-institutional arrangements for implementation, monitoring, reporting, and ensuring the involvement of relevant sectors in the country.
- ? Description of the NDC.
- ? Development and calculation of progress indicators, with explanatory commentary to assess the progress of each of the contributions embodied in the NDC, as well as methodological consistency.
- ? Development of emissions and removals scenarios (with specific projection of the impact of the NDC on the deviation from the baseline scenario).
- ? Report on progress in the implementation of mitigation and/or adaptation plans, which are part of the NDC.
- ? Progress report on the implementation of the National Strategy for Low Carbon Economic and Social Development (expressed in the Executive Decree N°100 of 20 October 2020).
- ? Review, progress report/achievements in implementing mitigation and adaptation actions
- ? Report on the Strengthened Transparency Framework and opportunities for improvement, need for support and capacity building for its implementation.
- ? Training and capacity building in the implementation of reporting, monitoring and verification mechanisms in mitigation and monitoring and evaluation in adaptation.
- ? Training in the use of MRV methodologies.
- ? Training to strengthen capacities in updating the Climate Risk and Vulnerability Index.

### **Component 3 Information climate change impacts and adaptation efforts.**

Panama is a highly vulnerable country to the impacts of climate variability and change, as are the countries of the Central American and Caribbean region. Slowly developing phenomena greatly impact our economy; a total of 2,717 events of natural origin have been recorded; of these, 57% correspond to floods, 17% to gales or strong winds, 15% to landslides, while the remaining 11% are distributed among other events. It is worth noting that, among the climatic phenomena mentioned, floods have caused the greatest number of people affected and deaths within the study period.

Panama's NDC1 update seeks to promote climate resilience and reduce risk to the effects of climate change. The commitments set out shall be progressive and will be implemented through a participatory and transparent approach, based on our national circumstances.

Activities to be developed:

- ? Climate change impact assessment in the country, identifying and quantifying damages and losses (economic, biodiversity, etc.).
- ? Description of the risks the country faces from climate change and vulnerability at community, municipal and country level, and how they have been addressed in a participatory manner, integrating all stakeholders.
- ? Analysis of barriers, challenges, and gaps to be overcome in climate change adaptation.
- ? Identification of the country's adaptation priorities.
- ? Compendium of adaptation strategies, policies, objectives, and actions, describing how adaptation has been mainstreamed into sectoral policies.
- ? Development of methodologies, implementation, and evaluation of the integration of policies/strategies/plans with a gender perspective, cultural traditions.
- ? Assessment of progress in adapting to climate change through adaptation indicators adequate for national circumstances.
- ? Capacity building at public, municipal and community level on climate risks, vulnerability, and adaptation to climate change.
- ? Progress report on the implementation of the national monitoring and evaluation (M&E) system.
- ? Information gathering, analysis of damages and losses associated with climate change.
- ? Assessment of alternatives to avoid, minimise damage and losses, as well as climate risk management.
- ? Progress in the assessment and management of the Vulnerability Index and climate risks at country level.
- ? Progress of the climate data system for decision making in adaptation.

- ? Training in the use of methodologies for the national system of monitoring, evaluation, and reporting of adaptation in the territory.

#### **Component 4 Publication and submission of the First BTR, support needed and received, knowledge management and monitoring and evaluation**

Information related to the support needed and received for financial support, technology transfer and capacity building will be reported as part of the BTR, for which it will be necessary to carry out a process of collecting information at the national level of central government, local governments, communities, and the private sector. The methodology for this process and the methodology for the quantification of support received for mitigation and adaptation must be defined.

Activities to be developed:

- ? Consultative process of support needed and received. While the National Climate Transparency Platform (NCTP) will be the official mechanism for collecting this information, a consultative process will be developed to ensure that the information is complete and covers all needs. This process will also help to assess the effectiveness of the NCCP and propose improvements to it.
- ? Development and training on definitions, formats, and scope of climate finance at the national level including guidelines on the use of tabular formats.
- ? Description of underlying assumptions, definitions, and methodologies.
- ? Detailed description and quantification of the support received (financial, technical assistance, technology transfer and capacity building).
- ? Development and training on definitions, formats, and scope of climate finance at the national level including guidelines on the use of tabular formats.
- ? Assessment of national capacities to access and manage support.
- ? Analysis of country capacity building, barriers, and needs for climate transparency implementation.

#### **REDD+ in the BTR**

It is important to mention that with the support of the project "Development of strategic frameworks and climate finance to reduce deforestation and forest degradation and guide GCF investment in Panama", started in November 2020, the results of this project shall be included as a technical annex in the first BTR to be submitted by Panama.

As a follow-up to the REDD+ readiness process, decision GCF/B.17/16 encourages the country to collaborate with readiness delivery partners and accredited entities to submit readiness requests for the first phases of REDD+. The results produced by the project "Elaboration of strategic frameworks and climate finance to reduce deforestation and forest degradation and guide GCF investment in Panama" shall serve as leverage to apply for additional funding through the development of proposals to access climate finance. The Results Based Payment (RBP) window could be changed to Agriculture depending on the replenishment status of the GCF payment for results. Proposals will also be guided through a pre-feasibility analysis of the investment potential for the five REDD+ activities based on an RBP approach and will ensure the participation and views of relevant LULUCF sector stakeholders, including private sector and other key forest-dependent actors.

Publication and submission of the First Biennial Transparency Report in accordance with the modalities procedures and guidelines included in Decision 18/CMA.1

The project shall contribute to the generation of knowledge through publications that allow the dissemination or popularisation of the technical and normative aspects of the process, in any digital or printed media that is prioritised, including the approach to gender issues.

Lessons learned through the project shall be documented and systematised in case studies, publications, technical guides, or other knowledge management tools.

Upon completion of the analysis, assessment, and reporting activities, as well as the consultation and citizen participation processes, the First Biennial Transparency Report (1BTR) shall be compiled and approved by the Ministry of Environment and submitted to the United Nations Framework Convention on Climate Change (UNFCCC) in June 2023.

The implementation of this initiative will help the Climate Change Directorate of the Ministry of Environment to establish the basis for steering its processes through quality assessment with the implementation of ISO 9001 process management standards.

#### **D. DESCRIBE, IF POSSIBLE, THE EXPECTED COST-EFFECTIVENESS OF THE PROJECT**

The proposed project builds on the initiatives currently under implementation, which are aligned with the objectives of:

- ? Strengthen the climate transparency framework.
- ? Engaging different sectors of society in climate action.
- ? To have information that reflects progress in emissions mitigation.
- ? Disclosure of climate change impacts in the country, exposing vulnerability and risk, as well as quantification of losses and damages, so that public and private projects integrate climate risk assessment.
- ? Incorporate climate change mitigation and adaptation aspects into national decision-making and policy formulation.

The "Development of Panama's National Climate Transparency Framework" project, which is funded by the GEF through the Capacity Building Initiative for Transparency (CBIT), through which the National Climate Transparency Platform (PNTC) shall be established, complements perfectly with this project, facilitating the flow of information and automation of the steps to implement the Sustainable Greenhouse Gas System (SINGEI), National Registry of Emissions and Mitigation Actions (RNEAM), National Registry of Means of Implementation (RNMI); among others.

Through the PNTC, information management shall be facilitated, so that the resources requested for the development of national greenhouse gas inventories can focus on quality control and assurance, on improving the inventory by advancing in the calculation of tier 2 emission factors for some of the activities. In addition, this project will help to assess the functionality of the PNTC, allowing to improve it and to continue the process of continuous improvement of this tool. Another aspect to highlight is that the project will be complemented by the PNTC for the inventory of the most recent years, but it will also help to review and improve the time series of inventories presented in the second Biennial Update Report (BUR2).

The development and implementation of the National Adaptation Plan (NAP) to climate change, which among its objectives is the planning of Adaptation, Governance and Strengthened Institutional Coordination in the Water Resources, Health and Agriculture and Food Security sectors, for the benefit of the population is advancing. The plan will lay the foundations for designing the path towards adaptation in the territory through planning tools that consider adaptation and resilience measures in the prioritised sectors. The National Adaptation Plan contemplates the measurement of the progress of each action, for which there will be indicators that will provide an in-depth analysis of the development of the initiatives in the territory, which shall subsequently be reported.

The NAP outputs will be part of the BTR country report, providing baseline information on the development of each of the prioritised sectors, allowing for feedback on the country's adaptation progress in decision-making.

The goals of the Increasing Resilience through Nature-based Solutions (NBS) in Latin American Cities project, of which Panama is part, are to Strengthen the knowledge of national and local governments to assess the potential of nature-based mitigation and adaptation solutions in urban areas in the context of climate change strategies; Strengthen enabling policy and institutional frameworks to increase the uptake of BNS in urban planning; Define climate finance strategies through public, private initiatives and blended finance mechanisms and facilitate access to climate finance for the sustained implementation of BNS. With these actions, progress is being made in the construction of information that will complement the information that will be reported in the various products of this project.

In terms of the technical annex that is intended to be included in the BTR, the goal is that the country has the enabling conditions to be eligible to access climate finance for REDD+.

This preparatory support for the project "Developing strategic frameworks and climate finance to reduce deforestation and forest degradation and guide GCF investment in Panama", will allow the country to complete the four pillars of the Warsaw Framework necessary to access climate finance and its capacity to measure, report and verify (MRV). These activities are in line with Section 5 of the Paris Agreement which encourages Parties to take action to implement and support policy approaches and positive incentives for activities related to reducing emissions from deforestation and forest degradation, and the role of conservation, sustainable management of forests and enhancement of forest carbon stocks (REDD+ mechanism).

The development of the Fourth Communication helped to strengthen the process of preparing the BTRs, since it allowed us to collect a time series, improve the quality of the inventory and prepare our first National Inventory Report. In addition, the information generated in the Vulnerability & Adaptation Chapter will strengthen and complement the activities of Component 3: Information climate change impacts and adaptation efforts of the BTR.

#### **E. DESCRIBE, DESCRIBE THE BUDGETED M & E PLAN**

The project monitoring and evaluation will be carried out according to UNDP and GEF programming policies and procedures.

**Inception Workshop and Report:** A project inception workshop will be held within two months after the project document has been signed by all relevant parties to, amongst others:

a) Re-orient project stakeholders to the project strategy and discuss any changes in the overall context that influence project strategy and implementation.

- b) Discuss the roles and responsibilities of the project team, including reporting and communication lines and conflict resolution mechanisms.
- c) Review the results framework and finalize the indicators, means of verification and monitoring plan.
- d) Discuss reporting, monitoring and evaluation roles and responsibilities and finalize the M&E budget; identify national/regional institutes to be involved in project-level M&E; discuss the role of the GEF OFP in M&E.
- e) Update and review responsibilities for monitoring the various project plans and strategies, including the risk log; Environmental and Social Management Plan and other safeguard requirements; the gender strategy; the knowledge management strategy, and other relevant strategies.
- f) Review financial reporting procedures and mandatory requirements, and agree on the arrangements for the audit; and
- g) Plan and schedule Project Board meetings and finalize the first-year annual work plan.

The Project Manager will prepare the inception report no later than one month after the inception workshop. The inception report will be prepared in one of the official UN languages, duly signed by designated persons, cleared by the UNDP Country Office and the UNDP-GEF Regional Technical Adviser, and will be approved by the Project Board.

**Annual progress:**

Status Survey Questionnaires to indicate progress and identify bottlenecks as well as technical support needs will be carried out once a year, in line with GEF and UNFCCC reporting requirements for NCs and BURs.

**Lessons learned and knowledge generation:** Results from the project will be disseminated within and beyond the project intervention area through existing information sharing networks and forums. The project will identify and participate, as relevant and appropriate, in scientific, policy-based and/or any other networks, which may be of benefit to the project. The project will identify, analyse, and share lessons learned that might be beneficial to the design and implementation of similar projects and disseminate these lessons widely. There will be continuous information exchange between this project and other projects of similar focus in the same country, region and globally.

**End of Project:**

During the last three months, the project team will prepare the Project Terminal Report. This comprehensive report will summarize the results achieved (objectives, outcomes, outputs), lessons learned, problems met and areas where results may not have been achieved. It will also lay out recommendations for any further steps that may need to be taken to ensure sustainability and replicability of the project's results. The Project Terminal Report shall be discussed with the Project Board during an end-of-project review meeting to discuss lesson learned and opportunities for scaling up.

<b>Monitoring and Evaluation Plan and Budget:</b>			
<b>GEF M&amp;E requirements</b>	<b>Responsible Parties</b>	<b>Indicative costs (US\$)</b>	<b>Time frame</b>
<b>Inception Workshop</b>	Executing Agency PM/Coordinator/ CTA	2,000	Within 60 days of the first disbursement
<b>Inception Report</b>	PM/Coordinator/ CTA	None	Within 30 days after Inception Workshop
<b>Project Terminal Report (End of project report)</b>	<b>Project Manager</b>	None	<i>3 months before operational closure</i>
<b>TOTAL indicative COST</b>		2,000	

**F. EXPLAIN THE DEVIATIONS FROM TYPICAL COST RANGES (WHERE APPLICABLE)**

N/A

**Part III: Approval/Endorsement By GEF Operational Focal Point(S) And GEF Agency(ies)**

**A. Record of Endorsement of GEF Operational Focal Point (s) on Behalf of the Government(s):**

<b>Focal Point Name</b>	<b>Focal Point Title</b>	<b>Ministry</b>	<b>Signed Date</b>
Mr. Raúl Pinedo	Chief of the Office of International Technical Cooperation; Operational Focal Point GEF	Ministry of Environment	3/14/2022



<b>Equipment</b>	ICT equipment and software, licenses, and specialized equipment for vulnerability analysis.	1,000			12,000		7,800	8,000					28,800	28,800	<i>Wetlands International Latin America y el Caribe</i>
<b>International Consultants</b>	International Consultancies : Consultancy to support the uncertainty analysis of the time series of greenhouse gas inventories, and issues related to transparency for the reporting of information.		15,000										15,000	15,000	<i>Wetlands International Latin America y el Caribe</i>

<p><b>Local Consultants</b></p>	<p>National Consultancies : Consultancy for conducting INGEI Inventories; Review of emission factors and monitoring, reporting and verification system ; Preparation of vulnerability and adaptation information and definition of actions in compliance with the updated NDCs; Collect information to update the national circumstances , support receive</p>	<p>70,500</p>	<p>70,500</p>	<p>76,200</p>	<p>77,200</p>	<p>19,800</p>	<p>10,000</p>	<p>324,200</p>	<p>2,000</p>	<p>2,000</p>	<p>346,200</p>	<p><i>Wetlands International Latin America y el Caribe</i></p>
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<b>Training, Workshops, Meetings</b>	Meetings and workshops for information management with priority sectors, validation, presentation with Government, NGOs, civil society and other relevant stakeholders; feedback to project boards. Year 1 includes the Inception Works hop.			13,400	13,400	4,500	4,500					35,800	35,800	<i>Wetlands International Latin America y el Caribe</i>
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<b>Travel</b>	Cost of international travel, according to corporate table for the National Technical team implementing the project.				4,000						4,000		8,000	12,000	<i>Wetlands International Latinoam?rica y el Caribe</i>
<b>Travel</b>	International travel costs (COP), according to corporate table for the National Technical team for project implementation.			4,000							4,000		4,000		<i>Wetlands International Latinoam?rica y el Caribe</i>
<b>Office Supplies</b>	Coordinating unit office supplies.			4,000							4,000		4,000		<i>Wetlands International Latinoam?rica y el Caribe</i>

<b>Office Supplies</b>	Meetings and workshops for information management with priority sectors, validation, presentation with Government, NGOs, civil society and other relevant stakeholders; feedback to project boards. Year 1 includes the Inception Workshop.						2,000				2,000		2,000	<i>Wetlands International Latinoam?rica y el Caribe</i>
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<b>Other Operating Costs</b>	Per year, the annual Audit or Spot check as required by UNDP and donor (\$6000)/ capacity building and strengthening consultancy (\$1500); Total budget for two years? audit cost is \$15,000.												15,000	<i>Wetlands International Latinoam?rica y el Caribe</i>
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Other Operating Costs	Printing and publication of the final document of the Biennial Transparency Report and translation of the Report or other document.									21,200	21,200		21,200	<i>Wetlands International Latinoam?rica y el Caribe</i>
<b>Grand Total</b>		71,500	85,500	93,600	29,400	85,700	14,300	27,800	10,000	21,200	43,900	2,000	43,000	<b>Wetlands International Latinoam?rica y el Caribe</b>