

**GLOBAL ENVIRONMENT FACILITY****ENABLING ACTIVITY PROPOSAL**

**Country:** - Republic of Panama

**Project Title:** National Biodiversity Strategy and Action Plan and First National Report to the Convention on Biological Diversity (CBD)

**GEF Focal Area:** Biodiversity

**Country Eligibility:** Ratified the CBD on 17 January 1995

**GEF Financing:** US\$ 215,000

**Government Contribution:** In kind and personnel

**GEF Implementing Agency:** UNEP

**National Executing Agency:** Comisión Nacional del Medio Ambiente (CONAMA) in collaboration with the Instituto Nacional de Recursos Naturales Renovables (INRENARE) and the Comisión Nacional de Ciencia y Tecnología

**GEF Operational Focal Point:** Executive Secretariat, CONAMA, Office of the Minister of Planning and Political Economy (MIPPE)

**CBD Focal Point:** INRENARE

**Estimated Starting Date:** September 1996

**Project Duration:** 12 months

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**Background/Context:**

The narrow isthmus of Panama covers a land area of just 75,648 km<sup>2</sup> yet is probably the most biologically diverse country in the region. The isthmus rose out of the sea around three million years ago and now serves both as a land corridor separating the Pacific from the Atlantic Oceans and as a biological bridge linking the two halves of the once-divided American continents. The previously distinct flora and fauna of North and South America have subsequently merged and many new species have evolved, making Panama today one of the world's richest countries in species numbers, ranking tenth among all countries when both absolute and relative (proportional to the size of the country) numbers of higher species

are considered. Over 30 per cent or 430 of its 1,450 higher species are endemic and of these, 30 per cent (all but two of which are higher plants) are classified as threatened and 21 species are classified as globally endangered. Panama has more vertebrate species than any other Central American or Caribbean country, with 317 species of mammals, 212 reptile species (four per cent of the world's reptile species - 18 endemic), 155 species of amphibians (21 endemic), 1,500 species of butterflies, 207 species of freshwater fish and 890 species of birds (45 endemic). Panama is also a convergence point for three of the four major routes of migratory bird species and has the most developed coral reefs in the South East Pacific.

Lowland rainforest occupies about 48% of Panama, and mangroves and sub-montane forest also cover a significant area. Panama's flora is one of the richest of neotropical countries worldwide with an estimated 8-10,000 vascular plants (1,250 of which are endemic angiosperms), 1,000 orchid species, 690 fern species, 8 major families (around 500 species) of monocotyledons, and more than 348 species of grasses.

Since 1950 Panama has experienced increasing environmental degradation associated with road building and the colonisation of protected areas, particularly around urban centres, by a largely poor rural population (nearly 2.5 million inhabitants with a per capita income of US \$2,242 [1993]). These underlying causes have been linked to deforestation and land clearing for agriculture and pasture. The rate of deforestation is estimated at 50,000 ha of primary forest and 20,000 ha of secondary forest per year. This causes problems such as loss of agricultural soil, loss of biological diversity, flooding, droughts and deterioration of the most important watersheds. Deforestation and subsequent sedimentation have also had a detrimental impact on the operations of the Panama Canal (the major source of foreign revenue), hydroelectric power plants and other investments.

The government of Panama (GoP) recognises that the good management, conservation and protection of its natural biological heritage is crucial to ensure future economic growth and sustainable social development. Since 1940 Panama has been party to many global conventions and regional treaties/conventions that contribute to the conservation of species and ecosystems and is now negotiating with other countries in the region over the establishment of a protective, contiguous, Central American Land Corridor. In the last five years, Panama has instigated a wide-ranging series of national legislative measures covering environmental protection, conservation, education, research, development and management of natural resources. To date some 28% (2,231,825.5 hectares) of the country has been formally protected in 14 national parks, 9 wildlife sanctuaries, 8 forest reserves, 4 protected wetlands and 2 protective woodland belts. However, although this is above the global average, national investment in protected areas remains low and management practices need to be strengthened. In addition, the public is largely unaware of the economic value of its natural heritage and needs to be informed of sustainable management practices for biological resources.

Panama is currently in the process of establishing a Consejo Nacional de Desarrollo Sostenible (CNDS) [National Advisory Council on Sustainable Development] and strengthening public institutions connected with environmental issues, including the Comisión Nacional del Medio Ambiente (CONAMA) [National Commission on the Environment], the Instituto Nacional de Recursos Naturales Renovables (INRENARE) [National Institute of Renewable Natural Resources], and the Instituto de Ciencias Ambientales y las Biodiversidad

de la Universidad de Panama (ICAB), among others.

Panama has a growing NGO movement and several NGOs, such as the Asociación para la Investigación y Propagación de Especies Panameñas (AIPEP) and the Asociación Nacional de la Conservación (ANCON) work in partnership with the Government in implementing conservation projects and in supporting the management of protected areas. NGOs are represented both in CONAMA and the Board of Directors of INRENARE. In addition, Panama has the largest IUCN National Committee in Central America and the Caribbean and one of the largest in the Latin American region.

In recent years, biodiversity has been gaining increasing importance in Panama's economy. Five travel agencies are already dedicated to ecotourism and work closely with the Instituto Panameño de Turismo (IPAT). Six companies are involved in the development of biotechnology related to agriculture and pharmaceuticals. The Instituto de Investigación Agropecuaria (IDIAP) is promoting the development and dissemination of biotechnology for stimulating the development of agriculture and animal husbandry.

To further enhance the role of conservation and sustainable use of the nation's biodiversity, the GoP would like to develop a National Biodiversity Strategy and Action Plan (NBSAP). For the development of the NBSAP to be as locally-driven and owned, much internal consultation will be needed, as well as a wide dissemination of information and at least some hands on training in biodiversity analysis and planning.

### **Project Objectives and Short Description**

The principal objective of this project is to assist the Republic of Panama in further developing the national machinery for conservation and sustainable use of biodiversity within the context of economic development. The NBSAP will provide an opportunity to put Panama's existing policy instruments and measures aimed at sustainable management of biological resources in a more comprehensive and committing framework with a broad stakeholder involvement, and to identify remaining gaps.

The project will initially assess existing knowledge and then, through a process of analyses and consultations, will identify and agree upon strategies to strengthen biodiversity management and benefit sharing in the country. One area of priority will be to raise public awareness of the importance of protecting biodiversity and exploiting forest and other natural resources in a sustainable manner. Other priorities include strengthening the management of existing protected areas, investigating strategies to protect habitats of threatened endemic species (in particular the plants that are globally endangered) not currently found within protected areas, strengthening Panama's institutional capacity to control practices that have a detrimental effect on the environment (for example in the production and marketing of raw forestry materials) and ability to carry out meaningful environmental impact assessments.

The proposed NBSAP will be prepared using a multidisciplinary, integrated and participatory approach, involving relevant government institutions and other public and private organisations with the prerequisite level of expertise. The project will involve public and private sector stakeholders from: finance, agriculture, fisheries, biotechnology, protected

areas, tourism, forestry, natural sciences, scientific research and conservation.

International technical expertise preferably from the region may be requested to assist in the project and to consolidate the contributions of other national consultants. In addition, a series of participatory workshops involving NGOs, local communities and the private sector will be held to further awareness and development of the NBSAP. Representatives from national BSAP coordination committees of neighbouring countries that share major ecosystems with Panama (e.g. Costa Rica & Colombia) and where there may be opportunities for bilateral and multilateral biodiversity management projects to be developed after the completion of the NBSAPs, will also be invited to the national workshops. As a final step in the process, a public awareness campaign will be carried out to achieve further commitment by the broad civil society.

The proposed NBSAP will form part of the Republic of Panama's fulfilment of the obligations of the CBD as well as those of Agenda 21 for promoting and guiding efforts to conserve biodiversity and use biological resources sustainably. The preparation of the national report will enable the Republic of Panama to meet the commitments deriving from Decision II/17 adopted by the second meeting of the Conference of the Parties to the CBD (COP 2).

#### **Coverage without Duplication**

It is planned that this project will cover all tasks necessary for a first-round NBSAP, as defined in the GEF Operational Criteria for biodiversity enabling activities, including the production of the first national report to the CBD. Panama will be able to draw on a variety of existing sources and studies, including the research findings of the Smithsonian Tropical Research Institute, a bureau of the Smithsonian Institute and one of the world's leading centres for basic research on the behaviour, ecology and evolution of tropical organisms. STRI has been investigating tropical organisms continuously in Panama since 1923. The project will also be able to build on the work by local NGOs and the experiences of various (24) sustainable development, biodiversity classification, forestry management, public education, marine protection, commercial fishery and other environmental projects that are currently being implemented.

**Appropriate overall sequencing of activities:**

The project will be conducted over a period of 12 months as reflected in the schedule shown in the following table.

Activity/Month	1-	2	3	4	5	6	7	8	9	10	11	12
Establishment of steering committee and interagency planning team	x	x										
Finalization of the terms of reference for internal and external consultants	x	x										
Assessment of existing information (country study)			x	x	x							
Training of planning team and consultants in biodiversity analysis and planning			x	x								
First national seminar, stakeholder analysis and initiation of public participation process					x							
Regional Workshops on analysis and assessment of options					x	x						
Preparation of draft country study and NBSAP							x					
Circulation of draft country study and draft NBSAP for comments								x	x			
2nd National workshop to review the country study and the NBSAP on the basis of feedback received									x			
Finalization of country study and NBSAP										x		
Printing and publication of country study and NBSAP											x	x
Preparation and dissemination of first national report for CBD *									x	x		

\* Because of the deadline of 30th June 1997 for submitting the first national report to the secretariat of the CBD, the Panama report will be based on the information contained in the country study and the progress achieved by then in preparing the NBSAP.

**Best practice**

The methodology for the implementation of this project will be based on the *Guidelines for Preparation of Biodiversity Country Studies* (UNEP, 1993), the *Guide to the Convention on Biological Diversity* (IUCN, 1994) and the *Guidelines for Preparing National Biodiversity Strategies and Action Plans* (WRI/UNEP/IUCN, 1995). The same material will be used for training. The

project will utilize existing information to the maximum possible. Close consultation with other BSAP teams will be sought to share experience and incorporate lessons learned in other countries, particularly Costa Rica and Colombia.

### Project Financing

#### Project Budget (US\$) Panama NBSAP

Activity	Product	Process	Total
<b>1. Stocktaking of Existing Information</b>	<b>20,000</b>		<b>20,000</b>
- National consultants	15,000	0	
- Reports	5,000		
<b>2. Identification and analysis of options</b>	<b>23,000</b>	<b>79,000</b>	<b>102,000</b>
- Training for Planning Team		6,000	
- Regional seminars (travel, per diem, facilities) 3 @ \$5000 each		15,000	
- National workshops (travel, per diem, facilities) 2 @ \$10,000		20,000	
- International Consultants	6,000	18,000	
- National Consultants	10,000	20,000	
- Reports	4,000		
- Miscellaneous	3,000		
<b>3. Preparation of NBSAP</b>	<b>32,000</b>	<b>28,000</b>	<b>60,000</b>
- National Consultants	18,000	6,000	
- International Consultants	4,000	8,000	
- 2 Steering Committee Consultations (travel, per diem, facilities)		8,000	
- Dissemination, Public awareness		6,000	
- Printing & Publication	8,000		
- Miscellaneous	2,000		
<b>4. Preparation of First National Report</b>	<b>18,000</b>	<b>0</b>	<b>18,000</b>
- National Consultants	5,000		
- Printing & Publication	10,000		
- Miscellaneous	3,000		
<b>5. Co-ordination &amp; Management</b>	<b>15,000</b>	<b>0</b>	<b>15,000</b>
<b>Total</b>	<b>108,000</b>	<b>107,000</b>	<b>215,000</b>

Deviations from Criteria and Norms : None

### **Institutional Framework and Project Implementation**

As said in the background section, Panama is currently establishing or strengthening a number of national institutions connected with environmental issues. It also has several NGOs and other citizens' associations interested in conservation and management of natural resources. It has a renowned scientific tradition in basic research on the biology and ecology of tropical organisms linked in particular to the work of the Smithsonian Tropical Research Institute and other academic institutions in the country. It is therefore the wish of the Government of Panama to have the contribution and involvement of all these stakeholders and sectors of society in the preparation of the NBSAP.

The project will be coordinated by the National Commission on the Environment (CONAMA), a presidential commission established in 1983 which advises the President of the Republic and his Ministers on all aspects related to environmental management and sustainable development. Among its primary responsibilities is the preparation and periodic revision of the National Plan for Environmental Management within the framework of the nation's National Development Plan. CONAMA has an Executive Secretariat attached directly to the Office of the Minister of Planning and Political Economy (MIPPE), the country's lead social and economic planning ministry which is responsible for the National Development Plan. The Executive Secretary of CONAMA reports to the President and his Cabinet members directly through the Minister of MIPPE who also serves as the Chairman of the Board of Directors of INRENARE. Consequently, the nation's two leading environmental bodies fall directly under the administrative umbrella of the MIPPE.

CONAMA has a major responsibility in coordinating Government institutions in formulating and implementing multisectoral and sectoral environmental policies. Members of CONAMA appointed by the President of the Republic include the Director of INRENARE; representatives of the Ministries of Health, Agriculture, Public Works, and Commerce and Industry; representatives of the Institute of Hydroelectric Resources, the National Institute of Aqueducts and Sewerage, the Panama Canal Commission, and the University of Panama; as well as representatives from NGOs and the private sector.

For the purposes of this project, CONAMA will establish an inter-agency steering committee made up of representatives of all relevant ministries, NGOs, including indigenous groups, and the private sector. The following institutions are expected to play especially important roles because of their responsibilities related to the overall management of biodiversity: INRENARE, the Ministry of Planning and Political Economy (MIPPE), the National Commission on Science and Technology, the Ministry of Agropastoral Development, the Ministry of Health, the Ministry of Education, the Environment and Development Committee of the Legislative Assembly, the General Directorate of Marine Resources of the Ministry of Commerce and Industry, the National Council of Private Businesses, the Department of Watershed Protection of the Institute of Hydroelectric Resources, the National Institute of Tourism, the National Institute of Culture (INAC), the Office of Energy and Environment of the Panama Canal Commission, the University of Panama, the Institute of Agropastoral Research and the Association for the Investigation and Propagation of Panamanian Species (AIPEP). The Steering Committee will designate a core team (Planning Team) to lead the project. It will hold two consultations, the first one aimed at establishing the role that each organisation will play in executing this project, and the second one for reviewing the progress

in the implementation of the project.

The Steering Committee will be assisted in its work by a special interdisciplinary scientific advisory group composed of leading scientists and experts from the National Commission on Science and Technology, the University of Panama's Department of Environmental Sciences and Biodiversity, the Catholic University of Santa Maria La Antigua, the Smithsonian Tropical Research Institute, the Gorgas Commemorative Laboratory, IDIAP, the Environmental Division of the Ministry of Health, the Rural Development Division of the Ministry of Agropastoral Development, the Planning Division of the Ministry of Tourism, the Environmental Management Division of the Institute of Hydroelectric and Electricity Resources, the Ministry of Government and Justice, the Association of Biologists, Foresters and Agronomists, and NGOs including AIPEP, Natura, ANCON, AMISCONDE, DEASPA, CONAPIP and others involved in scientific research for biodiversity management. Likewise, a special advisory board of NGOs and civic groups to be chaired by AIPEP will advise the steering committee on public awareness and education activities and participation of local communities and groups in the implementation of the NBSAP.

Two national workshops will be held, directed at major national public (ministries, institutions, the University of Panama) and private sector stakeholders (sectoral industrial and professional associations, banking, etc): one at the initiation of the project to refine the focus of the NBSAP and a second towards its finalization to review the final draft of the NBSAP. Regional consultation workshops will be held in each of the following three regions: Metropolitan and Eastern Panama (Panama City, Colon, Darien, and the Archipelago of San Blas), the Central Provinces (Cocle, Veraguas, Herrera and Los Santos) and Western Panama (Chiriqui and Bocas del Toro). The regional workshops will be directed at local governments and communities, including indigenous groups, regional universities and institutions, local producers and industrialists, and regional NGOs and civic organizations. Participants at the regional workshops will be invited to the second national workshop.

The aim of the workshops is three-fold: (a) to assess needs, priorities, information and other elements to be considered in the preparation of the NBSAP, (b) to consider the views and positions of national and local public and private sector groups regarding the objectives, goals, strategic actions, institutional arrangements and investment requirements of the NBSAP and (c) to develop a broad base of public support for the formulation and implementation of the NBSAP.

To complement the workshops, efforts will be made to publicise the NBSAP proceedings through national media so that groups that do not formally participate in the elaboration of the plan are informed and can comment on the process.



**TABLE A: Dimensions of Enabling Activities (Standard Activity Matrix). Panama NBSAP**

Enabling Activity	Output	Capacity Building		Public Participation	Comments (See foot notes)
		Institutional Strengthening	Training		
<i>Stocktaking and Assessment, based on existing information</i>					
- biodiversity and biological resources	STRI.				1-16
- cross-sectoral issues	IUCN, X				
- policy and regulatory framework	UNDP, X CONAMA INRENARE				
- institutional and human capacity	X CONAMA INRENARE				
- analysis of root causes of biodiversity loss	X				
- technologies for conservation and sustainable use	X				
- activities with adverse impact	NGOs*, X				
- existing measures and programmes	UNDP, CONAMA INRENARE				
- preliminary statement of objectives	NGOs, X CONAMA INRENARE				
- identification of gaps	X				
- assessment of existing needs	X				
<i>Identification and Analysis of Options to Meet the Objectives of the CBD</i>					
- strategies for conservation	X	X	X	X	
- strategies for sustainable use	X	X	X	X	
- strategies for benefit sharing	X	X	X	X	
<i>Planning and Preparation of NBSAP</i>					
- national strategy	X	X	X	X	
- national action plan	X	X	X	X	
<i>Preparation of the First National Report to the CBD</i>					
- first national report	X	X	X	X	

**Legend**

x Activity undertaken by the project

\* In particular, the following NGOs: AIPEP, ANCON, AMISCONDE, DEASPA, CONAPIP

The following activities and projects are also contributing to the pool of biodiversity information that will be consolidated by the present project:

1. National Plan for the Prevention and Control of Forest Fires (voluntary fire brigade).
2. Letters of intent with Private Companies for Commercial Reforestation Schemes.

1. The UNDP/GEF Project to Promote the Conservation of the Biodiversity of the Darien Forest - which promotes economic and socially sustainable ecological practices.
4. MARENA project which is directed principally at the development and management of natural renewable resources, with emphasis on the development of National Parks and Wildlife Areas and the management of the Panama Canal Basin.
5. Project to Manage and Conserve the Native Forests in Eastern Panama - which aims to protect and manage in an integrated way the basin and dams of the Bayano and Majé rivers.
6. Project on Rural Poverty - which aims to reduce rural poverty and to promote the use and management of natural resources (now being negotiated).
7. Project for the Sustainable Rural Development of the Darién - for the development of natural resource organisations and support to income generating activities.
8. Project to Develop Agroforestry in the Shelterbelt Zone of the Cerro Hoya National Park - which organises and executes auditing, control and education activities for the management and protection of the natural resources and protected areas of Cerro Hoya.
9. Cative Project - which identifies and develops sustainable management techniques for the forests of Cative.
10. Projects for the National Parks of Coiba Island and Portobelo - programmes for the administration, protection, investigation and public awareness raising aimed at protecting the historic and aesthetic wealth and safeguarding the present tropical ecosystem.
11. Project for the Bastimentos Island National Park - to protect and conserve the marine and coastal habitat of the Boas del Toro archipelago and the surrounding islands.
12. Creation of ecological policies with the aim of attaining overall environmental control and public awareness of issues related to the management of natural resources.
13. Master Plan for Tourism, which includes regulations governing ecotourism in protected areas, which is implemented in conjunction with the Panamanian Institute of Tourism.
14. Regulations governing shrimp fishing, with the establishment of closed seasons, implemented by the Ministry of Commerce and Industry.
15. Prohibitions on the removal of sand from the beaches of the Atlantic and Pacific littorals.
16. Regional and General Plan for the Use of Reverted Areas of the Panama Canal Zone.