



**GEF-6 PROJECT IDENTIFICATION FORM (PIF)**

**Project Type:** Medium-Size Project

**Type of Trust Fund:** Capacity Building Initiative for Transparency

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**PART I: PROJECT INFORMATION**

Project Title:	Development of the National Framework for Climate Transparency of Panama		
Country(ies):	Panama	GEF Project ID: <sup>1</sup>	10023
GEF Agency(ies):	UNEP	GEF Agency Project ID:	01642
Other Executing Partner(s):	Ministry of Environment of Panama	Submission Date:	March 8, 2018
GEF Focal Area(s):	Climate Change	Project Duration (Months)	24
Integrated Approach Pilot	IAP-Cities <input type="checkbox"/> IAP-Commodities <input type="checkbox"/> IAP-Food Security <input type="checkbox"/>		Corporate Program: SGP <input type="checkbox"/>
Name of parent program:	[if applicable]	Agency Fee (\$)	80,750

**A. INDICATIVE [FOCAL AREA STRATEGY FRAMEWORK AND OTHER PROGRAM STRATEGIES](#)<sup>2</sup>**

Objectives/Programs (Focal Areas, Integrated Approach Pilot, Corporate Programs)	Trust Fund	(in \$)	
		GEF Project Financing	Co-financing
CBIT	CBIT	850,000	150,000
<b>Total Project Cost</b>		<b>850,000</b>	<b>150,000</b>

**B. INDICATIVE PROJECT DESCRIPTION SUMMARY**

<sup>1</sup> Project ID number will be assigned by GEFSEC and to be entered by Agency in subsequent document submissions.

<sup>2</sup> When completing Table A, refer to the excerpts on [GEF 6 Results Frameworks for GETF, LDCF and SCCF](#) and [CBIT guidelines](#).

<b>Project Objective:</b> Develop a National Framework for Climate Transparency of Panama: “Panama Reports”						
Project Components	Financing Type <sup>3</sup>	Project Outcomes	Project Outputs	Trust Fund	(in \$)	
					GEF Project Financing	Co-financing
1.0 National Framework for Climate Transparency of Panama	TA	1: Public and private entities are able to monitor, report and disseminate robust, transparent and verifiable climate-related data from their respective sectors.	1.1: Institutional arrangements for MRV <sup>4</sup> , dissemination, and sustainability over time of sectoral climate-related data are established	CBIT	90,000	25,000
			1.2: National tools to ensure consistency and standardization in the monitoring and reporting of climate data are disseminated	CBIT	240,000	10,000
			1.3: Public engagement mechanism for enhanced transparency framework is designed and implemented	CBIT	100,000	30,000
			1.4: National Platform for Climate Transparency is established	CBIT	168,000	25,000
			1.5: Training for data compilers, suppliers and platform users is provided	CBIT	175,000	60,000
Subtotal					773,000	150,000

<sup>3</sup> Financing type can be either investment or technical assistance.

<sup>4</sup> Monitoring, Reporting, Verification

Project Management Cost (PMC) <sup>5</sup>		77,000	
<b>Total Project Cost</b>		850,000	150,000

For multi-trust fund projects, provide the total amount of PMC in Table B, and indicate the split of PMC among the different trust funds here: ()

**C. INDICATIVE SOURCES OF CO-FINANCING FOR THE PROJECT BY NAME AND BY TYPE, IF AVAILABLE**

Sources of Co-financing	Name of Co-financier	Type of Co-financing	Amount (\$)
Recipient Government	Ministry of Environment	In-Kind	150,000
<b>Total Co-financing</b>			150,000

**D. INDICATIVE TRUST FUND RESOURCES REQUESTED BY AGENCY(IES), COUNTRY(IES), FOCAL AREA AND THE PROGRAMMING OF FUNDS <sup>a)</sup>**

GEF Agency	Trust Fund	Country/Regional/Global	Focal Area	Programming of Funds	(in \$)		
					GEF Project Financing (a)	Agency Fee (b) <sup>b)</sup>	Total (c)=a+b
UNEP	CBIT	Panama	Climate Change		850,000	80,750	930,750
<b>Total GEF Resources</b>					850,000	80,750	930,750

a) Refer to the [Fee Policy for GEF Partner Agencies](#).

**E. PROJECT PREPARATION GRANT (PPG)<sup>6</sup>**

<sup>5</sup> For GEF Project Financing up to \$2 million, PMC could be up to 10% of the subtotal; above \$2 million, PMC could be up to 5% of the subtotal. PMC should be charged proportionately to focal areas based on focal area project financing amount in Table D below.

Is Project Preparation Grant requested? Yes  No  If no, skip item E.

**PPG AMOUNT REQUESTED BY AGENCY(IES), TRUST FUND, COUNTRY(IES) AND THE PROGRAMMING OF FUNDS**

<b>Project Preparation Grant amount requested: \$ 50,000</b>				<b>PPG Agency Fee: 4,750</b>			
<b>GEF Agency</b>	<b>Trust Fund</b>	<b>Country/ Regional/ Global</b>	<b>Focal Area</b>	<b>Programming of Funds</b>	<b>(in \$)</b>		
					<b>PPG (a)</b>	<b>Agency Fee<sup>7</sup> (b)</b>	<b>Total c = a + b</b>
UNEP	CBIT	Panama	Climate Change		50,000	4,750	54,750
<b>Total PPG Amount</b>					50,000	4,750	54,750

<sup>6</sup> PPG requested amount is determined by the size of the GEF Project Financing (PF) as follows: Up to \$50k for PF up to \$2m (for MSP); up to \$100k for PF up to \$3m; \$150k for PF up to \$6m; \$200k for PF up to \$10m; and \$300k for PF above \$10m. On an exceptional basis, PPG amount may differ upon detailed discussion and justification with the GEFSEC.

<sup>7</sup> PPG fee percentage follows the percentage of the Agency fee over the GEF Project Financing amount requested.

## F. PROJECT'S TARGET CONTRIBUTIONS TO GLOBAL ENVIRONMENTAL BENEFITS<sup>8</sup>

Provide the expected project targets as appropriate.

Corporate Results	Replenishment Targets	Project Targets
1. Maintain globally significant biodiversity and the ecosystem goods and services that it provides to society	Improved management of landscapes and seascapes covering 300 million hectares	<i>Hectares</i>
2. Sustainable land management in production systems (agriculture, rangelands, and forest landscapes)	120 million hectares under sustainable land management	<i>Hectares</i>
3. Promotion of collective management of transboundary water systems and implementation of the full range of policy, legal, and institutional reforms and investments contributing to sustainable use and maintenance of ecosystem services	Water-food-ecosystems security and conjunctive management of surface and groundwater in at least 10 freshwater basins;	<i>Number of freshwater basins</i>
	20% of globally over-exploited fisheries (by volume) moved to more sustainable levels	<i>Percent of fisheries, by volume</i>
4. Support to transformational shifts towards a low-emission and resilient development path	750 million tons of CO <sub>2e</sub> mitigated (include both direct and indirect)	<i>metric tons</i>
5. Increase in phase-out, disposal and reduction of releases of POPs, ODS, mercury and other chemicals of global concern	Disposal of 80,000 tons of POPs (PCB, obsolete pesticides)	<i>metric tons</i>
	Reduction of 1000 tons of Mercury	<i>metric tons</i>
	Phase-out of 303.44 tons of ODP (HCFC)	<i>ODP tons</i>
6. Enhance capacity of countries to implement MEAs (multilateral environmental agreements) and mainstream into national and sub-national policy, planning financial and legal frameworks	Development and sectoral planning frameworks integrate measurable targets drawn from the MEAs in at least 10 countries	<i>Number of Countries:</i>
	Functional environmental information systems are established to support decision-making in at least 10 countries	<i>Number of Countries:</i> <i>1</i>

<sup>8</sup> Provide those indicator values in this table to the extent applicable to your proposed project. Progress in programming against these targets for the projects per the *Corporate Results Framework* in the [GEF-6 Programming Directions](#), will be aggregated and reported during mid-term and at the conclusion of the replenishment period. There is no need to complete this table for climate adaptation projects financed solely through LDCF, SCCF or CBIT.

## **PART II: PROJECT JUSTIFICATION**

**1. *Project Description.*** Briefly describe:

### **1) The global environmental and/or adaptation problems, root causes and barriers that need to be addressed.**

Data collected since the 1950s have consistently shown that a) the concentrations of carbon dioxide and other gases in the atmosphere have raised very rapidly and b) these gases have created a greenhouse effect that have led to an increase in earth's temperature and dangerous changes in climate patterns. Consequently, in 1992 world leaders gathered in Rio de Janeiro, Brazil for the United Nations Conference on Environment and Development (commonly known as the Rio Earth Summit) and agreed upon the adoption of the United Nations Framework Convention on Climate Change (UNFCCC).<sup>9 10</sup>

The UNFCCC's ultimate objective is the "stabilization of greenhouse gas concentrations in the atmosphere at a level that would prevent dangerous anthropogenic interference with the climate system."<sup>11</sup> Accordingly, in article 4 of the Convention, countries agreed to "develop, periodically update, publish, and make available (...) national inventories of anthropogenic emissions by sources and removals by sinks of all greenhouse gases not controlled by the Montreal Protocol" to contribute to the global fight against anthropogenic climate change. Likewise, article 12 of the UNFCCC asks for governments to periodically communicate information related to the implementation of the convention and other national actions to the group of countries that are part of the convention, also known as the Conference of the Parties.<sup>12</sup>

Panama ratified the UNFCCC through Law No. 10 of April 12, 1995.<sup>13</sup> Additionally, Executive Decree N° 163 of August 22, 2006 created a Climate Change Unit at the National Environment Authority of Panama (now Ministry of Environment) with the responsibility of coordinating all actions related to the local implementation of international climate change instruments. In 2016, Panama signed, in New York, the Paris Agreement and at the same time, presented its Nationally Determined Contributions (NDCs). The NDCs include the energy and Agriculture, Forestry, and Land Use (AFOLU), sectors. The NDCs include the implementation of measures to increase other sources of renewable energy such as solar and wind, reforestation, and forest recovery. Through Law

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<sup>9</sup> UNFCCC Secretariat. "First steps to a safer future: Introducing the United Nations Framework Convention on Climate Change." August 16, 2016. Accessed February 20, 2018. [http://unfccc.int/essential\\_background/convention/items/6036.php](http://unfccc.int/essential_background/convention/items/6036.php).

<sup>10</sup> At the Rio Earth Summit of 1992 two other international conventions pertaining to the environment were adopted, namely: United Nations Convention on Biological Diversity (CBD) and the United Nations Convention to Combat Desertification (UNCCD).

<sup>11</sup> UNFCCC Secretariat. "First steps to a safer future: Introducing the United Nations Framework Convention on Climate Change." August 16, 2016. Accessed February 20, 2018. [http://unfccc.int/essential\\_background/convention/items/6036.php](http://unfccc.int/essential_background/convention/items/6036.php).

<sup>12</sup> UNFCCC Secretariat. "First steps to a safer future: Introducing the United Nations Framework Convention on Climate Change." August 16, 2016. Accessed February 20, 2018. [http://unfccc.int/essential\\_background/convention/items/6036.php](http://unfccc.int/essential_background/convention/items/6036.php).

<sup>13</sup> The UNFCCC entered into force on 21 March 1994, before it was ratified by Panama.

40 of September 12, 2016, Panama ratified the Paris Agreement and with this, the country makes effective its commitment with climate change established under its NDCs. The national legal framework on environmental matters is defined by Law No. 41 of July 1, 1998 (commonly known as the General Environmental Act of 1998), which was amended by Law No. 8 of March 25, 2015. The latter established the Ministry of Environment and includes a title on climate change and chapters on mitigation and adaptation. Nevertheless, as it is described with more detail on Section 2 - Baseline, Panama is currently not able to fully comply with the transparency requirements set forth by the Paris Agreement (PA) due to: a) the lack of technical capacity and know-how to generate, manage and disseminate robust and verifiable climate-related data; b) poor tracking of climate actions and investments executed outside the jurisdiction of the Ministry of Environment; c) the absence of a robust GHG Inventories Management System; d) the lack of national adaptation methodologies and indicators; e) weak and outdated institutional arrangements for cross-sectoral climate planning, data collection, and sharing; and f) the absence of climate considerations in decision making. Therefore, it is imperative for Panama to develop and establish a National Framework for Climate Transparency (Panama Reports) in order to comply with international transparency and MRV requirements and to track progress in NDC implementation and other adaptation and mitigation actions. Additionally, there is a lack of management of information in sectoral records to facilitate the development of research on climate change; there is also a lack of institutional programs for safeguarding data and information; and there is also an absence of guidelines, procedures or protocols for such studies. Moreover, due to limited national and international resources for adaptation, a monitoring and evaluation (M&E) system to measure adaptation actions, vulnerability and progress is not in place. As a result, there is no monitoring, information gathering, climate damages reporting or similar material that allow the generation of more specific studies on the vulnerability associated with climate change. Without susceptibility studies and national adaptation-related indicators, adaptation measures cannot be adequately designed, implemented, and tracked in any region or economic sector of the country.

## **2) The baseline scenario or any associated baseline projects.**

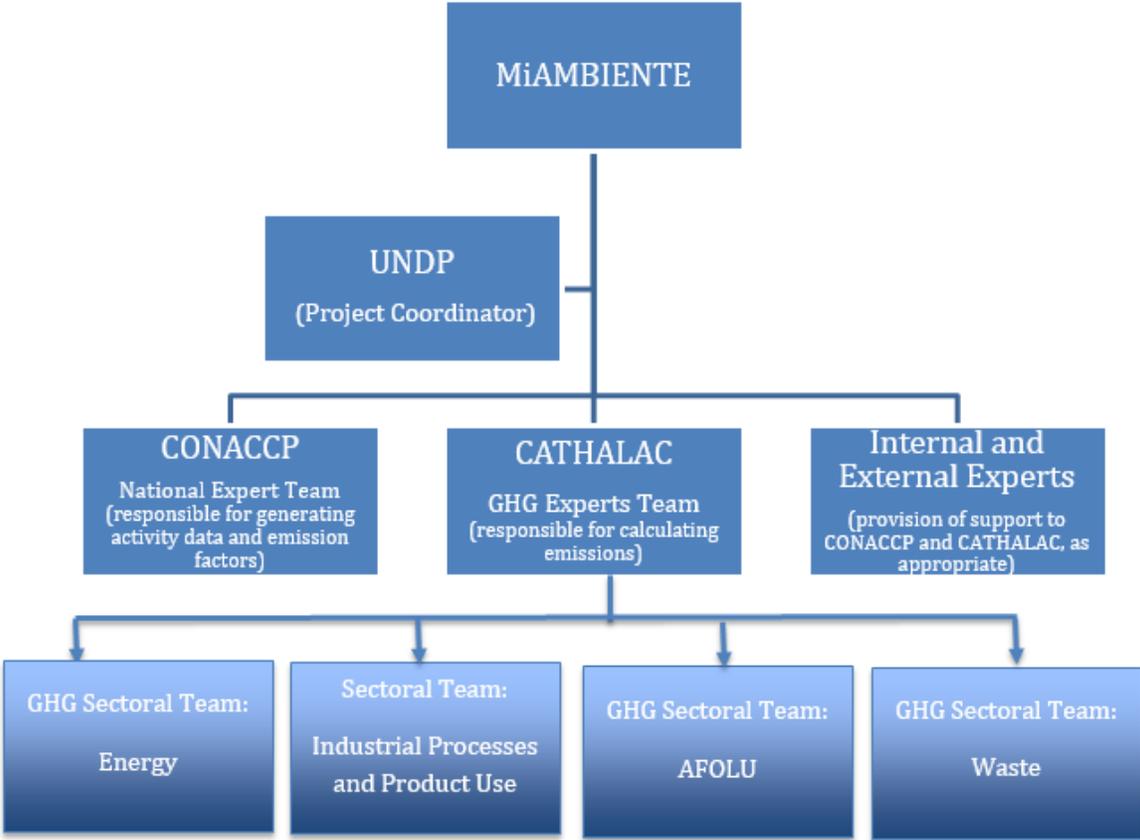
The Ministry of Environment (MiAMBIENTE) of Panama as a national focal point for the UNFCCC, and through the Climate Change Unit, has the responsibility to comply with the commitments established by the UNFCCC.

Panama has submitted two National Communications. The projects of the Third National Communication (TCN) and the First BUR are currently under final review and they are both scheduled to be presented by the third trimester of 2018. All national communications, since the First until the Third National Communication, have been developed through external consulting services, due to the absence of technical expertise and institutional arrangements for monitoring and evaluation of the data required for these purposes. Regrettably, the hiring of consultants has severely hampered the possibilities of developing the capacities of government personnel responsible for the generation and management of climate-related data.

In the other hand, for the case of the Third National Communication, the consulting firm had to prepare and submit a preliminary system with its respective identification of key actors and documentation necessary to establish the pertinent institutional arrangements.

The Third National Communication on Climate Change includes two inventories (with baseline year 2005 and 2010) and the First Biennial Update Report of Panama includes one inventory (with baseline year 2013). These projects are being executed by the National Government through the Ministry of Environment (MiAMBIENTE), the United Nations Development Programme (UNDP), the National Council of Climate Change of Panama (CONACCP), and the external consulting services provided by CATHALAC, and other internal and external consultants. The institutional arrangement for the Third National Communication and the First Biennial Report is structured as follows: MiAMBIENTE coordinates the management team with the support of different institutions involved in each sector through the National Climate Change Committee of Panama (CONACCP) and the GHG experts team from CATHALAC. Please find below an organizational chart that depicts the institutional arrangements in a graphical way.

The following chart presents the structure of the institutional arrangements for the development of the Third National Communication and the First Biennial Report:



The CONACCP was created by Executive Decree of January 9<sup>th</sup>, 2009 and it is an organism that fosters the exchange and collaboration between 27 institutions related to climate change matters. As presented on the previous chart, it is responsible for generating activity data and emission factors.

Through CONACCP, the following institutions and companies participated as responsible parties for the generation of information: National Secretary of Energy (SNE), National Institution of Statistics, Ministry of Commerce and Industry (MICI), Ministry of Health (MINSA), National Authority of Public Services (ASEP), Ministry of Agricultural Development (MIDA), Cement Companies, University of Panama, Technological University of Panama, among others. The projects of the Third National Communication and the First BUR did not include specific components on capacity building, as the projects mainly contemplated the development of the aforementioned reports by international consultants.

Very few capacities have been built within the Government of Panama with the support of other projects, such as those for implementing offsetting measures following the REDD+ mechanism. In this sense, Cooperation agreements for building capacities in REDD+ / 2006 IPCC Guidelines for the AFOLU sector have been financed through the Forest Carbon Partnership Facility (FCPF) project. The REDD+ mechanism will require a common approach to measuring, reporting and verifying (MRV) results to ensure comparability when measures outcomes of different actions.

Moreover, the very few capacities built within the government were not well documented. In addition, government personnel's turnover makes reporting on the capacities built as a result of the development of the projects a very difficult task. In general terms, CONACCP had little know-how on some of their tasks and CATHALAC provided some brief explanations in accordance with IPCC 2006 guidelines and the good practice guidelines to CONACCP, so that the latter could provide the information that CATHALAC required for their emission calculations.

The lessons learned derived from the development of the inventories under the Third National Communication will help to close gaps during the creation of the national system of GHG Inventories led by the Ministry of Environment.

The two sectors included in the NDCs (Energy and AFOLU) are the ones with the highest levels of emissions in the country. That is why the Government of Panama needs to design a robust GHG inventory in these sectors and an appropriate Monitoring, Reporting and Verification (MRV) system to identify emission trends, assess whether the instruments implemented are effective, and monitor progress achieved in reducing emissions. For example, the Energy Industry subsector has compiled some robust data. Nevertheless, it is necessary to establish methodological procedures for the collection, management, and analysis of the information in order to increase the related IPCC Tier level. In addition, the subsector needs to establish an institutional arrangement mechanism for greater understanding and commitment among the National Secretariat of Energy and other institutions that generate information in order to effectively track its mitigation actions and the support received and needed. A special focus should be given to the transport subsector with the objective to improve the quality of its activity data and emission factors through the characterization of the vehicular fleet of the country. This shall be done with the support of the National Authority of Transport and Traffic of Panama (ATTT). As for the case of the energy industry subsector, there are no institutional arrangements in place to generate the information required to track mitigation actions and the support received and needed for the transport subsector.

Something similar happens in the AFOLU sector. Information related to forest and land use is generated in-house within the Ministry of Environment whereas the agricultural information is provided by the Ministry of Agricultural Development (MIDA). During last year, the REDD+ team of the Climate Change Unit of the Ministry of

Environment has been trained on 2006 IPCC Guidelines. The MIDA, however, has not taken part in these training modules. Hence, Panama has encountered barriers to collect agricultural data, even when the information exists, due to the fact that the MIDA is not trained. The MIDA and relevant stakeholders shall become familiar with 2006 IPCC guidelines in order to share the agricultural information with the Ministry of Environment appropriately and to properly track the mitigation actions of the AFOLU sector

However, there are many institutional and technical barriers that Panama must overcome in order to fully comply with international climate transparency and MRV requirements in all sectors. These barriers can be synthesized based on the following themes:

*a) Lack of institutional arrangements for cross-sectoral climate planning, data collection, and sharing.*

The Strategic Government Plan: 2014-2019 identifies six priority action lines. Action line #6, titled “Respect, Defense and Protection of the Environment,” pushes for to enactment of comprehensive environmental reforms through open and consultative processes with a clear emphasis on climate change adaptation and mitigation, disaster management and the protection of biodiversity.

The Ministry of Environment, following the mandate set forth by action #6 of the Strategic Plan, created five institutional sub-action lines that define the environmental management framework of Panama from 2014 to 2019. Two out of the five sub-action lines relate to climate change, namely: a) the development of a new environmental management model and b) climate change management. The former seeks to modernize the management of natural resources in Panama while the latter’s goal is to continuously integrate climate considerations at all levels of decision-making.

Taking these two sub-action lines into account, the need to develop an institutional framework that allows for the allocation of resources to periodically develop the National Communications (NC), the Biennial Update Reports (BUR), and the National GHG Inventories arises. Developing a National Framework for Climate Transparency will allow to consolidate all national MRV systems under one framework of action.

The draft versions of the Third National Communication and Panama’s first BUR state that the country has not done a good job at inventory planning, an important step for constructing its GHG Inventories. This deficiency on planning is the result of the lack of institutional, legal and procedural arrangements for monitoring and reporting emissions data. The activity data used in the current inventories is the only one that is available at this moment. These data are incomplete and inaccurate. As a result, the information presented in the country’s current GHG inventory possesses a high degree of uncertainty.

For example, in Agriculture, Forestry, and Land Use (AFOLU), a sector that is included in Panama’s National Determined Contributions (NDCs), enteric fermentation data has been extremely difficult to collect, because there is not a legally-binding instrument that mandates the emitters of this sector to collect and report their emissions to the Ministry of Agriculture. Hence, there is not enough reliable data on this subject that could be used in the AFOLU-related emissions inventories.

Another barrier that Panama has encountered while collecting activity data, is that even if the information exists, stakeholders from within or outside of the government are uncomfortable sharing the information, since there are no mandates for them to do so and no formal confidentiality arrangements are in place.

Law No. 8 of March 25, 2015, which created the Ministry of Environment, establishes the legal basis for the preparation and periodic publication of national inventories of greenhouse gases. Even though, there is a Law that mandates the Ministry of Environment to periodically develop national GHG inventories, there is not a specific task force within the Ministry of Environment in charge of managing inventory development in terms of data collected of the different sectors prioritized in the country's NDCs.

Additionally, no arrangements are in place for the continuous monitoring and evaluation of adaptation indicators, actions and impact. Support is not properly tracked and mitigation actions' progress and impact are not measured adequately.

*b) Insufficient technical capacity to collect, analyze and disseminate sectoral data for GHG inventories and adaptation measures - and include climate considerations in long-term planning*

The last two National Communications, as well as the Third National Communication and the first BUR, with their related GHG inventories and their projected scenarios, have been prepared by international consultants, whom have been hired specifically for the task of creating the aforementioned reports. However, some technical capacity in GHG inventories development has been built in recent years in the AFOLU sector through project financing from the Forest Carbon Partnership Facility (FCPF) for a Reduction of Emission by Deforestation and Degradation (REDD) project.

This project has trained some personnel within the Ministry of Environment in terms of building GHG inventories. Nevertheless, this training has been solely focused in the AFOLU sector. Furthermore, changes in high commands in some Units within the Ministry of Environment every five years means a change in the upper-level staff directing the development of GHG inventories. To overcome the turnover of high-level staff, conducting continuous training of personnel at all levels within the Ministry of Environment and relevant stakeholders and the creation of national guidelines to construct GHG inventories become necessary.

Furthermore, Panama's NDC states that the country seeks to participate in carbon markets. Panama's proposal to the Carbon Pricing Project of the Regional Collaboration Center (RCC) of the UNFCCC, explains that for this to be feasible, the country needs to start developing more innovative techniques for acquiring bottom-up statistics and activity data in terms of GHG inventories.

In addition, the draft of the 3rd National Communication claims that since Panama does not have a periodic and methodological data collection system or methodology, developing long-term mitigation models or national climate impacts scenarios has been challenging and, in some cases, impossible.

The Environment Information Systems Directorate (DASIAM), part of MiAMBIENTE, is in charge of the design of systems and procedures. DASIAM collects and processes environment data (produced by MiAMBIENTE and its internal departments) adequately in order to obtain useful information; perform the necessary analyses. DASIAM is

also responsible for the storage and public disclosure of this information with the support of computer applications. In addition, DASIAM facilitates the process of decision-making in environmental management and it allows having a well-informed society as it regards to the environment and the rational use of national resources. A National System for Environmental Data (SINIA) is managed by DASIAM and it is the official database for environmental management in Panama for the public disclosure of information purposes of DASIAM. SINIA already utilizes a web platform which contains environmental data and information produced internally by the different technical departments of the Ministry of Environment. So far, the SINIA does not reveal relevant data or information relative to climate change. Nevertheless, up until now, Panama has not stored its previous inventories (including the third inventory and the first BUR) on SINIA or on any other database.

*c) Lack of i) MRV systems for emissions, mitigation actions and support and ii) M&E system for adaptation actions to track NDC progress and other development objectives. }*

Panama's proposal to the Carbon Pricing Project of the RCC UNFCCC and the BUR, indicates that an Emission Registry is needed, not only for companies to register their emission, but it is also necessary for the tracking of emissions, mitigation or adaptation actions. For example, the Public Company *Metro de Panama* and the Ministry of Agriculture publish periodic strategic plans. In their last Strategic Plans, these institutions included the climate variable but the Ministry of Environment was not a key stakeholder in the development of it, so there is not an integrated understanding to addressing the gaps identified nor are there strategies set forth to overcome the current challenges in each of the sector. Therefore, the need for an integrated platform encompassing mitigation and adaptation climate change related strategies becomes imperative.

The lack of an integral communication platform has also become evident at the city level. For instance, in the Panama City's Municipality important mitigation actions have been taken such as bike paths, and pedestrian-friendly sidewalks expanded. All these actions contribute to reducing emissions in the transport sector and they have been pursued by the Major of Panama City. Municipalities are also in charge of the waste management of the cities. The Ministry of Environment has not been directly consulted nor has it been reported in terms of the impacts of these positive strategies due to a lack of an appropriate MRV system for emissions. Furthermore, there have been adaptation actions regarding sea level rise undertaken by local communities. The Ministry of Environment is not aware of such initiatives though, as there are currently no resources for the Ministry to approach these vulnerable communities directly. The Ministry of Environment only gets to know that something has been done in the sea-level adaptation front when the strategy makes it to the national news' channels. Moreover, most of the aforementioned sea-level rise adaptation strategies have not been built in compliance with technical requirements, so the apparent solution becomes a problem in the short term, in most of the cases.

The Carbon Pricing proposal also indicates that it is necessary to add the quantification of GHG reduction and/or emission of new projects as a requirement to present an Environmental Impact Assessment. However, this information will need to be confidentially stored and properly reported to the public. Currently, there is not a way to appropriately do the aforementioned, thus a reporting platform will be the solution.

*d) Inadequate mechanisms to efficiently involve stakeholders in climate planning and reporting*

Despite the existence of a transparency law, and national public engagements regulations, public officials rarely apply all the steps mandated to conduct public consultations. This creates an issue related to the integrity of national climate planning and reporting activities that currently do not take into account significant inputs from relevant stakeholders, including civil society members.

In order to secure the integrity and transparency with all stakeholders of the National Framework for Climate Transparency of Panama, findings obtained from engagements with relevant stakeholders including civil society members must be safeguarded in a public web platform. In addition, a robust and standardized public engagement mechanism must be designed and implemented in order to secure the prompt and substantial engagement of public, private, and civil society stakeholders in all activities related to the framework and its web platform.

Furthermore, it is important to note that despite the fact that Panama hosts a vast network of international NGOs and UN agencies, currently there are no climate-focused civil society organizations (CSOs) that could further support data management tasks, especially in terms of providing substantial advice and feedback to government officials. Therefore, climate issues are usually only addressed by biodiversity- or conservation-focused environmental NGOs, which are not necessarily technical experts in climate-related issues. Hence, capacity building in climate-related issues to CSOs must accompany all engagement mechanisms with civil society.

Lastly, the knowledge of indigenous people and other national minorities must be taken into account during the design and development of all instruments related to climate change strategies especially in adaptation measures as they will be vulnerable to effects such as sea level rise.

Currently, the development of the national strategy for REDD + includes among its stakeholders 11 of the 12 indigenous structures at national level that support with their knowledge the formulation of this strategy. This CBIT project will follow a similar approach.

### **3) The proposed alternative scenario, GEF focal area<sup>14</sup> strategies, with a brief description of expected outcomes and components of the project**

This proposal seeks to establish the National Framework for Climate Transparency of Panama (*Panama Reports*) to facilitate the collection, management and dissemination of climate-related data in a consultative and transparent manner. This framework will cover mitigation, adaptation and means of implementation and consists of five main elements: i) a GHG inventory management system (MRV for GHG emissions); ii) an MRV system for mitigation actions; iii) an MRV for means of implementation; iv) a M&E system for adaptation, and v) an emissions registry. *Panama Reports* will manage climate-related data and information for all sectors. This proposal will assist in the development of components i through iv and it will cover the following: a) emissions, mitigation actions and means of implementation for the AFOLU and Energy sectors, and b) evaluation of impacts on cities, coasts, and human health, in terms of adaptation measures. The development of component v will be funded by the UNFCCC's Regional Center for Collaboration in Panama City, Panama. *Panama Reports* will aid in fulfilling the transparency

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<sup>14</sup> For biodiversity projects, in addition to explaining the project's consistency with the biodiversity focal area strategy, objectives and programs, please also describe which [Aichi Target\(s\)](#) the project will directly contribute to achieving.

requirements established by article 13 of the Paris Agreement and developing country-owned methodologies and indicators. Sectors not covered by this proposal will be funded through the national annual budget of the Ministry of Environment.

The following framework of outcomes, outputs, and activities has been developed to establish *Panama Reports* and overcome the key barriers listed in section 1.

**Outcome 1: Public and private entities are able to monitor, report and disseminate robust, transparent and verifiable climate-related data from their respective sectors.**

This Outcome encompasses all phases of design, development and dissemination of the National Climate Transparency Framework of Panama, including extensive consultations with stakeholders and under-represented minorities and a capacity development programme for individuals related to the issue. Additionally, it also establishes a web platform that will serve as an instrument to operationalize the institutional arrangements, processes, guidelines, and engagement mechanisms developed under this project and the overall improvement of data quality and transparency.

Through the achievement of all outputs described below, Panama will be in the position to comply with transparency and reporting requirements under the Paris Agreement and the UNFCCC in general. This Outcome seeks to establish a clear pathway for compliance with international transparency requirements. By the end of the project, all sectoral institutions will have set responsibilities and procedures for monitoring and reporting sectoral climate data to *Panama Reports*. Moreover, a continuous capacity development programme will be in place to train technical level staff involved in the process and a public engagement mechanism will be operative to ensure the involvement of stakeholders in climate transparency.

Outcome 1 will be achieved through the delivery of the following outputs:

**Output 1.1:** Institutional arrangements for the monitoring, reporting, verification, dissemination, and sustainability over time of sectoral climate-related data are established

**Scope:** Output 1.1. aims to design and develop arrangements with private, academic, civil and public institutions, including municipalities, especially the Municipality of Panama City, for the continuous monitoring, reporting verification, and dissemination of climate-related data and information, including modalities and independent arrangements for periodic reviewing and evaluation, as well as an arrangement of Panama Reports under the National System for Environmental Data (SINIA) to ensure its sustainability over time. These arrangements will follow good practice guidelines (2006 IPCC Guidelines) and will allow us to strengthen communication channels with regional local governments and civil society.

Output 1.1. addresses barrier (a) described under section 2, and it also defines protocols for the confidentiality of data.

**Activity 1.1.1:** Design arrangements for the establishment of the National Framework for Climate Transparency of Panama (*Panama Reports*).

**Activity 1.1.2:** Design arrangements for entities responsible for sectoral data and other data suppliers to support the consistent and continuous collection, reporting, and dissemination of climate-related data, including protocols to ensure data and information confidentiality and restricted use, when appropriate.

**Activity 1.1.3:** Establish an independent Experts Committee on emissions, mitigation, and support for the periodic review and validation of national reporting commitments.

**Activity 1.1.4:** Establish an independent Experts Committee on Adaptation for the periodic review and validation of national reporting commitments.

**Activity 1.1.5:** Develop a periodic review process for all arrangements, processes, methodologies, and other guidelines developed consistent with the relevant 2006 IPCC guidelines and UN released guidelines for adaptation actions.

**Activity 1.1.6:** Design arrangements for the establishment of Panama Reports under the National System for Environmental Data (SINIA) in order to guarantee the system's sustainability over time.

**Output 1.2:** National tools to ensure consistency and standardization in the monitoring and reporting of climate data are disseminated.

**Scope:** This Output will define and then disseminate relevant tools such as processes, methodologies, guidelines, baselines and indicators, produced under 2006 IPCC relevant guidelines and UN released guidelines about adaptation that will make the arrangements included in Output 1.1 fully operational in order to ensure a consistent use of national data management methods. The guidelines defined will constitute the foundations for the GHG Inventories Management System (MRV for emissions), the MRV system for mitigation actions, the MRV of support, and the system for monitoring and evaluating adaptation). Output 1.2 addresses barriers (b) and (c) described under section 2.

**Activity 1.2.1:** Develop and disseminate general and sector-specific quality assurance and quality control guidelines and processes for emissions, mitigation actions, support and adaptation. The NDC and the inventory's governmental stakeholders will apply and enforce the implementation of the guidelines developed for the proposed MRV.

**Activity 1.2.2:** Define general and sector-specific national adaptation baselines, methodologies and metrics produced under 2006 IPCC relevant guidelines and UN released guidelines about adaptation

**Activity 1.2.3:** Conduct general surveys for bottom-up Activity Data enhancement. The improvement of activity data will be focused on the NDC sectors (Energy and AFOLU), now through a bottom-up approach. In terms of the energy sector, the activities will focus on the characterization of the vehicular park; AFOLU sector: hectares of rice fertilized with urea; type of feeding of bovine and dairy cattle according to their age; types of species been used for the reforestation in the framework of the Alliance for the Million Hectares. These gaps of information were detected in the 3rd National Communication (including GHG inventory: baseline years 2005 and 2010). Gradually, the

divisions and institutions responsible for the national agricultural statistics will incorporate the gathering of this information for the census. **Output 1.3:** Public engagement mechanism for enhanced transparency framework is designed and implemented

**Scope:** This public engagement mechanism will seek to strengthen the social and environmental outcomes of the framework. Considering that Panama has an important scientific role in the region as the country houses several significant regional headquarters of scientific research centres, inputs from stakeholders, taking into special consideration relevant stakeholders from the academia and research institutions, such as those mentioned on the Stakeholders' table, will provide scientific and technical evidence to avoid adverse impacts related to climate measures in their livelihoods. The mechanism will also serve to minimize, mitigate, and manage climate-related risks where avoidance is not possible.

Moreover, through this public engagement mechanism, academic, public (national and municipal), and private stakeholders will guarantee their articulation in an organized, effective, and transparent manner.

This will be achieved by ensuring full and effective stakeholder engagement via an interface in the web platform proposed under Output 1.4. This special interface within the web platform will target the general public and will be used to: 1. Disseminate the information generated from relevant stakeholders and carry out consultations, 2. Organize and convene stakeholders for in-person consultations on climate-related issues, when appropriate, and 3. Address requests for information as well as comments, suggestions, and complains from relevant stakeholders and the general public. Output 1.3 addresses barrier (d) described in the baseline section.

**Activity 1.3.1:** Design a national public engagement mechanism that guarantees transparency

**Activity 1.3.2:** Given the urbanization work that is being developed in the Capital, design a city-level public engagement mechanism that guarantees transparency, directly involving the Municipality of Panama City

**Activity 1.3.3:** Disseminate information to and carry out consultations with all stakeholders from the academic, public, and private sector of the National Framework for Climate Transparency of Panama. Consultations will also focus on gathering the knowledge of indigenous people and other national minorities must be taken into account, especially in adaptation measures, as they will be vulnerable to effects such as sea level rise.

**Output 1.4:** A National Platform for Climate Transparency is established for the monitoring, reporting, and verification of climate-related data.

**Scope:** Under Output 1.4 the project will digitalize and make user friendly all the arrangements, processes, methodologies, guidelines, baselines and indicators developed under Outputs 1.1, 1.2. and 1.4 by making them operational through a web platform. On this platform, data compilers, suppliers, expert users, the general public and other stakeholders will be able to fulfill their respective responsibilities defined under *Panama Reports*. Special interfaces will be created so that each type of user. Any of these interfaces can be accessed via aforementioned the platform to comply with their duties. Output 1.4 addresses barriers (a), (b) and (c) described under section 2.

**Activity 1.4.1:** Design a national platform that includes all arrangements, processes, methodologies, and other guidelines developed through outputs 1.1, 1.2, 1.3 and 1.4.

**Activity 1.4.2:** Launch and maintain the platform

**Output 1.5:** Training for data compilers, suppliers and platform users is provided.

**Scope:** Through Output 1.5 the project will make sure that all users and stakeholders involved with *Panama Reports* and the web platform are proficient on the platform and fully capable of complying with their duties. Additionally, the Output will promote the training of public servants on long-term climate planning. Output 1.5 addresses barriers (b), (c), and (d) described under section 2.

**Activity 1.5.1:** Design a continuous capacity development programme on statistics and methods for data compilers, suppliers, staff and other stakeholders involved with the *Panama Reports* Programme, and its web platform. Special attention will be focused on capacity building of key environmental CSOs in climate-related issues.

**Activity 1.5.2:** Provide training to public servants to integrate long-term climate strategies, GHG emissions projections and adaptation considerations into policy and decision-making.

**Activity 1.5.3:** Develop user guides for data compilers, suppliers, expert users, general public and other stakeholders on *Panama Reports* and its web platform.

Outcome 1 is aligned with activities from the CBIT Programming Directions 18 related to: strengthening national institutions (A and B); providing tools, training and assistance (D, E and F) and assisting with improvement of transparency over time (K)

**4) Incremental/additional cost reasoning and expected contributions from the baseline, the GEFTE, LDCF, SCCF, CBIT and co-financing;**

Through Law No. 8 of March 25, 2015, the Ministry of Environment is created and the national government recognized the importance of Climate Change. Before the creation of this Law, climate change issues were not a priority for the country, so the proposed type of integrated national framework was not supported. With this law, Panama establishes the legal basis for the preparation and periodic publication of national inventories of GHG, with the participation of other institutions that generate and manage information in the different sectors according to the IPCC Guidelines. Thus, the Government of Panama is committed to take actions that allow that these processes are reported in a transparent, accurate, comparable, exhaustive and periodic manner. By ratifying the Paris Agreement, Panama is committed under the Article 4 paragraph 2 to prepare, communicate and maintain successive NDCs and shall pursue domestic mitigation measures with the aim of achieving the objectives of such contributions. In this sense, it is also important to recognize that National GHG Inventories are the foundation for identifying key data gaps, evaluating GHG mitigation strategies and their outcomes as well as achieving periodicity in the delivery of different reports (NDCs, NCs, NIRs, BURs, SDGs), that the country has acquired under international commitments.

The CBIT programme is designed to improve mandatory reporting of parties to the UNFCCC and the Paris Agreement. As such, this project is financed on a fully agreed cost basis. In the case of this programme, eligible activities have been described in the GEF document Programming directions for the Capacity Building Initiative for Transparency (GEF/C.50/06). The activities of this project are consistent with the scope of the programming directions. Co-financing is not a necessary requirement for this project. However, Panama is strongly committed to develop a National Framework for Climate Transparency and it will allocate USD 150,000 of in-kind contributions, to support this project, this has been included in Table C.

Enhancing climate transparency for Panama means more than just periodically presenting National Communications. For Panama, the enhancement of climate transparency becomes a way for the improvement of scientific information for developing new policies to tackle climate change, measure and track progress on NDCs and estimate future impacts. Therefore, it is of paramount necessity to set all the technical and technological tools, capacity-building and arrangements necessary through a robust and permanent participatory process.

As mentioned before, the National Platform for Climate Transparency has the objective to improve Panama's transparency and fulfill its accounting commitments. The National Platform for Climate Transparency has three main components: (i) National System of GHG and Adaptation Metrics, (ii) National Registry of Emission and (iii) Mitigation Actions Registry. The second component will be financed by the Carbon Pricing Project of the RCC UNFCCC, and this CBIT proposal will address the first and third components, so both projects are complementary to each other.

#### **5) Global environmental benefits (GEFTF) and/or adaptation benefits (LDCE/SCCF); and**

This project will help Panama to develop the National Platform for Climate Transparency and the technical national capacity required to generate information with the breadth, periodicity, relevance and accuracy required to periodically review and monitor its nationally determined contribution and comply with all the climate transparency requirements of the Paris Agreement. Additionally, it will also strengthen public participation and stakeholder involvement arrangements in order to enhance public engagement.

This project is linked to the GEF-6 climate change mitigation focal area Indicator 3 on MRV systems for emissions reductions in place and reporting verified data. The indicator has 10 levels and the baseline and target will be set during project development.

The project will monitor an additional indicator for qualitative assessment of institutional capacity built for transparency-related activities under Article 13 of the Paris Agreement. The baseline and target will be set during the project development phase following the scale of 1-4 as per the guidance on Annex IV: Indicator for qualitative assessment of institutional capacity for transparency-related activities of the CBIT programming direction.

#### **6) Innovation, sustainability and potential for scaling up.**

This project is based on a sound baseline analysis. It builds on the existing regulatory and policy framework, institutional arrangements, technical capacities, monitoring tools and social processes, addressing the barriers that prevent the country from complying with Article 13 of the Paris Agreement and taking into account ongoing and

planned complementary projects. This project is sustainable because it builds on and builds up, bringing into the national institutions the expertise that previously resided within external consultants and allows retention of capacity even with turnover of staff, through the development of long-lasting institutional arrangements.

The Ministry of Environment currently serves as focal point for all climate change-related issues and international agreements. Hence, the Ministry of Environment will be the manager of *Panama Reports* and, as permanent President of the National Climate Change Committee, will be responsible for coordinating all tasks involving Panama Reports and its web platform. Currently, there is no inter-sectoral mechanism for monitoring and reporting climate data. Through the establishment of *Panama Reports* a set of arrangements, processes, and guidelines will be developed to fulfill this void. In order to achieve so, the Ministry of Environment is fully committed to institutionalizing *Panama Reports* within the SINIA. By including Panama Reports under SINIA, its long-term sustainability will be ensured, because the Ministry of Environment is legally required to fund and maintain SINIA operational every year. SINIA is part of the General Environmental Law and cannot be superseded by changes in political parties in power. Therefore, it is very unlikely that such law would be modified or that SINIA will disappear in the near future. This secured government budget for SINIA through the General Environmental Law will guarantee that the capacities built through this CBIT proposal will be sustained over time.

The large majority of outputs of this project are written arrangements, processes and guidelines. Thus, sectoral institutions will be able to consult and comply with the rules and procedures included in the outputs through the web platform's interactive interfaces. Staff turnover and change of administrations can always hamper the objectives and impacts of a project. However, the written nature of the outputs and their institutionalization through a web platform will secure their long-term use. Additionally, the continuous capacity building programme for users will ensure that new users will be properly trained. The Ministry of Environment and the National Climate Change Committee will be responsible for the periodical review and improvement of Panama Reports.

The project has considerable potential for scaling up, given its national and cross-sectoral scope, covering sectors and actions related to emissions, mitigation, support, and adaptation. The detailed monitoring approach of the project will be applied at different scales, including the regional planning units of the country and the municipal levels. In addition, the project will try to learn from and share its experiences at the international level. The project will promote that Panama actively exchanges lessons learned with regional peers. These lessons include those of Costa Rica and Uruguay, which are currently developing detailed CBIT projects, as well as Mexico and Chile, which have a particularly solid expertise in GHG inventories. Panama will also share experiences within the sub-regional networks, such as the Central American Integration System (SICA). Furthermore, Panama will participate in global platforms and networks providing and receiving inputs.

2. **Stakeholders.** Will project design include the participation of relevant stakeholders from [civil society organizations](#) (yes  /no ) and [indigenous peoples](#) (yes  /no )? If yes, identify key stakeholders and briefly describe how they will be engaged in project preparation.

Stakeholders	Engagement in project preparation
Ministry of Environment	National government agency responsible for the development and reporting of National Communications, BURs, and GHG inventories. The Ministry will lead the coordination among the different stakeholders to ensure their contribution to project design, facilitate information for project formulation, and contribute with technical staff for the project implementation and review.
Ministry of Economy and Finance	National government agency responsible for budgeting of financial and non-financial resources and the efficient implementation of government plans, programmes and projects. The sustainability of the project outcomes relies on the commitment for continuous financing of future platform activities by the national assembly. The Ministry is part of CONACCP.
Ministry of Agricultural Development	Responsible for national agriculture and livestock policies. It will provide information to support the design of the project in the areas related to agriculture and livestock GHG emissions; support inter-institutional coordination, and awareness. The Ministry is part of CONACCP.
Secretariat of Energy	Leads the country's energy policy, to guarantee the availability of the energy resources required. It will provide information to support the design of the project in its areas of expertise and ensure the integration of the energy sector priorities in the project. The Ministry is part of CONACCP.
National Authority of Transport and Traffic	National authority in charge of regulating the use of motor vehicles. It will provide information to support the design of the project in the aspects related to transport emissions and ensure the integration of the interests of the transport sector in the project outcomes and outputs.

National Institution of Statistics	The National Institution in charge of managing all the statistics of the country. It will support with guidelines about how the national statistics are managed in the different economic sectors and regions.
Chamber of Commerce, Industry and Agriculture	Entity that advocates for the vision/interests of the private sector in the industrial and agricultural sectors. It will ensure the participation of the private sector for creating engagement reflecting their interests related to the project outcomes and outputs.
Main enterprises emitting CO2 in the industrial sector (cement)	During the PPG the project will identify the main enterprises. The project will establish early engagements with these enterprises to facilitate the provision of data.
Main municipalities of the country	Governmental entities which lead waste management in the country for the districts, especially including that of Panama City. Ensure the participation of the main municipalities of the country and to include them in the institutional arrangements of Output 1.1. and the public engagement mechanism of Output 1.3 to capture their specific needs concerning the rest of this CBIT project's outputs.
Ministry of Social Development and the National Women Institute	Governmental entities that have under its responsibility the interests of women. They will be invited to participate in the project, mainly under Output 1.3.
Academia, research institutions and Civil Society Organizations including associations representing women and indigenous population	<p>During the PPG the project will identify the main representatives of these sectors for example representatives from important universities and research institutions that could contribute with robust and scientific data. Initially, some of these institutions will include but will not limited to: the Technological University of Panama, the University of Panama, CATHALAC, and the Smithsonian Tropical Research Institute.</p> <p>Due to the importance of the participatory process in this project and considering the important scientific role of the country in the region, these stakeholders will have a key role under Output 1.3.</p>

Indigenous People	Consultations from the Public Engagement Mechanism of Output 1.3 will also focus on gathering the knowledge of indigenous people and other national minorities must be taken into account, especially in adaptation measures, as they will be vulnerable to effects such as sea level rise.
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**3. Gender Equality and Women’s Empowerment.** Are issues on [gender equality](#) and women’s empowerment taken into account? (yes x /no□). If yes, briefly describe how it will be mainstreamed into project preparation (e.g. gender analysis), taking into account the differences, needs, roles and priorities of women and men.

The participation of women in climate planning and actions at the local and national level must be improved. Therefore, the formulation of the project will ensure the following aspects for mainstreaming gender equality and women's empowerment:

- Identification and approach of gender gaps in participatory processes.
- Ensure the participation of women in the project formulation process.
- Promote the national and local participation of women in decision-making according to their roles and responsibilities in public organizations, and civil organizations related to the project.
- Identify measures that promote the participation of women in the execution of project activities.
- Promote the integration of knowledge, skills and abilities of technical women in the project formulation.

In addition, this project will organize gender activities to be defined during the PPG stage, such as workshops on integrating gender in the MRV system. Institutions to be consulted on gender engagement will include, but not be limited to the Ministry of Social Development (*Ministerio de Desarrollo Social -MiDeS*), the National Women Institute (*Instituto Nacional de la Mujer - INAMU*), the gender focal point for the convention on climate change, civil society organizations as well as research institutions and development partners working in the fields of gender and climate change.

**4. Risks.** Indicate risks, including climate change, potential social and environmental risks that might prevent the project objectives from being achieved, and, if possible, propose measures that address these risks to be further developed during the project design (table format acceptable).

<b>Impact</b>	<b>Risk description</b>	<b>Probability (1-5)</b>	<b>Relevance (low, medium, high)</b>	<b>Mitigation action</b>
Panama is in a position to comply with the PA's transparency Requirements.	Changes in priorities due to new presidential administration in 2019 limit the comply with the PA's transparency requirements.	<b>P: 3</b>	<b>Low</b>	The National Climate Change Policy watch over protect the progress made in transparency regardless of the political party in power.
<b>Intermediates</b>	<b>Risk description</b>	<b>Probability</b>	<b>Relevance</b>	<b>Mitigation action</b>
Panama adopts policies that boost GHG emission reductions and adaptation to climate change.	Institutional restructuring, which makes harder the adoption of policies in favor of GHG emissions reductions and adaptation to climate change.	<b>P:3</b>	<b>Low</b>	The institutional arrangement and guidelines will take into account risk mitigation measures in case of institutional restructuring.

<b>Outcomes</b>	<b>Outputs</b>	<b>Risk description</b>	<b>Proba-</b>	<b>Relevance</b>	<b>Mitigation action</b>

			<b>bility</b>		
<p><b>Outcome 1: Public and private entities are responsible for the monitoring, reporting and dissemination of robust, transparent and verifiable climate-related data from their respective sectors.</b></p>	<p><b>Output 1.1:</b> Institutional arrangements for the monitoring, reporting, dissemination and sustainability over time of sectoral climate-related data are designed and established</p>	<p>Slowness in decision-making which would delay agreements and arrangements for the provision of information.</p>	<p><b>P:2</b></p>	<p><b>Medium</b></p>	<p>Under the national co-financing of the project, we will have an inaugurating workshop with the key stakeholders for the project execution. This workshop will create awareness of the timelines to accomplish the Outputs of the project, which will help to prevent slowness in decision-making processes and provision of information. Also, many of the stakeholders will be involved in the project formulation; therefore, they will be conscious of the needs of the project for its accomplishment</p>
	<p><b>Output 1.2:</b> National tools to ensure consistency and standardization in the monitoring</p>	<p>Low qualification of the institutional staff for reviewing national</p>	<p><b>P:3</b></p>	<p><b>Low</b></p>	<p>Output 1.4 will provide training to a critical mass of stakeholders that will prevent having low qualification of</p>

	and reporting of climate data are disseminated.	guidelines and tools to ensure consistency and standardization processes for providing GHG emission estimates.			institutional staff once the CBIT project is in place.
	<b>Output 1.3:</b> Public engagement mechanism for enhanced transparency framework is designed and implemented.	No public consent over the public engagement mechanism to be pursued.	<b>P:3</b>	<b>Low</b>	Through public participation, the Ministry of Environment will build and develop a public engagement mechanism that will be previously consulted with stakeholders.
	<b>Output 1.4:</b> A National Platform for Climate Transparency is established for the monitoring, reporting and verification of climate-related data.	Institutional opposition of the private sector for having a Centralized National Climate Data Platform.	<b>P:2</b>	<b>Medium</b>	Activity 1.1.2 will prevent the opposition of private sector.
	<b>Output 1.5:</b> Training for data compilers, suppliers and platform users is provided.	Lack of sufficient technical background for being trained in the general guidelines and tools to ensure consistency and comparability of	<b>P:3</b>	<b>Low</b>	The training component will make sure that there is sufficient technical background for the trainings in the general guidelines

		GHG emissions projections among sectors.			and tools.
		Loss of institutional staff trained for quality control, assurance and continuous improvement mechanisms.	<b>P:2</b>	<b>Low</b>	Training a critical mass of stakeholders on a continuous basis will address institutional staff turnovers.

**5. Coordination.** Outline the coordination with other relevant GEF-financed and other initiatives.

The Executing Agency of this CBIT project will be the Ministry of Environment, through the Climate Change Unit, and the Implementing Agency will be UN Environment.

The National Framework for Climate Transparency is an initiative of the Ministry of Environment, which is currently supported by the following international organizations and initiatives: Regional Center of the United Nations Secretariat on Climate Change (RCC); the Initiative for the Creation of Capacities for Transparency (CBIT); and the Partnership for Market Readiness (PMR) of the World Bank Group. Under these initiatives, this CBIT proposal seeks to support the country to meet the transparency and accounting commitments established in Article 13 of the Paris Agreement; as well as developing country-specific methodologies and metrics in adaptation.

The specific support to be provided by all these initiatives is described below. It is important to notice that the coordination of these components with the CBIT proposal will be easy as they will all be the ultimate responsibility of the Climate Change Unit within the Ministry of Environment:

1. National System of Greenhouse Gas Inventories (INGEI) and adaptation metrics. This component is planned to be carried out with the support of this CBIT proposal by the Ministry of Environment and it will focus on the AFOLU and energy sectors. The activities related to improving the quality of the information of the GHG inventory of the energy sector will be aligned with the activities of the PMR, a project that seeks: 1. Comprehensive analysis of market-based instruments (MBI) options available to decarbonize the economy; 2. Support the domestic and international carbon market readiness; 3. Capacity building, social awareness, and communication plan about carbon pricing instruments.

2. National Measuring, Reporting, and Verification System. This component will be financed by the RCC and this CBIT proposal. Through the financing of this CBIT proposal, the system will compile the information to be reported on national communications, BURs, and GHG inventories, which is the responsibility of the Ministry of Environment. Relevant stakeholders within the AFOLU (e.g. Ministry of Agriculture) and energy sectors (e.g. National Secretariat of Energy) will provide their inputs for reporting via the proposed National Platform for Climate Transparency. The RCC will contribute to the measurement, registration, and transparency processes related to carbon emission trade, and mitigation of greenhouse gases by different initiatives, for accountability to the country and to the United Nations Framework Convention on Climate Change.
  
3. National Registry of Emissions. This component will be financed by the RCC and the Ministry of Environment will coordinate it. This registry will allow accounting the emissions reported by the projects of the companies interested in emissions trading, and it will also account the emissions mitigated by the actions taken by the companies. This will result in an emission balance, which will further allow tradable carbon credits to offer in the market. Through the support of the data management system of this CBIT proposal, this component will create synergies between government and the private sector for the accounting of emissions from projects and companies specifically interested in participating in an emissions trading scheme.

Summarizing, the National Framework for Climate Transparency will serve as the main mechanism for complying with international reporting and transparency requirements. Once the framework is created and its web platform is established, all national communications, BURs, NDCs' updates and all other commitments will be done following the framework and through its interactive web platform. Entities responsible for sectoral data will report their findings and analysis through the web platform where data and information will be further compiled and analyzed to fulfill reporting commitments. The public engagement mechanism will be used to ensure free, prior and informed involvement of all relevant stakeholders, including indigenous peoples and other underrepresented minorities.

**6. Consistency with National Priorities.** Is the project consistent with the National strategies and plans or reports and assessments under relevant conventions? (yes x /no  ). If yes, which ones and how: NAPAs, NAPs, ASGM NAPs, MIAs, NBSAPs, NCs, TNAs, NCSAs, NIPs, PRSPs, NPFE, BURs, INDCs, etc.

The Government Strategic Plan 2014 - 2019, identifies six priority action lines, among which, climate change is addressed under Axis N ° 6, entitled: "Respect, defense, and protection of the environment." Under this framework and articulated to the plan above, the Ministry of Environment has established five lines of Action that constitute the guiding framework for the environmental management of the country. Among these lines of action is the management of climate change. Therefore, the project is consistent with government priorities about environmental issues. The support of the CBIT will make possible to present the National Communications, the Biannual Update Reports and the National Greenhouse Gas Inventories on a regular and permanent basis, by the government. In turn, with a robust inventory system and less uncertainty, the country will have better access to carbon markets.

Likewise, Panama ratified the Paris Agreement through Law No. 40 of September 12, 2016. To comply with the framework of the PA, Panama developed, under a broadest consultation with the different sectors of the country, two

Nationally Determined Contributions: one for the "Energy" sector and another for the sector "Land Use, Land Use Change and Forestry" (UT-CUTS), both approved by Cabinet Resolution No. 35 of March 29, 2016.

In addition, the country promotes and facilitates the development of emission reduction projects with the Clean Development Mechanism and it has a portfolio of proposals for national appropriate mitigation actions (NAMAs). Currently, three NAMAs are being developed from this portfolio: urban mobility, sustainable livestock, and bioenergy cogeneration. All these initiatives imply emission accounting commitments, which must be addressed in national greenhouse gas inventories, by accounting them in the emissions registry by project, and by reporting them in national communications and biennial reports.

**7. Knowledge Management.** Outline the knowledge management approach for the project, including, if any, plans for the project to learn from other relevant projects and initiatives, to assess and document in a user-friendly form, and share these experiences and expertise with relevant stakeholders.

This project will make a significant effort to learn from other relevant experiences. Internally, the leadership of the Unit of Climate Change in the Ministry of Environment will ensure the capitalization of lessons learned from related projects, such as 3rd National Communication, National GHG inventory, UNREDD, REDD+, and the elaboration of the NDCs. Moreover, lessons from this project will be acknowledged for the RCC, PMR, and the three NAMAs being formulated. In this sense, the institutional arrangements will guarantee that lessons learned are considered across ministries and sectors, with all relevant stakeholders providing inputs from the project.

Besides, the experience and lessons acquired from the formulation and execution of the project will be shared in exchange visits and the participation of relevant government staff in international conferences, workshops, and meetings. Panama will also contribute and benefit from the exchange of experiences through the CBIT Global Coordination Platform.

**PART III: APPROVAL/ENDORSEMENT BY GEF OPERATIONAL FOCAL POINT(S) AND GEF AGENCY(IES)**

**A. RECORD OF ENDORSEMENT<sup>15</sup> OF GEF OPERATIONAL FOCAL POINT (S) ON BEHALF OF THE GOVERNMENT(S):**

(Please attach the [Operational Focal Point endorsement letter](#)(s) with this template. For SGP, use this [SGP OFP endorsement letter](#)).

NAME	POSITION	MINISTRY	DATE (MM/dd/yyyy)
Ms. Antonella Finis	Chief of the International Affairs	Ministry of Environment	02/22/2018

<sup>15</sup> For regional and/or global projects in which participating countries are identified, OFP endorsement letters from these countries are required even though there may not be a STAR allocation associated with the project.

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**B. GEF AGENCY(IES) CERTIFICATION**

**This request has been prepared in accordance with GEF policies<sup>16</sup> and procedures and meets the GEF criteria for project identification and preparation under GEF-6.**

<b>Agency Coordinator, Agency name</b>	<b>Signature</b>	<b>Date</b> <i>(MM/dd/yyyy)</i>	<b>Project Contact Person</b>	<b>Telephone</b>	<b>Email</b>
Kelly West, Senior Programme Manager & Global Environment Facility Coordinator Corporate Services Division UN Environment		May 28, 2018	Geordie Colville Task Manager	+254.207623 257	Geordie.colville@un.org

**C. ADDITIONAL GEF PROJECT AGENCY CERTIFICATION (APPLICABLE ONLY TO NEWLY ACCREDITED GEF PROJECT AGENCIES)**

For newly accredited GEF Project Agencies, please download and fill up the required [GEF Project Agency Certification of Ceiling Information Template](#) to be attached as an annex to the PIF.

<sup>16</sup> GEF policies encompass all managed trust funds, namely: GEFTF, LDCF, SCCF and CBIT