

GEF-8 REQUEST FOR CEO CHILD ENDORSEMENT/APPROVAL

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General Child Project Information

Child Project Title

Panama Mesoamerica Forest IP Project: Critical Forests Biome of Panama - Collaborative Conservation of the Darién

Region Panama	GEF Project ID 11280
Country(ies) Panama	Type of Project FSP
GEF Agency(ies) FAO	GEF Agency Project ID
Project Executing Entity(s) Ministry of Environment	Project Executing Type Government
GEF Focal Area (s) Multi Focal Area	Submission Date 8/29/2024
Type of Trust Fund GET	Project Duration (Months) 60
GEF Project Grant: (a) 9,585,934.00	Agency Fee(s) Grant: (b) 862,732.00
PPG Amount: (c) 200,000.00	PPG Agency Fee(s): (d) 17,999.00
Total GEF Financing: (a+b+c+d) 10666665	Total Co-financing 25,296,117.00
Project Sector (CCM Only) AFOLU	

Rio Markers

Climate Change Mitigation	Climate Change Adaptation	Biodiversity	Land Degradation
Principal Objective 2	Significant Objective 1	Principal Objective 2	Significant Objective 1

Project Summary

Provide a brief summary description of the project, to offer a snapshot of what is being proposed. The summary should include: (i) what is the problem and issues to be addressed? ii) as a child project under a program, explain how the description fits in the broader context of the specific program; (iii) what are the project objectives, and if the project is intended to be transformative,

how will this be achieved? and (iv) what are the GEBs and/or adaptation benefits, and other key expected results. (max. 250 words, approximately 1/2 page)

The Darien region in eastern Panama, part of the Choco-Darien eco-region, is one of the largest intact forest landscapes (IFL) in Mesoamerica and a globally important biodiversity hotspot. It is the third largest CO₂ sink in the Americas, with significant carbon stocks. However, from 2012 to 2021, the region has lost 2,973 ha of forest per year, mainly mature forest. Illegal logging, agricultural expansion, cattle ranching, illegal mining and urban development are major threats.

The objective of the project is to conserve and sustainably manage the Darien Intact Forest Landscapes (IFLs) and their buffer zones, by strengthening governance and collaborative and climate-resilient management, and ensuring a sustainable flow of ecosystem services for people and the planet. This objective will be achieved by implementing forest management and conservation measures, sustainable forest certification, and involving indigenous peoples and local communities. The project will also promote sustainable value chains for non-forest products, adhering to zero deforestation and fair-trade standards.

In addition, it facilitates regional and global knowledge sharing through partnerships, in particular this country project is aligned with the CFB IP Mesoamerica by improving participatory governance models, increasing area of OECMs, creating new financial mechanisms for sustainable and collaborative forest management and systematizing and disseminating lessons learned and best practices at the regional, national and Mesoamerican regional levels.

The project addresses barriers such as weak governance, ineffective land use planning, lack of livelihood alternatives for indigenous communities and underdeveloped non-timber value chains. It has four components: conservation and restoration, policy and legal frameworks, innovative financing and capacity building. The project activities are implemented in four protected areas: Darien National Park, Filo del Tallo Hydrological Reserve, Serrania del Darien Hydrological Reserve and Chepigana Forest Reserve, covering 676,298 ha (GEF Core Indicator 1). It aims to restore 5,054 ha (GEF Core Indicator 3) and implement improved practices on 105,084 ha (GEF Core Indicator 4), avoiding 7,661,581 tCO₂eq of greenhouse gas emissions (GEF Core Indicator 6) and benefiting 2,000 people (GEF Core Indicator 11), particularly vulnerable groups such as Indigenous Peoples, women and youth.

Child Project Description Overview

Project Objective

To conserve and sustainably manage the Darien Intact Forest Landscapes (IFLs) and their buffer zones, by strengthening governance and collaborative and climate-resilient management, and ensuring a sustainable flow of ecosystem services for people and the planet.

Project Components

1. Conservation and accelerated restoration of critical forest landscapes in the Darien

Component Type	Trust Fund
Technical Assistance	GET
GEF Project Financing (\$)	Co-financing (\$)
4,225,850.00	11,151,505.00

Outcome:

1.1 Strengthened governance and management of protected areas with a gender, resilient and inclusive approach

GEF Core Indicator 1 Terrestrial protected areas created or under improved management

Target: 676,298 ha

Project indicator 1 Number of local governance structures strengthened.

Target: 04

1.2 Diversified OECM models that promote the conservation and sustainable use of the Darien's intact forest landscapes in priority areas, with a gender, resilient and inclusive approach

GEF Core Indicator 4.5 Area of terrestrial OECM officially declared according to international standards for their management

Target: 98,030 ha

Project indicator 2: Area (ha) of newly established OECM protecting the integrity of primary forests and increasing functional connectivity.

Target: 3

1.3 Strategies for collaborative sustainable management of Darien Forest landscapes, increasing the carbon sequestration capacity by 2028, in line with Panama's 2nd NDC, commitment #2

GEF Core Indicator 3 Area of land and ecosystems under restoration

Target: 5,054 ha

GEF Core Indicator 4
Landscape area with improved practices

Objective: Target: 105,084 ha

GEF Core Indicator 6 Greenhouse gas emission mitigated (tons of CO₂e)

Target: -7,661,581 tCO₂e

Project indicator 3: Biodiversity conservation master plan designed and approved

Target: 1

Output:

1.1.1 Participatory governance models with a gender, resilient and inclusive approach for four protected areas in the Darien Region implemented

1.1.2 The official methodology of the Ministry of Environment for the design of protected areas management plans updated

1.1.3 Four new or updated protected areas management plans

1.2.1 At least three pilots developed in private reserves, indigenous and non-indigenous territories to verify compliance with the OECM criteria

1.2.2 Technological innovations developed and implemented for sustainable, resilient and collaborative forest conservation and management in the project intervention area, including protected areas and OECM

1.3.1 A Master Plan for Biodiversity Conservation, Ecosystem Services, Human Well-being and Forest Landscape Restoration based on an integrated vision of the Darien.

1.3.2 Ten forest restoration pilots developed and implemented in selected protected areas of the project, increasing the carbon sequestration capacity

1.3.3 Improved inclusive and resilient forest management plans, focus on restoration and non-timber use approach: Three in the Kuna de Wargandi Comarca.

1.3.4 Ten improved inclusive and resilient forest management plans focusing on stubble management, restoration and non-timber management developed and implemented on private farms.

1.3.5 At least twenty crop and livestock production pilots improved through agroforestry systems with local producers, **increasing the carbon sequestration capacity**

1.3.6 Evaluation of the IUCN’s Red List of Ecosystems (RLE) applied in the Darien Region

2. Policy, regulatory and institutional frameworks enabling sustainable management of the Darien's intact forest landscapes

Component Type	Trust Fund
Technical Assistance	GET
GEF Project Financing (\$)	Co-financing (\$)
2,307,153.00	6,088,298.00

Outcome:

2.1. Enabling policies, regulations and enabling strategies at the regional and national levels for the conservation and sustainable, **resilient** and collaborative management of the Darien forests

Project indicator 4 Number of multisectoral agreements that support primary forest conservation.

Target: 1

2.2. Inclusive multi-stakeholder mechanisms established for cross-sectoral coordination

Project indicator 5: Number of Indigenous Peoples, local communities (IPLCs), women's and rural youth organizations participating in regional, national and/or local decision-making processes.

Target: 500 people, with at least 50% of participants are women.

Output:

2.1.1 Policy and regulatory framework adjusted to promote zero deforestation and forest-industry integration under circular economy principles

2.1.2 Improved policy and regulatory framework for sustainable and resilient forest management within the State Forest Heritage

2.1.3 Institutional framework developed and implemented for OECM recognition

2.1.4 National or regional protected areas management model developed and implemented in the project areas

2.1.5 Guideline for the formulation of inclusive and resilient Forest Management Plans (FMPs) and Annual Work Plans (AWP's) focus on restoration and non-timber management use revised with the adoption of the Forest Steward Council (FSC), standard and biodiversity conservation criteria

2.1.6 Integrated Forest Monitoring Systems (IFMS) developed and implemented as a pilot in the Darien

2.2.1 Local Committee of the Darien Biosphere Reserve established as a platform for multi-stakeholder consultation and inter-sectoral coordination for the construction of an integrated vision and collaborative management of the Darien Forest landscape

2.2.2 Community-Based Organizations (CBOs) strengthened and empowered to face the challenges of the territory

2.2.3 Three improved forest management plans focusing on stubble management, restoration and non-timber management of the Kuna de Wargandi Comarca, with FSC standards

2.2.4 Monitoring the effectiveness of Protected Area management, using the tool developed by MiAMBIENTE, implemented and integrated into the management and governance processes covered by the project

3. Innovative financing and investment to expand and strengthen livelihoods

Component Type

Investment

Trust Fund

GET

GEF Project Financing (\$)	Co-financing (\$)
1,147,105.00	3,027,070.00

Outcome:

3.1. Mechanisms for financing sustainable, climate- and community-based forest management in Darién

Project indicator 6: Number of financial mechanisms developed/adapted to promote conservation and management of forests, with at least 50% of beneficiaries are women.

Target: 4

3.2 Leverage public and private investment to develop value chains (VCs) that contribute to sustainable, climate-resilient and collaborative forest management in the Darien

Project indicator 7: Amount (USD) of leveraged public and private financial resources contributing to the protection and conservation of primary forests and the development of local livelihoods.

Target: USD 8,000,000

Output:

3.1.1 Protected areas financial sustainability strategy developed and implemented

3.1.2 Economic- environmental incentives for the provision of ecosystem services, **to** promote investments for the conservation, restoration of forests and rehabilitation of forests in the Darien Region, in accordance with current Panamanian regulations of Law 69 and Panama **2nd NDC**

3.1.3 At least four financial mechanisms developed for sustainable, climate resilient and collaborative forest management in the Darien region

3.2.1 Strengthening gender-sensitive existing value chains in the biome for non-timber forest products from sustainable forest landscapes and OECM

3.2.2 Market opportunities developed for non-timber forest products from Darien's sustainable forest landscapes.

3.2.3 Projects to strengthen prioritized value chains that reduce pressure on forests identified with a gender, climate-adapted and inclusive approach

4: Capacity building, knowledge management and coordination with the Critical Forest Biomes IP Mesoamerica, and the Global CFB IP platform

Component Type	Trust Fund
Technical Assistance	GET

GEF Project Financing (\$)

1,193,393.00

Co-financing (\$)

3,149,220.00

Outcome:

4.1. Improved capacities, knowledge and access to information among key stakeholders involved in the conservation of the Darien IFLs with a focus on gender, **climate resilience** and inclusion

GEF Core Indicator 11: People benefiting from GEF-financed investments

Target: 1000 women and 1000 men

*Project indicator 8 Number of organizations from the private sector, Indigenous Peoples and civil society that have been trained in the conservation of the Darien IFLs with a gender, **climate resilience** and inclusive approach*

Target: 10

4.2. Strengthening the implementation of regional strategies and commitments to **CFB IP Mesoamerica and the Global Integrated Program**

Indicator of the CFB IP Mesoamerica: Number of South-South / lesson sharing events with other GEF Integrated Program initiatives for the Amazon, Congo and Critical Forest Biomes

Target: TBD

Output:

4.1.1 **Inclusive, gender and Indigenous Peoples focused training plan that reinforces forest ecosystem conservation both inside and outside protected areas, OECM, agroforestry systems, community-based forest, value chains, and businesses**

4.1.2 Agreements established with technical schools/universities in Darien and INADEH^[21] to train the local population in the promotion of sustainable forest management with a gender and inclusive approach

4.1.3 Project communication strategy designed and implemented to raise awareness among local communities, decision-makers and other stakeholders of the role of improved forest management in conserving forest ecosystems

https://unfao.sharepoint.com/sites/GEF/Shared%20Documents/GEF-8/Critical%20Forest%20Biomes%20IP/11280_Panama/PRODOC/Resubmission%20November%202024/01.%20FSPCEOEndorsementdocument_Prodoc%20Panama%20CFB_11280_1Nov2024.docx - ftnref1² National Institute of Vocational Training and Training for Human Development (*Instituto Nacional de Formación Profesional y Capacitación para el Desarrollo Humano*)

4.2.1 Lessons learned and best practices of the project systematized and disseminated at the regional, national and Mesoamerican regional levels, **with at least 50% of women participants**

4.2.2 Information system / Knowledge management platform designed and implemented

^[2] National Institute of Vocational Training and Training for Human Development (*Instituto Nacional de Formación Profesional y Capacitación para el Desarrollo Humano*)

M&E

Component Type	Trust Fund
Technical Assistance	GET
GEF Project Financing (\$)	Co-financing (\$)
255,960.00	675,447.00

Outcome:

M&E 1. Project implemented according to Results-Based Management Principles

Indicator: % of progress achieved in the implementation of the project

Output:

M&E 1.1.

Monitoring and Evaluation Plan (M&E) with gender-sensitive indicators implemented

M&E 1.2.

Project Midterm Review and Final Evaluation with gender-sensitive indicators carried out

Component Balances

Project Components	GEF Project Financing (\$)	Co-financing (\$)
1. Conservation and accelerated restoration of critical forest landscapes in the Darien	4,225,850.00	11,151,505.00
2. Policy, regulatory and institutional frameworks enabling sustainable management of the Darien's intact forest landscapes	2,307,153.00	6,088,298.00
3. Innovative financing and investment to expand and strengthen livelihoods	1,147,105.00	3,027,070.00
4: Capacity building, knowledge management and coordination with the Critical Forest Biomes IP Mesoamerica, and the Global CFB IP platform	1,193,393.00	3,149,220.00
M&E	255,960.00	675,447.00
Subtotal	9,129,461.00	24,091,540.00
Project Management Cost	456,473.00	1,204,577.00
Total Project Cost (\$)	9,585,934.00	25,296,117.00

Please provide Justification

CHILD PROJECT OUTLINE

A. PROJECT RATIONALE

Describe the current situation: the global environmental problems and/or climate vulnerabilities that the project will address, the key elements of the system, and underlying drivers of environmental change in the project context, such as population growth, economic development, climate change, sociocultural and political factors, including conflicts, or technological changes. Since this is a child project under a program, please include an explanation of how the context fits within the specific program agenda. Describe the objective of the project, and the justification for it. (Approximately 3-5 pages) see guidance here

The project 'Critical Forest Biomes of Panama (CFBP): A Darien Collaborative Conservation Initiative' (hereafter referred to as 'the project') implemented by FAO and executed by the Ministry of Environment of Panama (MiAMBIENTE), will be developed in the Darien forest region, one of the largest Intact Forest Landscapes (IFL) in Mesoamerica, considered part of the Choco-Darien ecoregion, characterized as the most biodiverse site in

Panama and of global importance, being the third largest CO₂ sink in the American hemisphere with considerable carbon stocks thanks to its forest and other wooded land area of 1.430,993 ha, 7,605 ha of pastureland and 1,227 ha of cropland. The Darién contributes 13.1% of the country's forest cover distributed mainly in the Darién National Park, Alto Darién, the Wargandi District, the Serranía Bagre Biological Corridor and the Chepigana Forest Reserve^{[3]²}.

GHG emissions: According to the latest Biennial Update Report (2BUR) on Panama's climate change status, MiAMBIENTE (2021), the country is considered a carbon negative country (Figure 2); specifically, Panamanian forests sequester more carbon than the total of greenhouse gases (GHG) generated by the economy. The balance between GHG emissions and removals in 2017 registered - 9,758.3 kt CO₂ eq, decreasing by 35.2 % since 1994 and by 17.1 % since 2013. When analyzing the emissions of all sectors in absolute values, the Land Use and Land Use Change and Forestry (LULUCF) sector is presented as the sector with the highest relevance, with 60.7 % (- 27,629.2 kt CO₂ eq) and is the only sector capable of absorbing emissions through the action of vegetation cover; thus, removals exceed emissions, while the agricultural sector represents 7.6% (3,463.2 kt CO₂ eq). However, CO₂ eq removals in 2017 compared to 2013 decreased by 2.7% due to the increase in gross emissions from the conversion of forest land to pasture in recent years^{[4]³}.

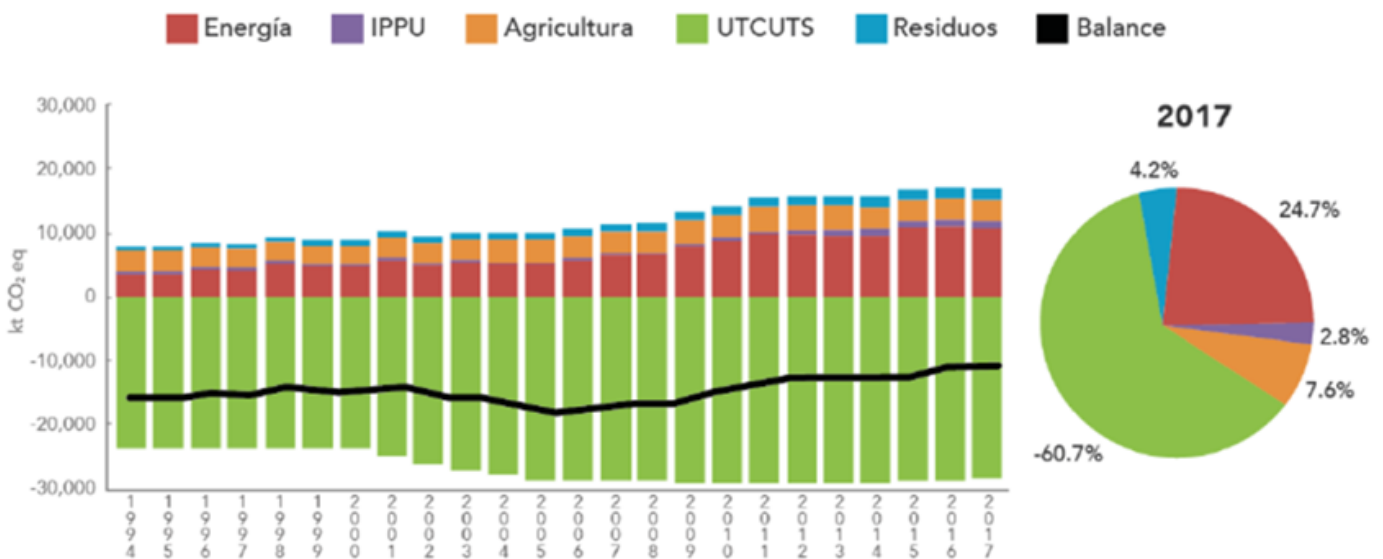


Figure 1: Greenhouse Gas Inventory: Time Series Balance 1994-2017 by sector (kt CO₂ eq)⁹

According to the Panama's Forest Reference Emission Levels (FREL) for the period 2000-2015, the country's forest emissions estimate was -27,735,675 tons of carbon dioxide equivalent per year (t CO₂ eq/yr), based on the net GHG emission reduction capacity, mainly due to carbon sequestration of the forest area of 4.3 million

hectares (about 57% of the total land area); however, this important environmental service is threatened by deforestation and forest degradation.

Climate change impacts: The climate change scenarios RCP[5] 8.5 to 2070, foreseen in the Third National Communication on Climate Change[6], indicate an increase in average and maximum temperature; changes in precipitation patterns, including precipitation deficits of up to 10% between the dry season and rainy periods at the national level. The Darién region in Panama and the population therein is moderately exposed and vulnerable to observed and projected climate variability and change hazards, including hurricanes and heavy rainfall events, increasing average surface minimum and maximum temperatures, sea level rise, increasing ocean temperature and acidification. The hazards, exposure and adaptation of the Darien region are briefly detailed below. A full climate risk screening is annexed.

Hazards: Future climate trends

Temperatures and precipitation:

In the Darién, both maximum and minimum surface temperatures are projected to increase by 0.9°C under SSP1-2.6 and by 1.5°C under SSP5-8.5 by mid-century (2040-2059) compared to the 1995-2014 baseline period (WB, 2023). Total annual precipitation is projected to increase by 76mm under SSP1-2.6 and by 216mm under SSP5-8.5 by mid-century (2040-2059) compared to the 1995-2014 baseline period (WB, 2023). Precipitation is expected to increase particularly during January-May (GFDRR, 2011). Such findings are consistent with Hidalgo et al., (2017) which reported warmer and wetter than average conditions for Panama by mid-century (2029-2049) compared to the 1979-1999 baseline period under both RCP4.5 and RCP8.5, also linked with a projected southward displacement of the ITCZ.

Extreme weather events:

The number of heavy rainfall events ($R > 20\text{mm/day}$) is projected to increase by 3 days under SSP1-2.6 and by 7 days under SSP5-8.5 by mid-century (2040-2059) compared to the 1995-2014 baseline period (WB, 2023). The sea level is projected to rise by 0.23m under SSP1-2.6 and by 0.27m under SSP5-8.5 by 2050s relative to the 1995-2014 baseline period (Fox-Kemper et al., 2021; Garner et al., 2021). By mid-century (2041-2060), ocean Ph is projected to change by -0.1 both under SSP1-2.6 and SSP5-8.5 compared to the 1995-2014 baseline period (Iturbide et al., 2021). Sea surface temperatures are projected to increase by 0.9°C under SSP1-2.6 and by 1.4°C by mid-century (2041-2060) compared to the 1995-2014 baseline period (Iturbide et al., 2021).

Exposure:

Extreme weather events between 1982 and 2008 such as heavy rainfall, storms, gusts of wind, floods, droughts and fires, and the occurrence of El Niño and La Niña, were associated with damage and economic losses estimated at USD 86 million, as to the loss of 249 people. La Niña's impacts on agriculture in Panama in 2010-2011 caused losses of more than 15,000 hectares and economic losses greater than USD 6 billion, particularly around the areas of Chiriquí and Darién (GFDRR, 2011). As of 2011, in the areas of Chepo, Darién and Colón, extreme weather events such as extreme precipitation caused great economic losses, which amount to more than USD 2,000,000 in the livestock sector and more than USD 1,500,000 in the crop production sector (Ministerio de Ambiente, 2019). Finally, in 2020, the hurricane Eta caused damage and disasters in Panama worth USD 100 million as well as affected 3330 people in 2020 (WMO, 2021).

Vulnerability:

According to the multidimensional poverty index, Panama has 19% of the population living under poverty (Ministerio de Ambiente, 2021). Overall, while the country's economy demonstrated important signs of economic growth, the same was not reported for the social progress particularly for the rural areas and the well-being of indigenous groups, which both registered lower income levels than urban areas, as well as lower education, health, and well-being (Ministerio de Ambiente, 2021). Employment in agriculture has decreased since 2010 from 28% to 12,6% (Ministerio de Ambiente, 2019), combined with a rise in employment in industry and services (WB, 2023). Indigenous groups and local rural communities are in fact often incentivized to get involved in resource extraction and trade activities to increase their income, also incurring in the risk of natural resource overexploitation (IUCN, 2020). Water security is undermined by climate variability and change, with impacts on rainfall deficits such as the ones observed during El Niño of 2015 which reached critical levels of water insecurity for the population, particularly in the central drier provinces (Ministerio de Ambiente, 2019). Furthermore, the Darién Gap is a key hotspot for migration between South and Central America, counting 250000 people crossing in 2022. Through this path, migrants, and particularly pregnant women, children, and disable people, are exposed to extreme weather events such as landslides, riverine and flash flooding during the rainy season, high temperatures and relative humidity, which exacerbate dehydration and the spread of vector-borne diseases, as well as food deprivation, and water contamination (acaps, 2023). Finally, while studies on the evidence of climate change impacts on disease incidence in Panama are lacking in the country, there has been an association between rainfall and number of malaria cases among the indigenous group of Gunas in Panama (Castellanos et al., 2022).

Adaptive capacity:

Adaptive capacity is high among local communities which benefit from indigenous and local knowledge for sustainable and community-based natural resource management. Indigenous knowledge and custody of the land have been proven effective in limiting human impact and in the maintenance of intact forests in Panama's Darién (Kunz et al., 2022). At the same time, community-based forestry policies have not been consistently adopted to support rural communities financially and technically with climate resilient forest conservation initiatives (Clare et al., 2019; Rahmawaty et al., 2023). According to the IUCN (2020), management plans for the Darién National Park were established to improve participatory stakeholder engagement and capacity building for biodiversity conservation. However, there is still limited information on the extent to which indigenous people and local communities are involved in decision-making as well as on the progress of implementation of such programs (IUCN, 2020).

Forest Degradation: The problem of forest degradation and loss in the Darién Region meant an annual net loss of 2,973 hectares of forest between 2012 and 2021^{[7]⁴}; largely affecting to forest health and ecosystem services in the project intervention area^{[8]⁵} but also jeopardizing climate change adaptation capabilities of communities in the region. Addressing forest degradation throughout project activities can significantly contribute to climate change adaptation. The project mainstreams climate adaptive practices into integrated landscape and natural resource management interventions that provide local communities and ecological

or lesser degree, in management capacity (personnel, financial resources, planning), social participation, benefit sharing and governance. Therefore, it is possible that the management objectives of these protected areas are not being met and that there is a significant risk that the ecological integrity of the forest ecosystem and biodiversity in general will be compromised in the medium and long term, particularly in the cases of the Chepigana Forest Reserve, the Filo del Tallo Hydrological Reserve and the Serranía del Darién Hydrological Reserve, where biodiversity conservation actions are practically absent or scarce and isolated.

Regarding reforestation efforts in Panama from 1992 to 2017 were under Law No. 24, the current regulatory framework is Law No. 69 and Executive Decree 129. Law No. 24 which provided significant tax exemptions for reforestation activities, yet the transition to new legislation highlights capacity gaps within the Ministry of Environment and the need for simplified access to incentives. Coordination among various governmental ministries is essential for effective implementation of strategies like the 2050 Forest Strategy and ENREDD+. Moreover, opportunities exist to leverage the Reforesta Panama Fund for financing and to create an internal market for voluntary reduction certificates linked to Panama Canal activities, thereby enhancing participation in results-based payment projects.

The Foundation for the Conservation of Natural Resources (Fundación Natura) emphasizes the importance of good governance in managing the debt-for-nature swap in Darién National Park. It is also recommended to establish a Protected Area Financial Plan that outlines all revenue sources and to incorporate technical support for beneficiaries. Additionally, expanding market-based instruments can enhance private sector involvement, while ongoing technical assistance is crucial for motivating partners. Training initiatives should focus on fostering an entrepreneurial culture among producers through peer-to-peer learning.

A.2 Project objective and justification

The CFBP project has a transformative approach, as it seeks to conserve and sustainably use the Darien's critical forest landscapes and improve the livelihoods of local communities by strengthening governance and sustainable, collaborative management of the region's forests as a long-term systemic change that ensures a sustainable flow of ecosystem services for people and the planet.

As specific objectives, the project will also seek to improve the management of protected areas, the promotion of Other Area-based Effective Conservation Measures (OECM), the achievement of forest certification standards with the use of sustainable technologies and practices that include the participation of Indigenous Peoples and other human groups settled in the region, with special emphasis on youth and women in the Darien region, based on the need to strengthen the development of value chains for forest and non-forest products, identifying potential markets committed to the use of zero deforestation and fair trade standards, also supported by knowledge management actions to share and exchange experiences both nationally and regionally with the GEF Integrated Program for Critical Biomes.

The project wants to address the main cause of deforestation, that is unsustainable and illegal logging, by creating alternatives to these practices and strengthening sustainable value chains, avoiding the conversion of forest to agricultural and pasture lands. The project promotes forest conservation and sustainable economic alternatives for local communities without triggering the demand for timber extraction, which is linked to illegal and unsustainable practices.

Exposure, vulnerability and sensitivity to climate threats are growing at an accelerated rate that exceeds the adaptive capacity of ecosystems, their services and the people who depend on them for their development, and specifically in the Darien Region. Targeted local areas (*comarcas*) have been identified as very vulnerable due to their reduced adaptive capacity. Adaptation to climate change and its effects are addressed as co-benefits of this project interventions.

The project activities have been designed to provide credible pathways to transformative ambition, i.e., to produce systemic change and lasting benefits for the global environment; it is also a gender-responsive approach, recognizing the role of both men and women in contributing to sustainable forest management in the Darien.

The systems transformation proposed by the project includes a connectivity strategy in which protected areas, indigenous territories, private reserves and sustainable community forest management areas are linked as a network to promote conservation of the Darien forest ecosystem; an integrated protection strategy that includes strengthening PA and OECM management (both in indigenous territories and on private lands) to improve forest conservation and connectivity; the implementation of best practices in productive landscapes that conserve forest cover while enabling sustainable livelihoods that do not exceed ecosystem carrying capacities; and the strengthening of key cross-sectoral platforms in order to harmonize legislation and promote coherent landscape policies and tools capable of ensuring the conservation of the Darien region's ecosystems, as well as promoting increased forest-based income for local communities. It is important to mention that the strengthening of PAs will not only be for biodiversity conservation, but also to generate human well-being. In other words, improved management capacity, community participation in management, business models or value chains are related (e.g., sustainable forest management or restoration in Filo del Tallo).

The project is directly aligned with the GEF Integrated Program for the Amazon, Congo and Critical Forest Biomes^[12], as it addresses two major challenges of the Integrated Program such as deforestation for the expansion of agriculture, cattle ranching and logging (legal and illegal). It also fosters transformational changes by developing enabling conditions conducive to sustainable management, conservation and protection of Intact Forest Landscapes (IFL), strengthening PA management and OECMs beyond PAs, empowerment of Indigenous Peoples, innovative financing and investment, especially for forest protection, and coordinated regional collaboration with exchange of information and experiences between countries.

This approach is based on Panama's existing national policy and regulatory framework, which includes a series of critical elements that support the sustainable management of its forest resources, the conservation of biodiversity and mitigation of the effects of climate change, among which the following can be mentioned [\[13\]](#) :

- 1) The Forestry Law (Law 1 of 1994) establishes the forestry legislation in the Republic of Panama and its purpose is to protect, conserve and increase the existing forest resources at the national level and promote their rational and sustainable management and use, as well as to encourage and implement forestry plantation projects in the places indicated for this purpose.
- 2) The General Environmental Law (Law 41 of 1998) states that the inventory of the forest patrimony of the Panamanian State: natural forests, planted forests and forest lands are the responsibility of MiAMBIENTE, which will exercise an effective administration, recognizing carbon absorption as an environmental service of the forests.
- 3) Incentive program for forest cover and conservation of natural forests (Law 69 of 2017): Aims to protect, recover and conserve Panama's forest cover and to promote activities aligned with the public-private initiative 'Alliance for the Million Hectares', an initiative that is established as the main framework of national and international agreements for the period 2014-2050 aligning with the Paris Agreement, the Sustainable Development Goals (SDGs), the Kunming-Montreal Global Biodiversity Framework, among others. Incentive mechanisms within this initiative include financial assistance, support in the creation of management plans and tax incentives to encourage the growth of forest plantations, such as exemptions from income tax, property tax and taxes on machinery and equipment.
- 4) Panama's forestry policy aims to conserve the remaining forest area and its biodiversity, as well as to ensure the provision of ecosystem goods and services for the population, such as quality water supply, maintaining hydrological cycles, clean energy, medicines, timber and non-timber forest products, protection against soil erosion and loss of fertility. In addition, those services related to scenic beauty at the landscape, recreational, cultural and spiritual scale of the communities.
- 5) National Forestry Strategy 2050 (MiAMBIENTE, 2020): has a long-term vision for Panama's forestry sector that consists of transforming the Panamanian forestry sector as a catalyst for green jobs and the socio-ecological and economic well-being of the country through the production of ecosystem goods and services, the supply of forest goods and services, and the fight against climate change. This strategy takes the Million Hectare Alliance and the national and international agreements as its main frameworks.

The Government of Panama has also made specific commitments to support and enable sustainable forest management and participatory conservation of forest landscapes, including: 1) Forest Oversight Offices [\[14\]](#) , which facilitate monitoring and audits by Non-Governmental Organizations (NGOs); 2) a cooperation agreement between the Private Reserves Network and the Memorandum of Understanding (MoE) on research, ecotourism, forest conservation and biodiversity; and 3) the MoE Incentive Program for forest cover / compensation [\[15\]](#) and collective land ownership [\[16\]](#)⁸ in areas that overlap with PA or State Forest Heritage lands, which provides tax exemptions and direct non-reimbursable funding for various forest management activities, including protection and conservation of natural forests; assisted natural regeneration and

restoration of natural forests; agroforestry; sustainable forest management; export of forest products (provided they have a chain of custody and come from environmentally sustainable forestry); etc.

Over the past 20 years, Panama has invested USD 386 million in environmental management, mainly in protected areas and water security^{[17]⁹}. Many of these investments have had a direct impact on the forestry sector and constitute important baseline support for project objectives, including:

- The National Forest Restoration Program 2021-2025^[18], which aims to restore 51,000 ha in five years, in watersheds and degraded areas to achieve long-term carbon neutrality and the Nationally Determined Contribution (NDC1)^{[19]¹⁰}, through reforestation, assisted natural regeneration, riparian restoration, agroforestry and silvopastoral systems; and
- the Forest Traceability and Control System (FTCS), created in 2018, which monitors the entire forest resource chain from origin to destination.

In addition, private landowners in the Darien, including some who own land with IFL^{[20]¹¹}, can play a critical role in protecting biological corridors between forested areas. Private reserves also present an opportunity to create OECMs to support forest connectivity and conservation.^{[21]¹²}

A.3 Local Stakeholders and their importance

Among the most important institutional partners of the project are the Ministry of Environment (MiAMBIENTE), which oversees compliance with environmental laws and policies, supervises PA management, forestry programs and actions to reduce GHG emissions; and the Ministry of Agrarian Development (MIDA), responsible for policy development in the agricultural sector and incentives for producers.

The project will work closely with the traditional authorities of the Comarca Kuna de Wargandi (including a General Congress, a Regional Congress and a Local Congress), who oversee community planning and the use of forests and other natural resources in the indigenous territories; as well as the Comarca's own indigenous communities to strengthen their capacities for sustainable forest management and conservation co-management; their capacity to increase sustainable forest income by identifying improved value chains and

achieving forest certification standards; the use of forest product technologies, through culturally appropriate training of Indigenous Peoples (including youth); knowledge management to share experiences and identify new potential markets committed to the use of zero deforestation and fair trade standards.

The project plans to invest at least 40% of its resources in direct support actions for the indigenous communities in accordance with the Outcomes of the Free Prior and Informed Consent Process (FPIC)[\[22\]](#)¹³ with the Kuna de Wargandi Comarca, which has already begun and is expected to be completed by the end of 2024[\[23\]](#)¹⁴ ; also following the FAO - FESM Framework for Environmental and Social Management[\[24\]](#)¹⁵.

It is expected that some companies that are members of the National Reforestation Association (ANARAP)[\[25\]](#)¹⁶ and are Forest Steward Council (FSC) certified, will be constructive partners in sustainable forest management activities[\[26\]](#)¹⁷, the strategy can include a wide range of solutions that can benefit forest ecosystems, and it is to be developed with local communities depending on their need and according to project objectives. In addition, the Mesoamerican Biodiversity Partnership (BPM)[\[27\]](#)¹⁸ works to conserve Mesoamerica's biological wealth by supporting the private sector in integrating biodiversity concerns into business. The Mesoamerican alliance, with which FAO has a memorandum of understanding, can promote the exchange of experiences and good business practices on sustainable forestry practices at the regional level, and support the creation of financial mechanisms and environmental quality criteria with the private sector. Finally, the Darien Regional Center of the University of Panama (UP), the Technological University of Panama (UTP) and the Smithsonian Institution will participate as technical-scientific partners.

Project interventions will include strengthening women's capacities in the organization and management of community and cooperative enterprises, as well as specific training in administration, accounting and wood processing activities. It is expected that at least 30% women will be included in these activities, and the project will ensure that women's participation is adjusted to the different schedules and availability of women in the indigenous communities due to childcare and other domestic responsibilities.

Additionally, the following interested parties participate in the Steering Committee, Technical Committee and in specific project activities according to their mandate and experience:

-
- An Operational Partner (OP) (Fondo Natura)
 - The Darien Biosphere Reserve Local Committee
 - Ministry of Commerce and Industries (MICI)
 - Agricultural Research Institute of Panama (IDIAP)
 - National Institute of Vocational Training and Training for Human Development (INADEH)
 - Universities in Darien and public universities such as the University of Panama (UP), the Technological University of Panama (UTP)
 - ONG ANCON (Asociación Nacional para la Conservación de la Naturaleza)
 - Civil Society Organization such as the Watershed committees
 - Network of Private Reserves, OBC, NGOs that operate in Darién for the conservation of the forest and biodiversity.
 - National Association of Reforesters and Related Workers of Panama (ANARAP) and its partner companies with existing plantations in the project area.
 - International Bamboo and Rattan Organization (INBAR)
 - International Tropical Timber Organization (ITTO)
 - Central American Commission for Environment and Development (CCAD)

The complete list of interested parties has been incorporated in Annex J within the Stakeholder Plan.

A.4 Remaining Barriers

There are significant challenges to addressing the problem of deforestation and forest degradation in Darien and some of these stems from challenges in the national action framework. To reverse or halt deforestation and degradation of Darien Forest landscapes, the following barriers must be overcome:

Barrier I. Weak governance that limits the sustainable and collaborative management of the Darien's IFLs and their integration into planning and monitoring processes.

The Darién region has a disjointed political-administrative structure, both internally and in terms of its links with national authorities. The country has long-term environmental strategies, programs and plans that include forests, biodiversity, climate change, among others; however, their implementation in the region is weak, which allows negative processes such as illegal logging and logging in the Darien, and this barrier not only hinders the implementation of effective conservation strategies, but also perpetuates inequalities and the exclusion of those who have a fundamental role in the protection of the Darien's forests. Forest governance in the region has the following weaknesses:

- i) Reactive management lacking long-term vision and objectives and disintegrated with low participation or representation of local stakeholders (there are no adequate coordination mechanisms);
- ii) Weaknesses in the preparation of territorial or land use planning instruments at the landscape scale, which do not include an appropriate analysis of the drivers of deforestation and forest degradation, and sometimes result in the overlap between Protected Areas / buffer zones with indigenous communities or some PAs are not integrated into land use plans at the local level.
- iii) Deficiency in the provision of financial and human resources.
- iv) Non-compliance with regulations in the productive sectors and institutional weakness in the enforcement of regulations.
- v) A high proportion of stakeholders are unaware of climate change observations, future scenarios and projected impacts on development as a result of human action. Even with awareness of the need to reforest and restore ecosystems, as well as the implications of climate change, capacity and incentive gaps for climate action prevail, especially in the achievement of targets related to land use, land use change and forestry (LULUCF).

Barrier II. Existence of economic activities that compromise in the medium term the ecological integrity of the IFLs of the Darien.

The current situation of economic activities that compromise the ecological integrity and climate change adaptation of the Darien forests in the medium term is worrisome and multifaceted, caused by the following factors:

- i) The main activities include deforestation caused by agricultural expansion and demand for new land, illegal mining, logging for timber extraction, and construction of infrastructure such as roads.
- ii) Economic activities involve the Indigenous Peoples and local communities that inhabit this region, who depend directly on the Darién's natural resources for their subsistence, whether through fishing, hunting, traditional agriculture, or the gathering of fruits and medicinal plants.

- iii) The expansion of cattle ranching threatens to fragment natural habitats and destroy fragile forest ecosystems and negatively affect traditional livelihoods and local cultural practices, as deforestation and forest degradation decrease the availability of natural resources and increase competition for them, which can lead to social conflicts and tensions between local communities and external actors seeking to exploit the region's resources.
- iv) Despite conservation and protection efforts by the government and environmental organizations, pressure on the Darién's forests continues to increase due to economic interests, lack of effective enforcement of environmental laws, and other economic opportunities such as community-based tourism. This is also related to the lack of recognition of the ecosystem services provided by forests and the lack of associated monetary and non-monetary incentives; it is also possible that there are laws and government actions that generate perverse incentives that support activities that destroy forests, so there is a lack of coherence in public policy. It is essential to implement stricter policies and measures to control these activities, as well as to promote sustainable economic alternatives that do not depend on the degradation of natural resources. In addition, greater cooperation between the public and private sectors is needed, as well as strengthened monitoring and control to protect the ecological integrity of this unique and valuable region.

Barrier III. Weak regulatory and policy frameworks at the territorial level to foster collaborative forest conservation at the landscape scale.

It is evident that there are weaknesses among public institutions to promote sustainable and collaborative forest management in the Darien IFLs based on ecosystem analysis at the landscape scale, such as approaches, technologies and practices for reforestation and ecosystem restoration, appropriate to local conditions; and, although there are legal bases for forest and biodiversity management in the territory, there is little integration of these considerations in governance processes and decision making and shortcomings are evident in the preparation of territorial planning instruments (PA Management Plans). It is important to note that the territorial planning instruments of administrative units, such as Corregimientos, Districts and Provinces, face challenges in terms of priority alignment and coordination for their implementation. Institutional weaknesses are based on the following:

- i) There is a lack of regulations and new legal instruments, or their updating based on advances in environmental management.
- ii) Coordination of actions in the various public, private, and civil society institutions is weak and/or nonexistent in many cases. Institutional efforts are isolated, almost always at the project level, or with farm selection, without a strategic landscape approach.
- iii) Limited capacity at the government, Indigenous Peoples and civil society levels for sustainable forest management and improved livelihoods.
- iv) On the other hand, PA management capacity is medium-low to very low, mainly due to a lack of personnel, equipment, and funding, which could compromise the ecological integrity of biodiversity in the region in the medium term.

- v) The figure of Other Effective Area-based Conservation Measures (OECM) has not begun to be recognized for its role in biodiversity conservation, especially because this terminology has not yet been recognized by Panamanian legislation.
- vi) Finally, it should be noted that there is social and economic gender inequality in terms of access to resources and capacity building to support sustainable forest management in the region.

Barrier IV. Insufficient financing and demand for sustainable activities in the Darien forests

This barrier has several causes:

- i) In the region there are few alternatives for subsistence economic activities, and the few that exist are based on land use change.
- ii) Value chains are poorly developed for non-timber forest products and access to national and international markets and/or preferential prices for sustainable forest products is deficient.
- iii) There are no integrated financial strategies to support PA management. Achieving the conservation objectives of the PAs in the Darien region, as foreseen in the PA management plans, would require large amounts of investment both for the minimum level of management, which involves the basic staffing of surveillance and control personnel, construction and improvement of infrastructure, purchase of equipment, and for the optimum level, which involves research and participatory monitoring of the priority conservation targets of each PA. The lack of this type of strategy poses a major challenge in the implementation of forest and biodiversity conservation policies, as it creates uncertainty and slows investment flows.
- iv) In the Darien region, financing mechanisms are insufficient to mobilize the resources for the implementation of sustainable forest and stubble management plans. So, the promotion of non-timber products under FSC standards, and the development of restoration actions are mostly barred. The private sector has little incentive to improve its environmental performance.
- v) No integrated assessment of public and private financing sources has been conducted, so there is a lack of understanding on how to leverage investments for the sustainable management of non-timber forest resources in Darien. The Incentives Law is not currently accessible to all stakeholders. The existing credit system often favors unsustainable production systems based on unharmonized public policies that favor unsustainable techniques (monocultures, use of agrochemicals, farm expansion, etc.). Another aspect is that financing does not promote value-added products that strengthen business management (supply, demand, transport, processing) with broader access to national and international markets.

The traditional model of land use in local communities, which has typically focused on forest conservation through extractive subsistence activities, has become unsustainable due to a lack of support to compete with local and international market demands. As a result, these communities are shifting their land use practices toward activities that receive more financial backing and better access to markets, such as illegal and

unsustainable logging. Currently, there are no credit programs tailored to support initiatives that promote forest conservation and biodiversity.

The goal is to examine the value chains of traditional activities that have minimal impact on the forest, develop sustainable value chains and provide non-timber forest products alternatives for diversified and sustainable livelihoods for Indigenous Peoples and Local Communities. This involves assessing market opportunities to enhance the benefits of these activities, identifying local and international markets that offer better prices for these products, and exploring other products that could benefit from additional value-added processes in their final forms

Barrier V. Inadequate knowledge management and monitoring of sustainable and collaborative forest management at the landscape level.

The causes of this barrier are mentioned below:

- i) Weak inter-institutional actions on forest resource protection/conservation limit opportunities to replicate best practices outside the project intervention areas (government, academics and research centers), as lessons learned are generally not systematized, published and disseminated, In other words, there is a lack of a structured knowledge management process for sustainable forest management and PAs that would facilitate the exchange of experiences and efficient mechanisms for harmonizing and disseminating information to improve the knowledge of communities and local governments to replicate best practices.
- ii) Information, communication and training mechanisms are limited.
- iii) Technical standards and monitoring, control and inspection instruments are inadequate to scientifically evaluate/supervise changes in the sustainable management of IFLs.
- iv) At the territorial level, the challenges are more complex; there is limited knowledge among local communities, Indigenous Peoples and even among government technicians to carry out sustainable forest management and improve livelihoods, thus representing a barrier to actions aimed at a true collaborative management of the Darien. Indigenous Peoples and rural communities and local authorities are not sufficiently aware of the effects of unsustainable forest management and even less so at the landscape level. In addition, current extension mechanisms do not enable producers and their communities to be an integral part of decision-making on land-use planning, which limits opportunities to adopt good sustainable forest management practices and makes it difficult for men and women to identify and strengthen low-emission value chains. The Government promotes forestry exploitation and management programs through the country's legal framework. A technical assistance program (forestry extension) is still missing for Indigenous Peoples, Afro-Descendants and Local Communities in a comprehensive manner (forest management, monitoring, value chains, markets and prices).

A.5 Baseline Scenario

In the baseline scenario, management of protected areas, indigenous territories, private reserves and community forests in the Darien region will continue to be carried out independently, without collaboration between land/resource managers and without consideration of the connection of key ecosystems, including IFLs. In addition, protection models will continue to be limited to traditional formal protected areas with a low management capacity, without mechanisms to integrate private reserves or other OECMs into the government's protection framework and approach. In indigenous territories, the lack of livelihood alternatives and access to markets and value-added opportunities for sustainably managed / harvested agricultural and forestry products will continue to force the use of unsustainable approaches that may result in environmental degradation. Finally, monitoring of forest ecosystem conditions and services will remain extremely limited.

The current baseline scenario in the Darien region is characterized by a series of environmental and socioeconomic challenges that contribute to the degradation of its ecosystems and negatively to climate change adaptation. The region's business-as-usual practices result in a series of practices and activities that reinforce the drivers of environmental degradation. These include illegal deforestation and the expansion of the agricultural frontier and land use changes, driven by the demand for land for agriculture and cattle ranching. In addition, illegal mining and indiscriminate logging for timber extraction also contribute to biodiversity loss and forest degradation in Darien.

Existing efforts and their limitations:

- Actions carried out to address the problems of the four protected areas. Support from the State Budget for the four protected areas (although it is low, we are not starting from scratch)
- Support from the Natura Foundation Trust. Foundation for the Conservation of Natural Resources Fundación Natura- with the exchange of debt for nature in the Darién National Park.
- A cooperation agreement between the Private Reserves Network and the Memorandum of Understanding (MoE) on research, ecotourism, forest conservation and biodiversity. Baseline work of the Ministry of Environment (MiAmbiente) in the Chepigana Forest Reserve (RFCh), and of the National Association for the Conservation of Nature (ANCON).

Actions to address the problems of land use change and illegal logging of the forest outside protected areas in the Darién Region:

- Advances and limitations of Payments for ecosystem services under Law 69 of 2017.
- Advances and limitations of the forest traceability and control system, as well as to indicate the traceability of commercial plantations. The activities that are currently being carried out with the traceability project, for example, communication campaign on forest management, the impact on conservation, the promotion of the network for legal wood to promote responsible and fair trade.
- The government promotes forestry exploitation and management programs through the legal framework, however, there is a lack of a technical assistance program (forestry extension) for indigenous, Afro-Descendants and peasant communities in a comprehensive manner (establishment, management, monitoring, supply chains). value, markets and prices).
- There is a baseline of the actions of the National Association of Reforesters and Related Workers of Panama (ANARAP) in the Darién Region.

Baseline initiatives and investments in the Darien Forest landscape of Panama:

- **Public budget:** the Government of Panama allocates USD 460,000 /yr to support the 4 protected areas (Darién National Park, the Chepigana Forest Reserve, the Filo del Tallo Hydrological Reserve and the Serranía del Darién Hydrological Reserve) where the project will be implemented. However, a financing gap analysis of the targeted protected areas (USD 10 million ANCON- TNC 2011) found that the allocation of public resources is insufficient to address the problems faced by these areas, including the absence of a financial strategy to support the PA management. The GEF project will update this gap analysis and propose financial alternatives to reduce the current gap, in an inclusive and gender-sensitive manner.
- **Trust Funds:** The Natura Foundation Trust of the Foundation for the Conservation of Natural Resources Fundación Natura [\[12\]¹⁹](#), is supporting debt-for-nature swaps in the Darien National Park since 2004, and in the coming five years, for an amount of USD 400,000.
- **Private sector and philanthropies investments:** A cooperation agreement between the Private Reserves Network and MiAmbiente was signed. In addition, a Memorandum of Understanding (MoU) [\[29\]²⁰](#) on research, ecotourism, forest conservation and biodiversity was signed between MiAMBIENTE and the National Tourism Chamber (CAMTUR)
- The National Association for the Conservation of Nature (ANCON) is investing in training in forestry, protected areas and wildlife legislation, training local promoters in sustainable management of forests, including exploitation techniques low impact, establishment and maintenance of nurseries, farms comprehensive agroforestry, environmental education. The National Association of Reforesters and

Related Workers of Panama (ANARAP)^{[30]²¹} are doing in commercial plantations, Sustainable Timbers nursery in Metetí where the genetic development of clones is carried out and training in sustainable management of forests in the Darién Region.

- **Policies & regulations:** the GoP has put in place a set of actions to address land use change and illegal logging of the forests outside protected areas in the Darién Region. The most important have been:
 - ✓ **Law 69 of 2017:** Advances and limitations of the payments for ecosystem services.
 - ✓ The **National Forest Traceability and Control System, which** is a project implemented by MiAMBIENTE funded by the US Forest Service, also regulates the traceability of commercial plantations. In this context, the project^{[31]²²} is supporting a communication campaign on forest management, the impact on conservation, and is promoting a legal wood network based on responsible and fair trade.
 - ✓ **National forestry exploitation and management programs**, promoted through the country's legal framework, but without a technical assistance program (forestry extension) for Indigenous Peoples, Afro-Descendants and peasant communities. There is a need of such technical assistance in a comprehensive manner (establishment, management, monitoring, supply chains, value, markets and prices).
 - ✓ MiAMBIENTE is also supporting the development and approval of the forest management plan and granting concessions for community use in the Chepigana Forest Reserve (RFCh).

These activities are exacerbated by the lack of effective implementation of public policies on forests and biodiversity in Panama, although the existence of national laws and regulations, and by the lack of effective participation of local communities and indigenous people in decision-making and the external pressures they face such as deforestation, illegal mining, and the expansion of the agricultural frontier.

Moreover, The Gender analysis and the Gender Action Plan (GAP) prepared during project preparation, identified the following gender gaps in the project intervention areas:

- Social inequity and economic exclusion of the most vulnerable population (including women and rural youth with limited access to productive and financial resources, markets, knowledge and technological innovations).
- The lack of recognition of women's contribution to rural activities, the burden of domestic and care tasks without support from the state or their families, as well as the limited institutional response oriented

towards women as producers and managers of the environment and climate interfere with their performance, productivity and participation in conservation and sustainable management of natural resources.

- Social and economic gender inequity in terms of access to resources and capacity building in production, marketing, technological innovation, organization and management of enterprises, for example, to develop productive and/or commercial activities.
- Lack of knowledge about the roles and needs of the direct benefits of the project, identified and defined by gender, in order to follow up and report on the impact of the project on men and women.
- Lack of awareness of stakeholders on the importance of gender equity for the achievement of the project's objectives to empower, recognize, capitalize and strengthen men and women who will be direct beneficiaries.

The project contributes to reducing the three gaps prioritized by the GEF: a) closing gender gaps in access to and control over natural resources; b) improving women's participation and decision-making; and c) generating socio-economic benefits or services for women.

[3] Republic of Panama. Ministry of Environment. Directorate of Environmental Information. 2020. Diagnosis on the Coverage of Forests and Other Wooded Lands of Panama, 2019. Resolution N° DM 285-2020. Gaceta Oficial Digital, Friday, October 09, 2020. <https://www.sinia.gob.pa/index.php/documentacion>

[4] Ministry of Environment. Republic of Panama. 2021. SECOND BIENNIAL UPDATE REPORT (2IBApa). UNDP. https://dcc.MiAMBIENTE.gob.pa/wp-content/uploads/2021/07/Segundo_Informe_Bienal_de_Actualizacion_reduce.pdf

[5] Representative Concentration Trajectories

[6] https://dcc.MiAMBIENTE.gob.pa/wp-content/uploads/2021/07/Tercera_comunicacion_nacional_sobre_cambio_climatico_reduce.pdf

[7] Final Report of the Panama Forest Cover and Land Use Map 2021. https://www.gacetaoficial.gob.pa/pdfTemp/29591_A/92835.pdf

[8] Timber harvesting generated US\$358.1 million in 2020, with the largest volume coming from the Darien region.

[9] Stop illegal timber in the Darien rainforest <https://www.fao.org/panama/programas-y-proyectos/historias-de-exito/alto-a-la-madera-ilegal-en-la-selva-del-darien/en/>

[10] Own elaboration based on data from the National Environmental Information System (SINIA) of the Ministry of Environment.

[11] Herrera, Bernal. 2024. Analysis of the management effectiveness of four protected areas in the Darien region. Project - Critical forest biomes of Panama: collaborative conservation of the Darien.

[12] https://www.theFMAM.org/sites/default/files/documents/2022-10/LatAmIPWorkshop_Focal_Areas_IPs_20221025_SP.pdf

[13] For further details of the regulatory and policy framework that applies to this project, see Annex B.

[14] 'Veedurías forestales' in Spanish. Resolution No. DM-0210-2010, of June 20, 2019.

[15] Decrees 129 and 21

[16] Resolution DM-0612-2019

[17] Panama's National Environmental Strategy 2021-2031

[18] Executive Decree No. 137 of May 21, 2021

[19] MyEnvironment 2020. Panama nationally determined contribution (CDN1). First update. <https://unfccc.int/sites/default/files/NDC/2022-06/CDN1%20Actualizada%20Rep%C3%ABlica%20de%20Panam%C3%A1.pdf>

[20] <https://reservasnaturalespanama.org/about/#Objetivo>

[21] The Ministry of the Environment is developing a national registry of private reserves with basic conservation criteria that will be considered OECMs. Specific criteria are expected to be identified for inclusion in indigenous community forestry management areas to be considered as an OEMC or similar figure with biodiversity conservation measures.

[22] According to Panama's Law No. 37, which regulates the consultation and free, prior and informed consent of indigenous peoples, the following are regulated by law

[23] Until FPIC is completed, the project will not develop activities in the territory of the Guna de Wargandi Comarca.

[24] <https://www.fao.org/policy-support/tools-and-publications/resources-details/en/c/1026868/>

[25] Some of the companies associated with ARANAP are: Agroforestal Darien, Forest Future, Forest Finance, Geo Forestry, Teak GKM, United Nature, For wood Forestry Panama, Darien Reforestation Plant, Apical Reforestation, PAW, EcoWood Panama Services, GMO, Ecotopiateak. These companies are engaged in commercial teak reforestation, and although they are FSC certified for forest management, not all of them have CoC certification to market under the FSC seal, so most of them export without the FSC seal and through intermediaries.

[26] It is estimated that 20% of the harvestable volume remains as waste because it does not qualify for export. This volume can enter the primary and secondary processing industry and reduce pressure on the native forest.

[27] www.bpmesoamerica.org

[28] <https://naturapanama.org/wp-content/uploads/2023/07/Sistematizacion-Fondo-Darien.pdf>

<https://miambiente.gob.pa/presentan-sistematizacion-de-parques-nacionales-darien-y-chagres-y-guia-de-buenas-practicas-en-manejo-de-fondos-ambientales/>

<https://gestiontransparentepanama.mef.gob.pa/perfilInstitucion?codInstitucion=27-0&annio=2024>

[29] [https://www.itto.int/files/itto_project_db_input/2927/competition/Informe%20Tecnico%20Final%20PD%20482-07%20\(F\).pdf?v=1709397767](https://www.itto.int/files/itto_project_db_input/2927/competition/Informe%20Tecnico%20Final%20PD%20482-07%20(F).pdf?v=1709397767)

[30] https://difor.miambiente.gob.pa/?_gl=1%2A1kdix2n%2A_ga%2ANzEyMDgxMzIzLjE3MjJkxODk0MDA.%2A_ga_WTEHS6DF5F%2AMTcyOTE5NTkyNS4yLjEuMTcyOTE5Njc1NS4wLjAuMA..

[31] https://difor.miambiente.gob.pa/?_gl=1%2A1kdix2n%2A_ga%2ANzEyMDgxMzIzLjE3MjJkxODk0MDA.%2A_ga_WTEHS6DF5F%2AMTcyOTE5NTkyNS4yLjEuMTcyOTE5Njc1NS4wLjAuMA..

B. CHILD PROJECT DESCRIPTION

This section asks for a theory of change as part of a joined-up description of the project as a whole, including how it addresses priorities related to the specific program, and how it will benefit from the coordination platform. The project description is expected to cover the key elements of good project design in an integrated way. It is also expected to meet the GEF's policy requirements on gender, stakeholders, private sector, and knowledge management and learning (see section D). This section should be a narrative that reads like a joined-up story and not independent elements that answer the guiding questions contained in the guidance document. (Approximately 3-5 pages) see guidance here

B.1 Theory of Change

The theory of change underlying this project can be summarized in Figure 3. The lower part of the diagram begins with the barriers that serve as the basis for the project's outputs.

The expected outcomes of these outputs represent a scenario in which these barriers have been addressed and mitigated, with institutional arrangements, policies, capacities and resources to gradually foster and strengthen the sustainable management of Darien's critical forest landscapes. Thus, all the capacities, skills, incentives and enabling conditions necessary for collaborative conservation in the Darien will be consolidated, promoting positive outcomes for nature at the global level.

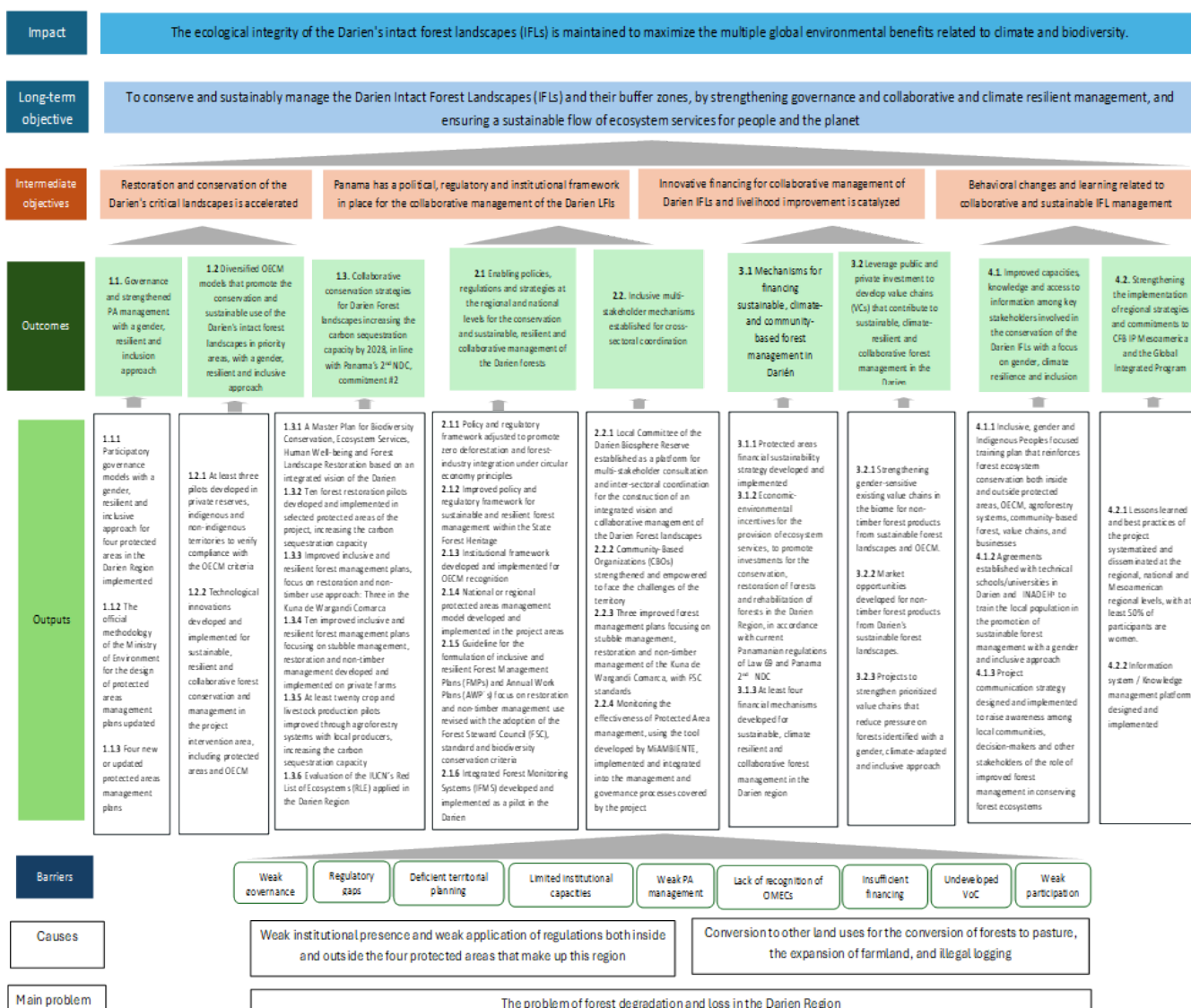


Figure 3: Theory of Change Diagram

Theory of Change: description and assumptions

In this sense, the statement of objectives has been developed as follows: If the governance and territorial planning of the Darien is improved with the protagonist participation of the communities, regulatory frameworks are strengthened, institutional capacities are strengthened and financing is catalyzed to promote sustainable forest management and improve the management of protected areas, then Panama will be able to halt the processes of deforestation and degradation of the Darien's intact forests, ensuring a sustainable flow of ecosystem services for people and the planet, because strategic frameworks and public-private partnerships will have been adequately designed and integrated at the landscape level for the collaborative conservation of the Darien.

The problem of forest degradation and loss in the Darién Region meant an annual net loss of 2,973 hectares of forest between 2012 and 2021; greatly affecting forest health and ecosystem services in the project intervention area. The direct causes identified during the formulation of the project are in order of priority: first, the conversion to other land uses and, second, the degradation of the forest in the four protected areas that make up this region. Illegal logging represents 38% of the wood harvested at the national level and is especially intense in the Darién region, with a pattern in the spatial context that corresponds to more aggregated and centralized deforestation processes in more consolidated blocks. Among the underlying causes are the conversion of forests to pasture, the expansion of cropland and illegal logging. Areas such as the Filo del Tallo-Canglón Hydrological Reserve, the Garachiné region, Metetí, Santa Fé, Río Congo and, to a lesser extent, the areas of Yaviza, Río Iglesias and Cucunatí, are under constant pressure, mainly due to the advance of the agricultural frontier and illegal timber extraction.

Regarding Protected Areas (PAs), an analysis of the management effectiveness of four protected areas in the Darién region, using the Management Effectiveness Monitoring Tool (METT), used for this purpose by the GEF, showed that there are important deficiencies in its management. Gaps were detected, to a greater or lesser extent, in management capacity (personnel, financial resources, planning), social participation, benefit distribution and governance. Therefore, it is possible that the management objectives of these protected areas are not being met and that there is a significant risk that the ecological integrity of the forest ecosystem and biodiversity in general will be compromised in the medium and long term, particularly in the cases of the Chepigana Forest Reserve, the Filo del Tallo Hydrological Reserve and the Serranía del Darién Hydrological Reserve, where

biodiversity conservation actions are practically absent or scarce and isolated. Refer to Section A.4 for an in-depth analysis of the barriers.

The achievement of the project Outcomes, objectives and impact is based on the following assumptions that must be met:

- **Political support at the national and provincial levels to achieve sustainable management of the Darien's IFLs.**
- **Free Prior and Informed Consent granted by the Comarca Kuna de Wargandi to develop activities in their territories.**
- **Civil society with availability to carry out the project's actions.**
- **Protected Areas staffed to implement management plans. The assumption that the protected areas have personnel to implement management plans is based on the commitment of Miambiente through the co-financing indicated for the project as well as the projection of future allocations in the general budget of the State from 2025 to 2029 in the program of protected areas and biodiversity and in the expected results of the project through product 3.1.1 Financial sustainability strategy for protected areas developed and implemented.**
- **Marking opportunities for strengthening existing value chains in the biome for non-timber products.**

Overview - Project Description

To address the problems and barriers associated with the management of the Darien's IFLs, the project proposes a series of approaches to be applied through four interrelated components (Figure 5):

Component [IVGI](#) 1. Conservation and accelerated restoration of critical forest landscapes in the Darien: will strengthen governance, participatory management and compliance with

forest regulations and policies in the region, improve the effectiveness of PA management and the recognition and development of OECMs that promote the conservation and sustainable use of Darien Forest landscapes in prioritized critical areas with a gender, resilient and inclusive approach. This component aims at increasing the carbon sequestration capacity by 2028, in line with Panama's 2nd NDC, commitment #2[32]²³.

Component 2. Policy, regulatory and institutional frameworks enabling sustainable management of the Darien's intact forest landscapes: This component will support the development of regional and national policies, strategies, frameworks and reforms for the conservation and sustainable management of Darien forests and establish inclusive gender sensitive multi-stakeholder mechanisms for cross-sectoral coordination.

Component 3: Innovative financing and investment to expand and strengthen livelihoods: will support the establishment of market/financial mechanisms and capacities that catalyze and facilitate financing, certification and marketing related to sustainable forest management; and will work to increase public and private investment in the value chain of sustainable forest production, including alternatives adapted to the needs of the population in vulnerable conditions (women, youth, Indigenous Peoples among others).

Component 4: Capacity building, knowledge management and coordination with the Critical Forest Biomes IP Mesoamerica, and the Global CFB IP platform, Component 5: Capacity building, knowledge and access to information among key stakeholders involved in the conservation of critical forest landscapes in the Darien; will strengthen regional strategies and commitments with other Mesoamerican IFLs; and will implement project monitoring and evaluation systems.

Project Strategy

The starting point will be a thorough understanding of the importance of conservation and sustainable management of Darien's IFLs. Specifically, the project will help government

and communities appreciate the scale, complexity, costs, benefits and opportunities for collaborative conservation of these important forest landscapes, building on existing work and knowledge, to include linkages with biodiversity, climate change mitigation and adaptation, assessing the different ways in which this could be developed in the future, identifying what would be required to reduce social disparities, especially gender, and how this connects to territorial level decision making. Specifically, the project will have a transformative approach because it will analyze and propose improvements in governance models at the landscape level to adapt to climate change and mitigate its effects (Outcome 1.1 and 1.3), and gain a more precise understanding of the challenges and opportunities for indigenous communities, protected areas, private reserves, among others; mainly through the different pilots that are proposed (Outcome 1.2, 1.3 and 3.1) that will serve to replicate and scale the outcomes in other areas of the Darien itself and even at the national and regional level.

This initial analysis of the critical landscapes of the Darien will serve as a basis for the development and updating of PA management plans (Outcome 1.1), forest management plans focus on restoration and non-timber management in both private farms and PA's at community level (Outcome 1.3), but mainly the establishment of the Local Committee of the Darien Biosphere Reserve (Outcome 2.2), as a platform and multi-stakeholder, multi-level consultative body for citizen participation, but with the particularity of taking into account gender issues and the inclusion of groups in vulnerable conditions and the sustainable development of the IFL.), as a multi-stakeholder and multi-level consultative platform and body for citizen participation, but with the particularity of taking into account gender issues and the inclusion of groups in vulnerable conditions to promote the sustainable development of the Darien IFL.

To overcome many of the identified barriers, the project will improve the enabling conditions necessary to make sustainable management and collaborative conservation in the Darien a reality, where the role of the communities, whether indigenous, Afro-Descendant or other groups, is fundamental to achieve their empowerment and the sustainability of actions beyond the completion of the project; this implies the development or updating of some regulatory instruments at the level of executive decrees (Outcome 2.1), such as the regulations for the recognition of the OECMs, the guide for the formulation of forest management plans and annual operating plans focus on restoration and non-timber management with the adoption of the FSC standard, the regulation of Law 69 on forestry incentives, among others.

The project will also design and implement a forest monitoring mechanism (Outcome 2.1) articulating the Indigenous Peoples' Community Forest Monitoring System with the Forest Oversight Program, the Forest Restoration Monitoring System and the Forest Traceability and Control System. This mechanism will be implemented after securing commitments in the sectors derived from the project, i.e. PAs, indigenous communities, Afro-Descendants and other groups of importance in the region, private reserves and private sector actors and will allow for a better understanding by these actors of the valuation of the ecosystem services of the Darien IFL and the adoption of improved and sustainable practices for long-term forest management.

The project will conceptualize a financial strategy to support PA management and design concrete financial mechanisms for sustainable and collaborative forest management in the Darien region (Outcome 3.1). Other benefits to be established through the project include strengthening value chains with potential within the region and linking them to markets that favor differentiated products (Outcome 3.2).

The project proposes to develop activity 3.1.1.1 Identification of financing gaps for Protected Areas. In this activity, the background of existing financial mechanisms in Panama will be reviewed and analyzed, especially the Fund for the Conservation of the Darién National Park –Darién Fund–, which was established as a Debt Swap by nature. The Foundation for the Conservation of Natural Resources (Natura Foundation) executed and systematized the experience of the Darién Fund. This process ended in 2017 with the Signing of the Natura Foundation and Panama Ecological Trust Donation Agreement (Fideco Fund).

The project strategy would be to take advantage of the opportunities of existing mechanisms such as: The Darién Fund and expand the options to support the management of protected areas in the Darién, with new financial mechanisms derived from the carbon market, biodiversity bonds, for example, to recapitalize and be able to support the financing of conservation activities. Outside of protected areas, we are expected to validate the contribution of the implementation of productive systems based on sustainable forest management through the Reforest Panama fund, created for the implementation of the activities of the Alliance for the Million Hectares Program created by the Law 69 of October 31, 2017.

These mechanisms, that aims at closing financial gaps in the Protected Areas, will also be analyzed within a broader mapping process: Incentive program for forest cover and conservation of natural forests (Law 69 of October 3, 2017), as appropriate, including non-refundable funds from the Reforesta Panamá Fund; Sale of carbon credits; PES (Carbon Credits + Other Environmental Services); Bank financing; Revolving seed funds and Private donations.

The importance of the latter is that it will promote job opportunities for the local population, especially young people and women, but will also reduce pressure on the forests as they will no longer depend on illegal logging for their livelihoods and will reduce economic vulnerability to the negative effects of climate change. The participation of the private business sector is fundamental in this aspect, as it will mean that they will be able to adapt their business models to produce goods and services (including tourism) with a zero-deforestation approach and thus gain access to differentiated national and/or international markets.

Three cross-cutting elements will be key to the success of the project (Outcome 4.1 and 4.2); the first is related to capacity and knowledge building, the second has to do with a strong project communication campaign among the different stakeholders to ensure their participation and long-term ownership of the actions to be implemented and sectoral commitments, and the third is the knowledge and information management structures that will be strengthened to provide the granular data needed to deploy and direct collaborative conservation in the Darien. It is important to mention that although there has been a loss of forest cover due to deforestation in the Darien, this has been counteracted in part by the actions of Indigenous Peoples in their territories where there has even been an increase in forest area; therefore, the project will build on the vision of Indigenous Peoples, such as those of the Kuna de Wargandi Comarca, on forest management in order to replicate it in some way throughout the Darien region.

It is important to note that in the case of the territory of the Comarca Kuna de Wargandi, no actions will be developed until the Free Prior and Informed Consent (FPIC) process is concluded, which began in January 2024 and is expected to conclude during the inception phase of the project, with the approval of the actions by the General Congress of the Comarca.

During the PPG phase, three workshops were held to socialize the project and validate the logical framework with the participation of different stakeholders, including the communities of the Kuna de Wargandi and Embera Gounaan Comarca, as well as field trips to the Darien region to learn about the reality of the forests and gather information from the communities settled in this territory; However, in the case of the Kuna de Wargandi Comarca, even though they expressed their initial support for the project, FPIC process must be fulfilled following the protocol established by the Comarca authorities in order to have the formal approval or rejection of the Wargandi General Congress and the subsequent signing of a Memorandum of Understanding. This process involves the presentation of the project proposal at two Shire General Congresses, the first in April and the second in August 2024. FAO has a person specialized in gender and Indigenous Peoples to ensure the proper development of FPIC, with the support of a person belonging to the community and proposed by the authorities of the Comarca themselves, to lead the process and serve as a translator; in this way, the policy of consultation with Indigenous Peoples of the GEF and FAO will be faithfully complied with.

In summary, in the design of the Project Document progress was made with the stages of induction and consultation with the Indigenous People of the Kuna Comarca of Wargandi and in the first year the FPIC process was completed with the consent stage of the General Congress of Wargandi and the subsequent signing of a Memorandum of Understanding. With this consent, the Indigenous Peoples Plan will be prepared with the activities, time, people responsible and budget. No actions will be implemented in Indigenous Peoples territories before obtaining their explicit consent.

Also, during the implementation of the project, a specialist in social safeguards will be hired who, together with the gender specialist and the aforementioned actors, will guarantee the correct implementation of the FPIC, the involvement of Indigenous Peoples and their perspectives in the development of project's activities and outputs and the construction of the action plan for Indigenous Peoples and including gender perspectives. A specific activity is included in the workplan for the FPIC workshops for the consent stage and allocations have been secured in the budget.

GEF Incremental reasoning

Component 1: Conservation and accelerated restoration of critical forest landscapes in the Darien.

Description: Strengthen governance, management and enforcement of forest rules and policies in the region, improve PA management effectiveness, and recognize and develop OECMs that promote the conservation and sustainable use of the Darien IFL in critical areas prioritized to promote a Model Forest management approach.

The project area is highly vulnerable to climate variability and effects, specifically land use change increases exposure and sensitivity to climate hazards in the Darien region, and targeted local areas (*comarcas*) have been identified as highly vulnerable due to their reduced adaptive capacity. Component 1 responds to this problem/driver of degradation as it aims to strengthen governance and management of protected areas with a focus on increasing adaptation to climate change.

The actions of the gender plan in this component are incorporation of gender equality criteria in the development of governance models for protected areas in the Darien region; pilot projects developed in private reserves, indigenous and non-indigenous territories to comply with OECM criteria, forest restoration pilot projects and forest management plans; that allow for the effective, genuine and equal participation of women and their leadership in decision-making processes; as well as mechanisms to reduce equity gaps between men and women in rural areas.

Also, the actions of the gender plan included the sensitization and empowerment of all stakeholders (Indigenous Peoples, Afro-Descendants communities, peasant communities, pregnant women, children and the elderly) in the areas of Conservation and accelerated restoration of critical forest landscapes in the Darien and gender.

Outcome 1.1. Strengthened PA governance and management with a gender, resilient and inclusive approach.

With GEF financing, Component 1 will help overcome the following barriers:

- 1. Lack of a strategic vision to ensure that the creation of protected areas, inadequate financial support to ensure their management and, and missed objectives of their creation.**
- 2. Low interest, experience and participation of stakeholders in the formulation and implementation of management plans in protected areas.**
- 3. Poor planning related to investments in protected areas.**
- 4. Decision-making based on a political, top-down, command and control approach, which hinders the participation of relevant stakeholders.**

Outcome 1.1 will be achieved through 3 outputs and their activities, as described in the table below:

Output	Output Name	Stakeholders, content and tentative activities
1.1.1	Participatory governance models with a gender, resilient and inclusive approach for four protected areas in the Darien Region implemented.	<p>In the project's region of work, the establishment and promotion of a governance model that reinforces the conservation of the forest ecosystem both inside and outside protected areas would generate the necessary enabling conditions for the effective management of this ecosystem and its associated biodiversity and ensuring adaptation to climate change.</p> <p>Output 1.1.1 will be led by the Darien Biosphere Reserve Local Management Committee, integrated on a voluntary basis by two representatives from each key local stakeholder group: Municipal Authorities, Traditional Authorities of Indigenous Peoples, Agricultural Associations, Community Forestry Associations or Enterprises, ANARAP, Tourism Managers, Artisanal Fishermen Organizations, Public Institutions (MIAMBIENTE, ARAP, ATP, MIDA, INAC, ANATI, MOP), Environmental NGOs.</p> <p>In this sense, the project will review and update the management models of the four protected areas included in this project, defining clear and precise institutional guidelines on the principles and guidelines for the design of planning processes that consider the implementation of actions and involve the following:</p> <ul style="list-style-type: none"> • The minimum necessary staffing with the required capabilities. • Minimum financing required. • Stakeholder participation principles and mechanisms, including those associated with the generation of financial benefits (e.g., co-management), with their respective strengthening plans, designed and established to reinforce PA forest ecosystem conservation.

		<p>The planning process should be led by protected area staff with the support of consultants with expertise in planning methodologies as well as protected area governance issues. Stakeholders should be an integral part of this planning process, such as indigenous communities and other local groups).</p> <p><u>Main activities planned</u></p> <p>1.1.1.1 Four participatory workshops to review and update the management models of the four protected areas.</p> <p>1.1.1.2 Participatory meetings in every protected area led by protected area staff with the support of consultants with expertise in planning methodologies as well as protected area governance issues, including indigenous communities and other local groups.</p> <p>1.1.1.3 Models proposals documents developed for every PA</p> <p>1.1.1.4 Implementation of Free Prior and Informed Consent</p>
1.1.2	<p>The official methodology of the Ministry of Environment for the design of protected areas management plans updated.</p>	<p>Output 1.1.2 will be under the responsibility of MiAMBIENTE and will be consulted with the stakeholders integrated in the Management Committee of the Darien Biosphere Reserve.</p> <p>The methodology for the design of management plans should be updated to integrate the best international standards (https://conservationstandards.org/about/) so that the formulation process is simplified and results-oriented, integrating technical components related to the quality of governance developed in other methodologies (e.g. Franks and Booker 2019). Franks and Booker 2019)^[33]; it should also include the participation of women and youth, as well as the collection of information divided by sex and age groups.</p> <p>This output will be done once output 2.1.4 'PA management model at national or regional level developed and implemented in the project region' has been achieved.</p> <p><u>Main activities planned</u></p> <p>1.1.2.1 Revision of the methodology.</p>

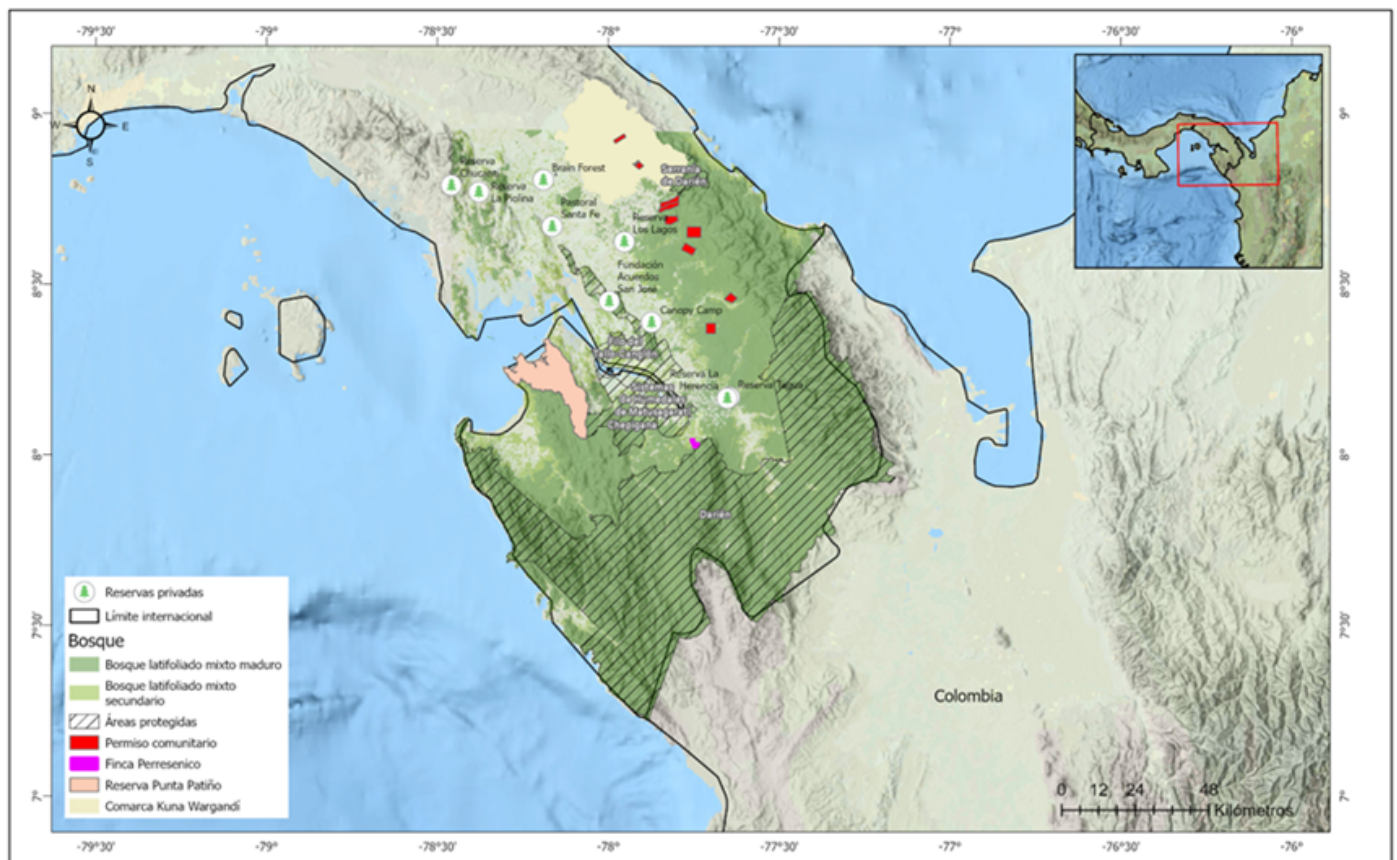
		<p>1.1.2.2 Inter-sectoral meetings for the discussion of possible areas for improvement in the methodology.</p> <p>1.1.2.3 Workshop for validation of the improved methodology proposal</p> <p>1.1.2.4 Improved methodology in place.</p>
1.1.3	Four new or updated protected areas management plans	<p>With the updated methodology according to Product 1.1.2, new management plans will be updated and prepared. This process should be designed to integrate stakeholders into the planning process and should be aligned with the governance model designed (Output 1.1.1). During the process of developing and updating management plans, the projects through the gender expert ensures that, indigenous women and women-led Community Based Organizations are actively engaged and their perspectives are taken into consideration.</p> <p>This output will be under the responsibility of MiAMBIENTE and will be consulted with the stakeholders integrated in the Management Committee of the Darien Biosphere Reserve.</p> <p><u>Main activities planned</u></p> <p>-</p> <p>1.1.3.1 Selection process and contracting of a consulting firm to update PA management plans.</p> <p>1.1.3.2 Revision of the management plans.</p> <p>1.1.3.3 Four participatory workshops to review and update the management plans.</p> <p>1.1.3.4 Proposals for the improvement of the management’s plans presented.</p>

Outcome 1.2. Diversified OECMs models that promote conservation and sustainable use of Darien IFLs in priority areas, with a gender, resilient and inclusive approach

Description: For the purposes of the project, four management figures have been identified that have the potential to be recognized as OECMs, according to the results of the detailed legal analysis in Herrera-F and Cabrera-M (2023):

- a) Indigenous regions
- b) Private reserves
- c) Areas under forest management and conservation in indigenous territories
- d) Forest management on private farms.

In total, the project could support the recognition of about 133,678 ha; however, it is possible that this figure could be higher if data from other private reserves and indigenous territories that have the potential to be recognized as OECMs are included. Figure 4 shows the distribution in the project area of interest (AIP), including these other private reserves.



Bosque latifoliado en los sitios con Permisos comunitarios y Áreas Protegidas en el área de interés del proyecto, Panamá

Este mapa fue elaborado como parte del Proyecto Análisis de amenazas, del Darién en Panamá.

Fuente: Dirección de Recursos Forestales (dF), Ministerio de Ambiente de Panamá - MAAmbiente, 2021.
Eri, CGIAR, USGS; Sources: Eri, USGS; Eri, USGS.
Elaboración: Oscar Chacón Ch, Febrero, 2024

Figure 4: Potential OECMs in the project area of interest

General Outcome Activities:

Technical specifications and contracting processes: This deliverable captures the technical inputs and work to be performed by the project team for the procurement processes required for this deliverable. It includes activities such as identification of minimum requirements, scope of work, response to technical queries from participating entities and evaluation of proposals. The terms of reference (including scope of work, key deliverables, team composition and minimum requirements) will be developed based on the indicative terms of reference presented in Annex L of this document. The actual procurement process will be carried out by the Executing Agency's procurement unit.

Outcome 1.2 will be achieved through 2 outputs and their activities, as described in the table below:

Output	Output Name	Stakeholders, content and tentative activities
1.2.1	At least three pilots developed in private reserves, indigenous and non-indigenous territories to verify compliance with the OECM criteria	<p>The Ministry of the Environment will coordinate the implementation of this product by coordinating with stakeholders including private reserves, indigenous organizations, and agencies such as ANCON, that accept and meet the criteria for the piloting of OECMs.</p> <p>The Kuna de Wargandi region, some private reserves and farms for forest management were defined as priority intervention sites.</p> <p>In the first year of the project, at least 10 private nature reserves will be prioritized, including the Punta Patiño Reserve, managed by ANCON, which would be part of the potential OECMs.</p> <p>A detailed analysis of the criteria that must be met to be recognized as OECM will be conducted, implementing the methodology proposed by Herrera-F and Courrau (2023)^[34].</p> <p>A management plan will be formulated according to the regulations of the Kuna de Wargandi comarca, integrating, to the extent possible and after consultation, the results of the evaluation of the above-mentioned criteria of the OECMs.</p> <p>On private farms, priority will be given to the development and implementation of management plans. This will be done using the guidelines for the formulation of these plans, incorporating new criteria</p>

		<p>to ensure biodiversity conservation, as mentioned above. The plans should also integrate recommendations for compliance with the OECMs.</p> <p><u>Main activities planned</u></p> <p>1.2.1.1 Conduct field visits.</p> <p>1.2.1.2 Local meetings to exchange with local authorities and beneficiaries.</p> <p>1.2.1.3 Pilots design proposals presented and implemented.</p>
1.2.2	<p>Technological innovations developed and implemented for sustainable, resilient and collaborative forest conservation and management in the project intervention area, including protected areas and OECM</p>	<p>At least 2 pilots will be developed for the integration of new technology for the management, threat control and monitoring of protected areas, integrating community support groups (e.g. Earth Ranger software for protected area management, use of mobile applications, among others).</p> <p>Community groups that carry out forest management in the Kuna de Wargandi Comarca and the Chepigana Forest Reserve will be provided with Starlink technology for roaming internet, thus facilitating their access to the Forest Traceability and Control System (STCF) and improving their linkage with the market. This technology will also facilitate their connection to receive expedited technical assistance from both DIFOR / MIAMBIENTE and the forestry regent.</p> <p>For community forest monitoring, 10 community and/or civil society groups will be equipped with drones, personal computers and free software such as QGIS, to strengthen the Integrated Forest Monitoring System.</p> <p>Including women and other groups in vulnerable conditions It refers to mobile applications (Apps) for community monitoring, monitoring of forest and climate variables, among others.</p> <p><u>Main activities planned</u></p> <p>-</p> <p>1.2.2.1 Technical workshops and meetings for socializing the environmental management tools.</p> <p>1.2.2.2 Legal diagnosis and technical analysis of OMEC, led by Miambiente</p>

		<p>1.2.2.3 Inter-institutional workshops and meetings, governance structures to identify OMEC.</p> <p>1.2.2.4 Inter-institutional workshops and meetings for discussion and validation of biodiversity criteria for OMECs.</p>
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Outcome 1.3. Collaborative sustainable management strategies for Darien Forest landscapes, increasing the carbon sequestration capacity by 2028, in line with Panama 2nd NDC, commitment #2

Description: This outcome involves direct actions in the territories with the participation of Indigenous Peoples, Afro-Descendants communities, agricultural producers, private companies, among others; however, it requires starting with a territorial management plan or master plan for biodiversity conservation that holistically integrates the different elements of the IFLs of Darien, including PAs, but especially the spatial analysis of the causes of deforestation, and improving climate resilience. A forest landscape restoration target of 5,053 ha of pilot of agroforestry and silvopastoral systems (SAF) and 186,291.10 ha under sustainable management (OMECs and forest concessions areas), are planned,

General Outcome Activities:

- ***Technical specifications and contracting processes:*** This deliverable captures the technical inputs and work to be performed by the project team for the procurement processes required for this deliverable. It includes activities such as identification of minimum requirements, scope of work, response to technical queries from participating entities and evaluation of proposals. The terms of reference (including scope of work, key deliverables, team composition and minimum requirements) will be developed based on the indicative terms of reference presented in Annex L of this document. The actual procurement process will be carried out by the Executing Agency's procurement unit.

Outcome 1.3 will be achieved through 6 outputs and their activities, as described in the table below:

Output	Output Name	Stakeholders, Content and tentative activities
1.3.1	A Master Plan for Biodiversity Conservation, Ecosystem Services, Human Well-being and Forest Landscape Restoration based on an integrated vision of the Darien	<p>Under the leadership of the Darien Biosphere Reserve Local Management Committee, an advisory committee will be convened and the Darien Forest landscape restoration plan will be formulated, using the Restoration Opportunities Assessment Methodology (ROAM) developed by IUCN and WRI (2014)^[35]. During the process of formulation of the Master Plan and the successful implementation of this output, the projects through the gender expert ensures that, indigenous women and women-led Community Based Organizations are actively engaged and their perspectives are taken into consideration.</p> <p><u>Main activities planned</u></p> <p>1.3.1.1 Technical meetings to discuss and design a master plan proposal.</p> <p>1.3.1.2 National inter-sectorial workshop to present and improve the master plan proposal.</p> <p>1.3.1.3 A Master Plan Proposal document presented for the Approval by national and local authorities.</p>
1.3.2	Ten forest restoration pilots developed and being implemented in selected protected areas of the project, increasing the carbon sequestration capacity	<p>The Natura Fund has been selected to support MIAMBIENTE in the co-execution of the project activities, under the supervision of MIAMBIENTE.</p> <p>The budget planned to execute output 1.3.2 will be carried out according to the Darién Forest landscape restoration plan, which has a goal of 5,000 hectares that will be restored through partnerships with traditional agricultural and/or livestock producers:</p> <p>1,500 ha within the PA that MiAMBIENTE will restore through agreements with land owners;</p> <p>800 ha in indigenous territories that will be restored by the indigenous communities; and</p> <p>2,700 ha in buffer zones and other critical areas that will be restored with local producers.</p>

		<p>The project will provide technical assistance and the necessary inputs to the communities and stakeholders and, to the extent possible, will encourage the participation of women and young people in restoration activities. It is also expected that Miambiente/Fondo Natura will hire a Community-Based Organization or local NGO to support the logistics for restoration activities during the 5 years.</p> <p><u>Main activities planned</u></p> <p>-</p> <p>1.3.2.1 Elaboration of gender-sensitive terms of reference and contracting process for forest landscape restoration company.</p> <p>1.3.2.2 Identification and selection of sites for forest landscape restoration in partnership with local stakeholders, with inclusive and gender-sensitive approaches.</p> <p>1.3.2.3 Pilot projects proposals developed and presented.</p> <p>1.3.2.4 Pilots implemented in the field.</p>
1.3.3	Improved forest inclusive and resilient management plans, focus on restoration and non-timber use approach: Three in the Kuna de Wargandi Comarca.	<p>Support will be provided for the revision and updating of four forest management plans focus on stubble management, restoration and non-timber management in force in the project's area of influence: three plans in the communities of the Kuna de Wargandi Comarca.</p> <p>Implementation will be coordinated with stakeholders such as Authorities of the Comarca Kuna de Wargandi (including a General Congress, a Regional Congress and a Local Congress) and the National Reforestation Association (ANARAP).</p> <p>During the process of developing and updating management plans, the projects through the gender expert ensures that, indigenous women and women-led Community Based Organizations are actively engaged and their perspectives are taken into consideration.</p> <p><u>Main activities planned</u></p>

		<p>-</p> <p>1.3.3.1 Revision of management plan for the selected sites focus on restoration and non-timber management approach and restoration activities.</p> <p>1.3.3.2 Preparation and submission to Miambiente of management plan proposals.</p> <p>1.3.3.3 Management activities implemented in the field.</p> <p>1.3.3.4 Monitoring of the expected impact in the field.</p>
1.3.4	<p>Ten improved inclusive and resilient forest management plans focusing on stubble management, restoration and non-timber management developed and monitoring on private farms</p>	<p>Formulation of ten (10) improved forest management plans focusing on stubble management, restoration and non-timber management developed and implemented on private farms.</p> <p>Necessary activities include forest inventories, participatory formulation of improved management plans and monitoring.</p> <p>It will be coordinated with stakeholders such as private farms and with the National Association of Reforesters and Allied of Panama (ANARAP).</p> <p>During the process of developing and updating management plans, the projects through the gender expert ensures that, indigenous women and women-led Community Based Organizations are actively engaged and their perspectives are taken into consideration.</p> <p><u>Main activities planned</u></p> <p>-</p> <p>1.3.4.1 Identification and selection of private farms for the improvement of forest management plans focus on restoration and non-timber management.</p> <p>1.3.4.2 Management plan proposals developed and presented to Miambiente.</p> <p>1.3.4.3 Monitoring plans in the field.</p>

1.3.5	At least twenty crop and livestock production pilots improved through agroforestry systems with local producers, increasing the carbon sequestration capacity	<p>As part of the implementation of the Darien Forest landscape restoration plan, through alliances with traditional agricultural and/or livestock producers, twenty (20) improved production pilots will be established with plantain silvo-agricultural systems and the introduction of bitter cedar tree components, silvopastoral systems with the introduction of a tree component in pastures and/or enrichment of secondary growth forests with fast-growing timber species (bitter cedar).</p> <p>The project through Miambiente and MIDA will support communities and stakeholders with technical assistance and the provision of necessary inputs and encourage the participation of women and youth wherever possible.</p> <p><u>Main activities planned</u></p> <p>1.3.5.1 Identification and selection of sites for the development of pilot projects to improve agricultural production systems.</p> <p>1.3.5.2 Pilot projects proposals developed and presented to MIDA and MiAmbiente.</p> <p>1.3.5.3 Pilots implemented in the field.</p>
1.3.6	Evaluation of the Red List of Ecosystems (RLE) applied in the Darien Region	<p>The Red List of Ecosystems (RLE) is a global standard for assessing ecosystem risk (assessment of risk of collapse). This standard allows the identification of common symptoms (both spatial and functional) to understand the level of risk faced by a certain ecosystem, such as those present in the Darien region.</p> <p>Training and technical advice local technical team (training course) is expected as part of this output and also the preparation of information and application of criteria: includes the definition of ecosystem boundaries, hazard analysis, and application of the tool's criteria.</p> <p>Under the leadership of the Darien Biosphere Reserve Local Management Committee and national and international experts with experience in the use of this instrument should be hired to support the Project Unit team.</p>

		<p><u>Main activities planned</u></p> <p>1.3.6.1 Elaboration of terms of reference and contracting of consultant</p> <p>1.3.6.2 Technical meetings to discuss and review the RLE in Darien.</p> <p>1.3.6.3 Inter-institutional workshops and meetings for discussion and to establish criteria for the application of the RLE in the Darien region.</p> <p>1.3.6.4 Technical recommendation developed and presented for the application of the RLC in the Darien region</p>
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Component 2: Enabling policy, regulatory and institutional frameworks for the sustainable management of Darién's IFLs

Description: Support the development of regional and national policies, strategies, frameworks and reforms for the conservation and sustainable management of Darien forests and establish inclusive multi-stakeholder mechanisms for cross-sectoral coordination.

The actions of the gender plan in this component are that the design and updating of political, regulatory and institutional frameworks conducive to the sustainable management of the Darien Forest landscapes, consider the special conditions of women producers and workers in the sector, ensuring their integration and benefit sharing.

Also, create the conditions for women and men to participate on equal terms in the Local Committee of the Darien Biosphere Reserve as a platform for multisectoral consultation and intersectoral coordination for the construction of an integrated vision and collaborative management of the landscapes of the Darien Rainforest. Carry out awareness-raising, capacity-building and technical assistance activities to strengthen and train community-based organizations.

Outcome 2.1. Enabling policies, regulations and strategies at the regional and national levels for the conservation and sustainable, resilient and collaborative management of the Darien forests.

Description: This outcome aims to fill the legal gaps or the necessary political and legal reforms at the level of decrees that enable sustainable forest management in the Darien region, also seeking that the regulatory instruments that are built are inclusive and equitable with community groups in vulnerable conditions.

General Outcome Activities:

- ***Technical specifications and contracting processes:*** This deliverable captures the technical inputs and work to be performed by the project team for the procurement processes required for this deliverable. It includes activities such as identification of minimum requirements, scope of work, response to technical queries from participating entities and evaluation of proposals. The terms of reference (including scope of work, key deliverables, team composition and minimum requirements) will be developed based on the indicative terms of reference presented in Annex L of this document. The actual procurement process will be carried out by the Executing Agency's procurement unit.

Outcome 2.1 1 will be achieved through 6 outputs and their activities, as described in the table below:

Output	Output Name	Stakeholders, Content and tentative activities
2.1.1	Policy and regulatory framework adjusted to promote zero deforestation and forest-industry integration under circular economy principles.	The project through Miambiente and MIDA will support the review, adaptation and articulation of agricultural and land policies with the forestry policy to promote zero deforestation.

		<p>In addition, review and adaptation of forestry and industry development policy to promote the integration of forest and industry under circular economy principles.</p> <p>The process includes reviewing and preparing proposals for changes to the Forest Law and other lower-level regulations that include forestry exploitation outside areas that currently include mature forest. The objective is to incorporate biodiversity management criteria for the use of non-timber resources in said mature forests that are outside protected areas.</p> <p>Support will be provided for the development of technical roundtables for the participatory review, adaptation and articulation of these policies. Within this support framework, the technical roundtable will carry out an exchange of experiences at the international level to learn about experiences in countries that have adopted zero deforestation policies.</p> <p>Also, with co-financing from Miambiente, support will be provided for capacity building for the integration of the forestry industry under the principles of the circular economy through the construction and use of a new center for sustainable environmental development (CEDESA).</p> <p>Main activities planned</p> <p>2.1.1.1 Assessment of the current regulatory framework to promote zero deforestation.</p> <p>2.1.1.2 PA management model proposal developed and presented.</p> <p>2.1.1.3 PA management model implemented in the field.</p>
2.1.2	Improved policy and regulatory framework for sustainable and resilient forest management within the State Forest Heritage.	Support will be provided for the development of a technical roundtable to review and adapt the policy and regulatory framework for sustainable forest management in State Forest Heritage forests, with the aim of adopting the FSC regional forest management standard for Central America (ERMFR) ^[36] ,

		<p>as a requirement for management plans in State Forest Heritage forests.</p> <p>Support will be provided for the development of technical roundtables for the participatory review and adaptation of the policy and regulatory framework. Within this support framework, the technical roundtable will carry out an international exchange of experiences to learn about the experiences of countries that have adopted the FSC standard for Central America (ERMFR), with co-funding from the International Tropical Timber Organization (ITTO).</p> <p>Also with the support of the technical roundtable, Law No. 69 of 2017 (Forestry Incentives Law) will be regulated in order to ensure that private landowners with forest can benefit from conservation incentives.</p> <p>During the process of improving the policy and regulatory framework, the projects through the gender expert ensures that, indigenous women and women-led Community Based Organizations are actively engaged and their perspectives are taken into consideration.</p> <p><u>Main activities planned</u></p> <p>-</p> <p>2.1.2.1 Participatory workshops and technical meetings conducted to review the policy and regulatory frameworks.</p> <p>2.1.2.2 A draft improved policy document drafted and presented for the consideration of Miambiente.</p> <p>2.1.2.3 Consultation workshop for the validation and endorsement of the Improved policy and regulatory framework for sustainable forest management.</p>
2.1.3	Institutional framework developed and implemented for OECM recognition.	In order for the project's investments to be effective, i.e., for potential CSBMOs to be recognized and reported by the Government of Panama as part of compliance with the biodiversity conservation goals of the Convention on Biological Diversity, it is necessary to develop an official procedure (ministerial resolution) that not only establishes the conceptual framework, criteria and methodology for the process of recognition, registration and reporting of CSBMOs, but also the

		<p>incentives for their management, if any, the ministerial bodies responsible, the evaluation of the criteria, among other aspects. This procedure would give the required formality to the process.</p> <p>The projects through the gender expert ensures that, indigenous women and women-led Community Based Organizations are actively engaged, and their perspectives are taken into consideration, while developing the institutional framework.</p> <p><u>Main activities planned</u></p> <p>-</p> <p>2.1.3.1 National workshops for technical and legal analysis of OECM conducted.</p> <p>2.1.3.2 A Legal diagnosis and technical analysis of OECM prepared.</p> <p>2.1.3.1 OECM proposal prepare and discuss with local authorities for consideration of the government competent institutions.</p>
2.1.4	National or regional protected areas management model developed and implemented in the project areas.	<p>The current PA management model should be updated to define norms and procedures that define the responsibilities and principles for the formulation and implementation of management plans, as well as for the establishment of working alliances with community sectors to promote the appropriation of protected area conservation objectives, not only those related to biodiversity conservation, but also those that improve the living conditions of the region's inhabitants. It should define strategies for community participation and the distribution of benefits in a way that is equitable by gender and respectful of cultural values. It includes the definition of procedures for ecological monitoring and management effectiveness, as well as for the integration of information in management and governance processes.</p> <p>The Ministry of the Environment will coordinate this product with the following interested parties to participate in the Steering Committee, Technical Committee and in specific project activities according to their mandate and experience.</p>

		<p>Under this output, the project shares the results of its analysis with the regional and global platforms of the CFB IP.</p> <p><u>Main activities planned</u></p> <p>-</p> <p>2.1.4.1 Evaluation and review of national and international PA management models, aligned to the CFB IP</p> <p>2.1.4.2 National/ regional PA management model drafted and presented to local and national authorities.</p> <p>2.1.4.3 Management activities resulting from the new management model implemented in the field</p>
2.1.5	<p>Guideline for the formulation of inclusive and resilient Forest Management Plans (FMPs) and Annual Work Plans (AWPs) focus on restoration and non-timber management use revised with the adoption of the Forest Steward Council (FSC), standard and biodiversity conservation criteria.</p>	<p>The Natura Fund has been selected to support MIAMBIENTE in the co-execution of the project activities, under the supervision of MIAMBIENTE.</p> <p>Support will be provided for the development of a technical roundtable for the participatory review and adaptation of the policy and regulatory framework associated with forest management.</p> <p>Moreover, the projects through the gender expert ensures that, indigenous women and women-led Community Based Organizations are actively engaged and their perspectives are taken into consideration, in the formulation of an inclusive and resilient management plan.</p> <p>The technical roundtable will carry out an international exchange of experiences to learn about experiences in countries that have adopted the ERMFR. The results of this process will be shared as part of the contribution to the program (CFB IP).</p> <p><u>Main activities planned</u></p> <p>-</p> <p>2.1.5.1 Revision of the guidelines for the formulation of forest management plans and annual operations plans with the</p>

		<p>adoption of the FSC standard and biodiversity conservation criteria.</p> <p>2.1.5.2 Draft guidance documents developed and presented for discussion.</p> <p>2.1.5.3 Inter-institutional workshops and meetings on the adoption of the FSC standard and biodiversity conservation criteria.</p> <p>2.1.5.4 A guidance technical document presented.</p>
2.1.6	Integrated Forest Monitoring Systems (SIMBOS) developed and implemented as a pilot in the Darien	<p>Development of an Integrated Forest Monitoring System, based on the articulation of the Community Forest Monitoring System of Indigenous Peoples, the Forest Oversight Program, the Forest Restoration Monitoring System and the Forest Traceability and Control System. For the development of SIMBOS, a fundamental prior step is the review of the effectiveness of each of these isolated systems, so that the new system can solve the weaknesses of each one.</p> <p>Support will be provided for a pilot project in the Darién region, which will include the implementation of an operational station capable of receiving, integrating, processing, analyzing, and validating information on deforestation, illegal logging and timber trade, forest fires, and/or wildlife trafficking in the field.</p> <p>The station will be equipped with technical personnel, Starlink technology for roaming internet, high generation drones, computers, GPS and specialized software, and articulated with the station will operate 10 community and/or civil society groups, which will be equipped with Starlink technology for roaming internet, drones, personal computers and free software such as QGIS).</p> <p><u>Main activities planned</u></p> <p>-</p> <p>2.1.6.1 Evaluation of individual forest monitoring systems</p> <p>2.1.6.2 A SIMBOS proposal developed and presented.</p> <p>2.1.6.3 SIMBOS pilot implemented in the field.</p>

Outcome 2.2: Inclusive multi-stakeholder mechanisms established for cross-sectoral coordination.

Description: In Darien, it will be necessary to establish a cross-sectoral, inclusive, multi-stakeholder coordination mechanism to promote collaborative forest management, with a gender and equity approach. This mechanism will facilitate the active participation of diverse stakeholders, including government authorities, local communities, non-governmental organizations and the private sector, with special attention to the equitable representation and participation of women and men. Through dialogue and collaboration, it seeks to integrate traditional knowledge with the best scientific practices to ensure sustainable and equitable forest management in the region. These efforts not only promote the conservation of biodiversity and ecosystem services, but also contribute to the socioeconomic development of local communities, strengthening their capacity to manage and use forest resources responsibly in the Darien.

General Outcome Activities:

- ***Technical specifications and contracting processes:*** This activity captures the technical inputs and work to be performed by the project team for the procurement processes required for this deliverable. It includes activities such as identification of minimum requirements, scope of work, response to technical queries from participating entities and evaluation of proposals. The terms of reference (including scope of work, key deliverables, team composition and minimum requirements) will be developed based on the indicative terms of reference presented in Annex L of this document. The actual procurement process will be carried out by the Executing Agency's procurement unit.

Outcome 2.2 will be achieved through 4 outputs and their activities, as described in the table below:

Output	Output Name	Stakeholders, Content and tentative activities
2.2.1	Local Committee of the Darien Biosphere Reserve established as a platform for multi-stakeholder consultation and inter-sectoral coordination for the construction of an integrated vision and collaborative management of the Darien Forest landscapes.	<p>The Local Management Committee, a coordinator that will promote cooperation and facilitate dialogue among the stakeholders that interact in the Darien Biosphere Reserve (RBD) to promote the sustainable development of the RBD. It will be integrated on a voluntary basis by two representatives from each key local stakeholder group: Municipal Authorities, Traditional Authorities of Indigenous Peoples, Agricultural Associations, Community Forestry Associations or Enterprises, ANARAP, Tourism Managers, Artisanal Fishermen Organizations, Public Institutions (MIAMBIENTE, ARAP, ATP, MIDA, INAC, ANATI, MOP), Environmental NGOs. The Local Management Committee should have a balanced representation of the government sector, civil society, productive sectors, and the ethnic groups of the RBD.</p> <p>After its formal installation, an operating regulation must be formulated and adopted with the fundamental principle of consultation, promotion of dialogue and construction of territorial cohesion.</p> <p>The project will support the development and implementation of operational plans, as well as initiatives to achieve self-management of this committee.</p> <p><u>Main activities planned</u></p> <p>2.2.1.1 Coordination meetings between the different stakeholders that will be part of the Local Committee of the Darien Biosphere Reserve.</p> <p>2.2.1.2 Preparation of a document for the constitution of the Local Committee of the Darien, identifying members, roles and responsibilities, among others.</p> <p>2.2.1.3 Support for the implementation of the dialogue platform.</p>
2.2.2	Community-Based Organizations (CBOs) strengthened and empowered to face the challenges of the territory.	Analyses will be developed for each CBO, and the results will be used to support capacity building with the implementation of a training plan on administrative and technical issues, and basic equipment will be provided, according to the objectives of the CBO and its contribution to the project's objectives. In addition, the implementation of a self-management plan will be promoted to ensure the effective participation of women and young people in decision making.

		<p>The project ensures, through the gender expert, that indigenous women and women-led Community Based Organizations are actively engaged for the successful implementation of this output.</p> <p><u>Main activities planned</u></p> <p>-</p> <p>2.2.2.1 Diagnosis of needs for strengthening CBOs.</p> <p>2.2.2.2 Workshops and training of the CBOs personnel.</p> <p>2.2.2.3 Technical assistance activities implemented in the field.</p>
2.2.3	<p>Three improved forest management plans focusing on stubble management, restoration and non-timber management of the Kuna de Wargandi Comarca, with FSC standards.</p>	<p>In the consultation process carried out with the General Congress of the Kuna de Wargandi Comarca, as part of the FPIC process conducted during PPG phase, the Congress approved the participation of the <i>comarca</i> in the project and inclusion of the of Morti, Wala and Nurra communities. Output 2.2.3 will support the strengthening of traditional multi-cropping systems based on coffee, cocoa, plantain, cassava and yam, complemented native fruit species.</p> <p>The project will support the process of obtaining FSC certification in the framework of the three improved forest management plans of the Kuna de Wargandi Comarca, promoting an alliance between a local organization, the Reforesta Panama Fund, the FSC Indigenous Foundation and FSC Latin America.</p> <p>FSC standards for non-timber forest products are designed to ensure that these products are harvested, processed, and marketed in ways that are sustainable, ethical, and socially responsible. FSC certification for non-timber forest products focuses on promoting sustainable forest management by encouraging the use of forest resources beyond timber, helping maintain forest ecosystems and benefiting local communities.</p> <p>The FSC standard supports that in the use of non-timber forest products and services, a sustainable harvesting level is calculated and met. Sustainable harvest levels are based on the best available information and a combination of technical studies, experience and/or local knowledge, customary rights and culture. Ensuring that Indigenous Peoples are aware of their rights and obligations with respect to the resource; informing Indigenous Peoples about the value of the resource, in economic, social and environmental terms.</p> <p>The project will develop a gradual process, in whose first phase, the induction to the group registry is carried out, with the objective of constituting the group. In the second phase, each member of the group will be evaluated for administrative, technical and operational capabilities, and a pre-evaluation for certification will be applied, resulting in a diagnosis</p>

		<p>and improvement plan, the implementation of which will be monitored. In the third phase, the evaluation for certification will be carried out.</p> <p>The project will support the incorporation process, technical capacity building, implementation of the improvement plan and the evaluation for certification.</p> <p>To reduce certification costs, smallholders can form a group, as group certification makes it easier, especially for smallholders, to obtain FSC certification, since it allows group members an economy of scale, which optimizes production factors, strengthens their bargaining power, enables them to share the workload and reduces the cost of obtaining and maintaining an FSC certificate.</p> <p>Group certification is regulated by standard FSC-STD-30-005, FSC Standard for Group Entities in Forest Management Groups^{[2]24}, which was last updated in 2021.</p> <p><u>Main activities planned</u></p> <p>2.2.3.1 Local workshops with community leaders and participating organizations to discuss and propose FSC certifications in the management plans.</p> <p>2.2.3.2 Reviewed management plans including FSC certifications presented and implemented in the field.</p> <p>2.2.3.3 Final evaluation of the effectiveness of FSC certification in the territory.</p>
2.2.4	Monitoring the effectiveness of Protected Area management, using the tool developed by MiAMBIENTE, implemented and integrated into the management and governance processes covered by the project	<p>The official methodology for evaluating the effectiveness of protected area management will be applied on an annual basis. This should be done on the basis of a baseline, which will be established during the first year of project implementation. Emphasis should be given to monitoring the effectiveness of management and governance components integrated into this project, so that this monitoring will inform on their effectiveness.</p> <p>The Local Management Committee, a coordinator that will promote cooperation and facilitate dialogue among the stakeholders that interact in the Darien Biosphere Reserve (RBD) to promote the sustainable development of the RBD.</p>

		<p><u>Main activities planned</u></p> <p>-</p> <p>2.2.4.1 Training workshops for officials on monitoring and effectiveness of PA management.</p> <p>2.2.4.2 Conduct field monitoring missions.</p> <p>2.2.4.3 Technical report developed on PA management effectiveness, using the MiAMBIENTE tool.</p>
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Component 3: Innovative financing and investment for livelihood expansion and strengthening.

Description: Support the establishment of market/financial mechanisms and capacities to facilitate financing, certification and marketing related to sustainable forest management; and work to increase public and private investment in the sustainable forest production value chain, including alternatives adapted to the needs of vulnerable populations (women, youth, among others).

The actions of the gender plan in this component are identify and manage alternatives and financing mechanisms with inter-institutional or international funds, or those of banking entities with a gender-sensitive orientation, to promote and develop development funds aimed at women's businesses and organizations to generate sustainable development initiatives at the national level.

Component 3 will help overcome the following barriers:

- **Lack of adequate financial resources hindering the implementation of forest conservation and development projects in the Darien. The scarcity of government funds and lack of access to external financing are significant obstacles.**

- Lack of a State policy that prioritizes, promotes financial mechanisms and allocates resources for the effective management of protected areas.
- Competing economic interests, such as agriculture, mining and unsustainable logging, that generate conflicts and hinder conservation and sustainable forest management efforts in the Darién.
- Socioeconomic factors, such as poverty, lack of alternative employment opportunities and lack of access to basic services, that affect the ability of local communities to participate in forest conservation projects and sustainably manage their natural resources.

Outcome 3.1. Mechanisms for financing sustainable, climate- and community-based forest management in Darién

Description: The need to establish mechanisms for financing sustainable and community-based forest management in the Darien is critical to ensure the long-term conservation of the region's valuable natural resources, including the financial sustainability of the Darien's protected areas. These mechanisms are essential to provide the financial resources needed to implement conservation, restoration and sustainable forest management actions in the area. In addition, the establishment of these mechanisms contributes to strengthening the participation and empowerment of local communities in the management of their own natural resources, promoting sustainable development models that respect biodiversity and the rights of indigenous and local populations. By ensuring a continuous flow of funding for sustainable forestry initiatives, it can boost economic growth, improve the quality of life of local communities and protect Darien's unique biodiversity for future generations.

The project area is highly vulnerable to climate variability and effects, specifically land use change increases exposure and sensitivity to climate hazards in the Darien region, and targeted local areas (*comarcas*) have been identified as highly vulnerable due to their reduced adaptive capacity. The outcome 3.1 respond particularly to this problem/driver of degradation as it ensures the long-term conservation of the region's valuable natural resources.

General Outcome Activities:

- **Technical specifications and contracting processes:** This deliverable captures the technical inputs and work to be performed by the project team for the procurement processes required for this deliverable. It includes activities such as identification of minimum requirements, scope of work, response to technical queries from participating entities and evaluation of proposals. The terms of reference (including scope of work, key deliverables, team composition and minimum requirements) will be developed based on the indicative terms of reference presented in Annex L of this document. The actual procurement process will be carried out by the Executing Agency's procurement unit.

Outcome 3.1 will be achieved through 3 outputs and their activities, as described in the table below:

Output	Output Name	Stakeholders, Content and tentative activities
3.1.1	Protected areas financial sustainability strategy developed and implemented.	<p>PAs require minimum funding to achieve their conservation objectives, which implies that an analysis should be made of the minimum components and activities of the management plan that should be prioritized for investment to ensure the integrity of the PA and the biodiversity it contains.</p> <p>The Local Management Committee, a coordinator that will promote cooperation and facilitate dialogue among the stakeholders that interact in the Darien Biosphere Reserve (RBD) to promote the sustainable development of the RBD.</p> <p>This strategy should include complementary resources of:</p> <ul style="list-style-type: none"> • State budget contribution • Charges for access and use (guided hikes, camping and other innovative uses such as night or sunrise tours) • Fees for special use permits for research, education or filming • Sale of carbon credits on the domestic or international market

		<ul style="list-style-type: none"> • Payment for environmental services other than carbon sequestration such as: hydrological services (water canon), erosion control, maintenance and restoration of soil fertility, sustainment and restoration of biodiversity. • Donations and agreements through voluntary work alliances and collaboration of the public, private and educational sectors under the umbrella of carbon neutrality and social-environmental responsibility and research. <p><u>Main activities planned</u></p> <p>-</p> <p>3.1.1.1 Identification of funding gaps for protected areas.</p> <p>3.1.1.2 Identification of financial sources and mechanisms for financing protected areas.</p> <p>3.1.1.3 PA financial sustainability strategy proposal developed and presented.</p> <p>3.1.1.4 PA financial sustainability strategy implemented in the field.</p>
3.1.2	<p>Economic- environmental incentives for the provision of ecosystem services, to promote investments for the conservation, restoration of forests and rehabilitation of forests in the Darien Region, in accordance with current Panamanian regulations of Law 69 and Panama 2nd NDC.</p>	<p>MiAMBIENTE and MIDA will hold workshops to launch the Environmental Incentives in each territory of the Darién Region to socialize with the project beneficiaries.</p> <p>The project will finance the preparation of investment plans (forest management plan or farm plan) in the first year and will support the preparation of contracts with the Reforesta Panamá Fund.</p> <p>The Investment Plans will be executed based on the activities for which incentives will be provided, that is, protection and conservation of natural forests, restoration through induced natural regeneration in protected areas, and outside protected areas, agroforestry or silvopastoral systems, plantations timber and non-timber forests and conservation of forest areas by results. The plans must i) define and quantify the materials, supplies and equipment necessary for restoration actions; ii) carry out diagnoses of the areas to evaluate and establish restoration or conservation</p>

		<p>objectives; iii) select the restoration technique (reforestation, erosion control, watershed management) or conservation iv) plan in detail actions, resources, work plan, as well as define the result indicators, v) apply the comprehensive measurement and monitoring system , reporting and verification designed in the project formulation stage.</p> <p>The criteria for selecting the protagonists are the following:</p> <ul style="list-style-type: none"> • Communities in indigenous territories within prioritized areas to promote regeneration and conservation. • Communities that are located near priority areas for forest restoration in the Darién Region. <p>MiAMBIENTE and MIDA field technicians will provide technical assistance to the beneficiaries who will receive the environmental incentives and will facilitate their adoption of good management practices.</p> <p><u>Main activities planned</u></p> <p><i>3.1.3.1 Hold workshops to launch the environmental incentive to socialize with the beneficiaries.</i></p> <p><i>3.1.3.2 Implement technical assistance to develop investment plans (forest management plan or farm plan) to protect, recover and conserve forest cover.</i></p> <p><i>3.1.3.3. Implement investment plans through the Reforesta Panamá Fund.</i></p>
3.1.3	At least four financial mechanisms developed for sustainable, climate resilient and collaborative forest management in the Darien region.	<p>Miambiente in coordination with the Local Committee of the Darién Biosphere Reserve will develop at least four financial mechanisms developed for project management related to the following areas:</p> <ul style="list-style-type: none"> • Forest restoration (natural and assisted) • Introduction of planted tree components in livestock and agricultural lands • Improving forest management with community participation

- Establishment of primary community forestry industrial facilities and development of value chains for products from forest residue harvesting in managed forests.
- Regional nature and cultural tourism with a value chain approach
- The financial mechanisms for development may combine resources from the following sources:
 - Panama, for focal areas such as: Biodiversity, Capacity Building, Climate Change, Land Degradation.
 - Incentive program for forest cover and natural forest conservation (Law 69 of October 3, 2017), as applicable, including non-reimbursable funds from the Reforesta Panama Fund.
 - Sale of carbon credits
 - PES (Carbon Credits + Other Environmental Services)
 - Bank financing
 - Revolving seed funds
 - Private donations
 - Interviews, formalization of communication channels, negotiations and prior agreements with established alternative sources of resources
 - Defined and standardized list of investments to be made
 - Applicability of sources of financing by type of project analyzed and determined
 - Funding gaps defined and search for suitable financing alternatives restarted

The project ensure, through the gender expert, that, indigenous women and women-led Community Based Organizations are actively engaged and their perspectives are taken into consideration for the development of financial mechanisms for sustainable and collaborative forest management.

Main activities planned

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		<p>3.1.3.1 Financial mechanisms proposals developed and presented for discussion.</p> <p>3.1.3.2 Inter-institutional workshop on financial mechanisms for sustainable and collaborative forest management in the Darien region and technical meetings conducted.</p> <p>3.1.3.3 Financial mechanisms implemented.</p>
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Outcome 3.2: Leverage public and private investment to develop value chains (VCs) that contribute to sustainable, climate-resilient and collaborative forest management in the Darien.

Description: The need for leveraged public and private investment for the development of Value Chains (VCs) that contribute to sustainable and collaborative forest management in the Darien is critical to ensure the long-term conservation of this valuable ecosystem. The implementation of well-designed and managed VCs can provide economic incentives for local communities and landowners in the Darien, promoting sustainable forestry practices, restoration of degraded landscapes and biodiversity conservation. In addition, these value chains can generate employment and economic development opportunities in the region, thereby reducing pressure on natural resources, increasing climate change adaptation, strengthening the resilience of communities to the impacts of climate change. It is crucial that these initiatives include specific strategies to foster active participation and equitable access to economic opportunities for women, youth and vulnerable groups in the Darien. Ensuring their inclusion in the planning, implementation and benefits of the VCs not only promotes gender equity and social justice, but also maximizes the potential for sustainable development and collaborative forest management in the region.

General Outcome Activities:

- ***Technical specifications and contracting processes:*** This deliverable captures the technical inputs and work to be performed by the project team for the

procurement processes required for this deliverable. It includes activities such as identification of minimum requirements, scope of work, response to technical queries from participating entities and evaluation of proposals. The terms of reference (including scope of work, key deliverables, team composition and minimum requirements) will be developed based on the indicative terms of reference presented in Annex L of this document. The actual procurement process will be carried out by the Executing Agency's procurement unit.

Outcome 3.2 will be achieved through 4 outputs and their activities, as described in the table below:

Output	Output Name	Stakeholders, Content and tentative activities
3.2.1	Strengthening gender-sensitive existing value chains in the biome for non-timber forest products from sustainable forest landscapes and OECM.	<p>Gender-sensitive existing value chains in the biome for timber and non-timber products that are more efficient in the use of raw materials, whether timber or other non-timber resources such as palms, seeds, or biodiversity and landscape (tourism value chains), and return a greater contribution of income for the maintenance and recapitalization of ecosystems and agri-ecosystems in the first links of their value chains.</p> <p>The expected results are the following:</p> <ul style="list-style-type: none"> • Main value chains identified from the perspective of: • Ratio between the contribution to the recapitalization of the first link (ecosystem, agroecosystem) and the volume, or as far as possible the approximate market value, of raw materials they channel (proxy for the opportunity cost of community non-participation in links of the value chain for the sale of standing timber). • Strategic value for local economies (level of dependence of target groups) • Supply of raw materials for timber and non-timber forest products or potential for markets such as tourism, and their potential demands. • Bottlenecks identified for the selected value chains by means of quantitative analyses of flows of raw materials and products to the market, and of the return of income and its distribution among links and actors up to the first link.

		<ul style="list-style-type: none"> Value chain interventions (policies) designed and financial resources leveraged to make adjustments required for identified bottlenecks. <p><u>Main activities planned</u></p> <p>-</p> <p>3.2.1.1 A study on the market and trade relations of products from deforestation-free value chains conducted.</p> <p>3.2.1.2 Intersectoral workshop on existing value chains in the biome for timber and non-timber forest products.</p> <p>3.2.1.3 Value chains improvement proposals for timber and non-timber forest products developed and implemented in the field.</p>
3.2.2	Market opportunities developed for non-timber forest products from Darien's sustainable forest landscapes	<p>Regional forest products promoted through an awareness campaign for the use of wood as an environmentally responsible material.</p> <p><u>Expected results:</u></p> <p>-</p> <ul style="list-style-type: none"> Feasibility analysis for production expansion and development of new products subject to additional non-regional markets under a value chain approach. Definition of additional potential markets within and outside the region Technological diagnosis, determination of investment needs and investment/scaling-up plan if necessary Linkage mapping, development of negotiations and alliances between stakeholders <p><u>Main activities planned</u></p> <p>-</p> <p>3.2.2.1 A market opportunities strategy developed and presented.</p> <p>3.2.2.2 Capacity building activities and training to users and local authorities on market opportunities carried out.</p>

<p>3.2.3</p>	<p>Projects to strengthen prioritized value chains that reduce pressure on forests identified with a gender, climate-adapted and inclusive approach</p>	<p>The Ministry of the Environment, in coordination with the stakeholders that are integrated into the forestry value chain, will develop this product.</p> <p>The objective of product 3.2.3 is to design projects for the development of Value Chains (VCs) in areas for timber and non-timber forest products and agriculture that contribute to sustainable and collaborative forest management in Darién.</p> <p>In alignment with the CFB IP component 3, through this output the project develops and establish mechanisms to support local entrepreneurs considering the participation of vulnerable groups such as women and Indigenous Peoples, based on the map of investment opportunities identified.</p> <p><u>Expected results:</u></p> <ul style="list-style-type: none"> • Identification, location and participatory sizing of investments • Field data collection. • Determination of the availability (feasibility) of input supply channels and price negotiation. • Analysis of the compatibility of technological packages and environmental safeguards (especially regarding agrochemicals). • Analysis of the technical feasibility of investments (innovation levels, extension mechanisms, expected productivity levels due to the quality of genetic materials and available soils). • Elaboration of the financing request considering the previous analyses and the due analysis of financial feasibility and investment sensitivity. <p><u>Main activities planned</u></p> <p>3.2.3.1 Inter-institutional participatory workshop to discuss and propose projects to strengthen value chains</p> <p>3.2.3.2 Projects proposals developed and presented for approval to Miambiente.</p>
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Component 4: Capacity building, knowledge management and coordination with the Critical Forest Biomes IP Mesoamerica, and the Global CFB IP platform

Description: Capacity building for sustainable management of the Darien forests, knowledge management and coordination with the GEF 8 Critical Biomes Global Integrated Program is a key outcome of the project to ensure the long-term preservation of this invaluable ecosystem. This process involves the implementation of training and capacity building programs aimed at key stakeholders, such as indigenous and local communities, NGOs and government authorities, to strengthen their skills in sustainable forestry practices, environmental monitoring and community participation. It also focuses on promoting the exchange of knowledge and experiences between sectors and countries, facilitating collaboration and the adoption of integrated approaches to conservation in the Darien. Coordination with the GEF Global Integrated Program 8 Critical Biomes provides an important platform for sharing best practices, mobilizing resources and creating synergies between regional and global initiatives, thus strengthening collective efforts towards the sustainable management of the Darien's forests and the protection of its unique biodiversity.

The actions of the gender plan in this component are that capacity building programs should include modules related to women's rights, equity gaps in the agricultural sector and how to overcome them, on specific topics required by rural women participants. Considering the gaps in computer knowledge that women may have, to find appropriate methodologies for empowerment and capacity building.

Component 4 will help overcome the following barriers:

- **Lack of technical resources for training and environmental education,**
- **Limited communication and transportation infrastructure in the region, as well as linguistic and cultural barriers that hinder the full participation of local communities, especially Indigenous Peoples. In addition, the geographic dispersion of communities and the lack of coordination among the various actors involved in conservation can also hinder knowledge sharing and effective collaboration.**

Outcome 4.1. Improved capacities, knowledge and access to information among key stakeholders involved in the conservation of the Darien IFLs with a focus on gender, climate resilience and inclusion.

Description: Improving capacities, knowledge and access to information among key stakeholders involved in the conservation of the Darien IFLs is an important need, with a special focus on gender inclusion and equity. In addition, the strengthening of communication networks and the availability of relevant and accessible information, in appropriate formats and languages, is required to empower all stakeholders to make informed decisions and implement effective conservation strategies. By integrating a gender and inclusive approach into all training and capacity building initiatives, existing inequalities and barriers can be addressed, thus promoting more active participation and more effective management of the Darien's IFLs for the benefit of local communities and the environment.

General Outcome Activities:

- ***Technical specifications and contracting processes:*** This deliverable captures the technical inputs and work to be performed by the project team for the procurement processes required for this deliverable. It includes activities such as identification of minimum requirements, scope of work, response to technical queries from participating entities and evaluation of proposals. The terms of reference (including scope of work, key deliverables, team composition and minimum requirements) will be developed based on the indicative terms of reference presented in Annex L of this document. The actual procurement process will be carried out by the Executing Agency's procurement unit.

Outcome 4.1 will be achieved through 3 outputs and their activities, as described in the table below:

Output	Output Name	Stakeholders, Content and tentative activities
4.1.1	<p>Inclusive, gender and Indigenous Peoples focused training plan that reinforces forest ecosystem conservation both inside and outside protected areas, OECM, agroforestry systems, community-based forest, value chains, and businesses.</p>	<p>This implies developing gender-sensitive and culturally appropriate training and education programs to ensure the equitable participation of women, men and vulnerable groups in all stages of the conservation process.</p> <p>The actions in this output will consider the platform for knowledge exchange and learning across the GEF Gender Partnership Community of Practice. In particular, the project will support developing Tools, Methodologies and Training Materials in protected area establishment and management; integrated landscapes planning and management; and forest restoration.</p> <p><i>Activities:</i></p> <ul style="list-style-type: none"> ● Training needs assessment. ● Workshops for socialization of results. ● Budget planning and allocation.
4.1.2	<p>Agreements established with technical schools/universities in Darien and INADEH to train the local population in the promotion of sustainable forest management with a gender and inclusive approach.</p>	<p>Agreements will be established with technical schools/public universities such as the University of Panama (UP), the Technological University of Panama (UTP) and the National Institute of Vocational Training and Training for Human Development (INADEH) to train local people in the promotion of sustainable forest management. These agreements, with a focus on gender, inclusion and the circular economy, seek to strengthen the capacities of the Darien communities in sustainable forestry practices, fostering equal opportunities and promoting a more efficient and responsible use of natural resources. Resources will be used to support an undergraduate thesis program that will enable UP and UTP students to conduct research in support of the project's objectives.</p> <p>In addition, in partnership with INADEH, short technical courses will be promoted to strengthen the administrative, commercial and technical capacities of producers and CBO members.</p>
4.1.3	<p>Project communication strategy designed and implemented to raise awareness among local communities, decision-makers and other stakeholders of the role of improved forest management in conserving forest ecosystems.</p>	<p>Through the design and implementation of a communication strategy, the project seeks to: i.) raise awareness among various social actors about the importance of conserving the forest landscapes and biodiversity of the Darien Biosphere Reserve; ii.) revalue the RBD as the country's cultural and natural heritage; iii.) inform about the role of forest management, agroforestry, ecotourism, value chains and responsible trade in the strategy for biodiversity conservation and the strengthening of sustainable livelihoods.</p> <p>The project will support the design, implementation and evaluation of the impact of the creative participatory communication strategy in mass media (radio and press), including audiovisuals, messages</p>

		<p>in social networks, posters, among others, to raise awareness among communities and decision makers.</p> <p>The strategy should include culturally tailored outreach to Indigenous Peoples and communities, with a gender focus.</p>
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Outcome 4.2. Strengthening the implementation of regional strategies and commitments to CFB IP Mesoamerica and the Global Integrated Program.

Description: It is crucial to strengthen the implementation of regional strategies for the sustainable management of the Darien and fulfill commitments to the GEF 8 Integrated Program on critical biomes. This will ensure effective coordination between regional and global actors, as well as coherent implementation of actions to conserve this unique and biodiverse ecosystem. By improving collaboration and knowledge sharing among the countries involved and international organizations, the Darien's conservation challenges can be more effectively addressed, and its natural wealth protected for future generations.

General Outcome Activities:

- ***Technical specifications and contracting processes:*** This deliverable captures the technical inputs and work to be performed by the project team for the procurement processes required for this deliverable. It includes activities such as identification of minimum requirements, scope of work, response to technical queries from participating entities and evaluation of proposals. The terms of reference (including scope of work, key deliverables, team composition and minimum requirements) will be developed based on the indicative terms of reference presented in Annex L of this document. The actual procurement process will be carried out by the Executing Agency's procurement unit.

Outcome 4.2 will be achieved through 2 outputs and their activities, as described in the table below:

Output	Output Name	Stakeholders, Content and tentative activities
4.2.1	Lessons learned and best practices of the project systematized and disseminated at the regional, national and Mesoamerican regional levels.	Compilation of lessons learned and recommendations. This deliverable will consist of a document compiling all the lessons and recommendations developed throughout the project (the final deliverable for each outcome). This deliverable collects the editing work necessary to convert the individual reports produced by different professionals into a coherent and consistent body of knowledge.
4.2.2	Information system / Knowledge management platform designed and implemented.	<p>A digital knowledge management platform will be created to capture, organize, store and share relevant information and lessons learned during project development and implementation.</p> <p><i>Activities:</i></p> <ul style="list-style-type: none"> • Identification of the information and knowledge needs of the project, as well as the specific objectives to be achieved with the platform. • Identification and selection of appropriate tools and technologies for the creation and management of the platform, which may include document management systems, databases, wikis, discussion forums and internal social networks, among others. • Establishment of structures and protocols for the organization and categorization of information, ensuring that it is easily accessible and understandable to all users, including translation into indigenous languages. • Promotion of the active participation of project team members in feeding and updating the platform, as well as the continuous exchange of knowledge and lessons learned among all involved.

Monitoring and evaluation (M&E)

Description: This component includes a single output, through which the project will produce all relevant reports and follow-up.

The actions of the gender plan in this component are that progress reports on the Environmental and Social Management Plan, will be including the Gender and Indigenous

Peoples. Also, monitor and follow up on the gender plan, make any necessary adjustments during implementation and prepare a quarterly progress report on the gender progress of the project.

M&E 1. Project implemented according to Results-Based Management Principles

Description:

- **This output specifies the monitoring and evaluation framework for the project.**
- **Project implementation will be monitored through regular meetings between the GEF Implementing Agency focal point (FAO Panama), the Chief Technical Advisor (CTA) and the Ministry of Environment as National Project Director (see section B2 'Institutional Arrangements and Coordination' for a discussion of each of these roles).**
- **Reports will be prepared in accordance with GEF and FAO policies and guidelines.**
- **Periodic coordination workshops will be organized with different cooperation agencies present in Panama and especially in the Darien territory to ensure that all work in support of key environmental policies remains synergistic and avoids duplication of efforts.**

Key players:

- **The core team of the project management unit, the steering committee and the technical committee, as key executive and decision-making bodies of the project - see section B2 'Institutional Arrangements and Coordination'.**
- **FAO, as executing agency and accredited to the GEF, which is responsible for the overall supervision of the project.**
- **GEF as Project donor.**
- **Multilateral and cooperation agencies, with which the project will coordinate ongoing and planned efforts to identify synergies and avoid duplication of efforts.**

- **The public and all identified key stakeholders.**

Output	Output Name	Content and tentative activities
M&E 1.1	Monitoring and Evaluation Plan (M&E) with gender-sensitive indicators implemented	<p>Initial workshop and report</p> <p>The inception workshop will consist of an event for approx. 100 participants, the objective of which will be to initiate project activities and encourage stakeholder participation. This workshop will - present the project vision, objectives, outcomes and outputs; - present and discuss the project work plan; - provide an overview of the project implementation arrangements and the core project team, along with their roles and responsibilities; highlight the importance of stakeholder engagement and establish the main communication channels, which will be refined through the stakeholder engagement and communication strategy and action plan; - provide an overview of the project implementation arrangements and the core project team, along with their roles and responsibilities; - highlight the importance of stakeholder engagement and establish the main communication channels, which will be refined through the stakeholder engagement and communication strategy and action plan; - provide an overview of the project implementation arrangements and the core project team, along with their roles and responsibilities.</p> <p>Workshop to finalize the Free, Prior and Informed Consent and elaboration of the Indigenous Peoples Action Plan</p> <p>This workshop ensures that the Free, Prior and Informed Consent is obtained in all the Indigenous communities before starting any project activity. With this consent, the Indigenous Peoples Plan will be prepared with the activities, time, people responsible and budget.</p> <p>Annual planning</p> <p>The purpose of this deliverable is to support annual planning and facilitate project monitoring. The project TAC will prepare an executive document at the beginning of each year that will include 1. Annual knowledge management planning. Annual knowledge management planning (including internal repositories, references, manuals, cloud storage, file access, etc.) 2. Review of Outputs to be active during the year. Review of the Outputs that will be active during the year, for each component; 3. For each active product, key goals, actions and deliverables in alignment with the work plan and project objectives. 4. Key gender actions (by component). 5. Key procurement processes (by component); 6. Key communication actions. 7. Key partner and stakeholder engagement actions. 8. 8. 8. Key risks and challenges Date of planned Project Steering Committee meetings 10. 10. Planned funding requests. 11. Any other key actions</p>

Output	Output Name	Content and tentative activities
		<p>or information of relevance to annual planning (e.g., planned budget revisions, travel, interaction with the Global Platform, etc.).</p> <hr/> <p>Progress reports on the Environmental and Social Management Plan, including the Gender and Indigenous Peoples Action Plan</p> <p>The Environmental and Social Risk and Gender Specialist will be responsible for the activities and indicators of the Environmental and Social Management Plan, the project's Gender Action Plan and the Indigenous Peoples Plan, and will report semi-annually to the TAC. These progress reports will be submitted as an annex to the project's own technical reports, i.e., the PIRs and semi-annual progress reports.</p>
M&E 1.2	Project Midterm Review and Final Evaluation with gender-sensitive indicators carried out	<p>Project Implementation Review (PIR)</p> <p>Progress will be reviewed annually through the Project Implementation Review (PIR), which is the tool foreseen in the GEF Project and Program Cycle Policy. The purpose of the PIR is to assess project performance, analyze whether the project is on track, what problems and challenges it encountered and what corrective actions are needed to enable the project to achieve the expected outcomes at the end of the project in the most efficient and sustainable manner. It is the responsibility of the FAO LTO to monitor whether the agreed recommendations are being implemented.</p> <hr/> <p>Semiannual technical and financial reports</p> <p>Between PIRs, the project team will prepare and submit interim internal progress reports (the 'Semi-Annual Progress Reports') to update project data and facilitate management.</p> <hr/> <p>Mid-term review (MTR)</p> <p>Consistent with GEF evaluation requirements and FAO's evaluation policy, full-size GEF projects and any project with a duration of 4 years or more will undergo an independent mid-term evaluation or a management-led mid-term review at mid-term.</p> <hr/> <p>Terminal Evaluation (TE)</p>

Output	Output Name	Content and tentative activities
		All GEF-funded projects are subject to a performance evaluation at the conclusion of their operations. This performance assessment will be either a final independent evaluation or a final management-led review. If a review is required, FAO's Evaluation Office will provide tools, templates and guidelines.

[32] <https://unfccc.int/documents/639822>. Please refer to section 5.2. *Non-GHG Targets*.

[33] Franks, P., & Booker, F. (2019). Governance Assessment for Protected and

Conserved Areas (GAPA) First experiences with a multi-stakeholder methodology for

Improving equity and efficiency. Governance.

[34] Herrera-F and Courrau, J. (2023). Other area-based conservation measures (OECM): conceptual guide and guidelines for their identification and monitoring in Central America. IUCN. San José, Costa Rica.

https://www.iucn.org/sites/default/files/2023-12/otras-medidas-de-conservacion-basadas-en-area-omec-2023-12-15-2-1_0.pdf

https://www.iucn.org/sites/default/files/2023-12/otras-medidas-de-conservacion-basadas-en-area-omec-2023-12-15-2-1_0.pdf [35] Restoration Opportunity Assessment Methodology (ROAM) Guidance. <https://portals.iucn.org/library/sites/library/files/documents/2014-030-Es.pdf>

[36] <https://fsc.org/es/newscentre/general-news/se-publica-el-estandar-regional-de-manejo-forestal-para-america-central>

https://unfao.sharepoint.com/sites/GEF/Shared%20Documents/GEF-8/Critical%20Forest%20Biomes%20IP/11280_Panama/PRODOC/Resubmission%20November%202024/01.%20FSPCEOEndorsementdocument_Prodoc%20Panama%20CFB_11280_1Nov2024.docx - ftnref2

Institutional Arrangement and Coordination with Ongoing Initiatives and Project.

Please describe the Institutional Arrangements for the execution of this child project, including framework and mechanisms for coordination, governance, financial management and procurement. This should include consideration for linking with other relevant initiatives at country-level (if a country child project) or regional/global level (for coordination platform child project). If possible, please summarize the flow of funds (diagram), accountabilities for project management and financial reporting (organogram), including audit, and staffing plans. (max. 500 words, approximately 1 page)

The organizational structure of the project is shown in Figure 5, and is described below:

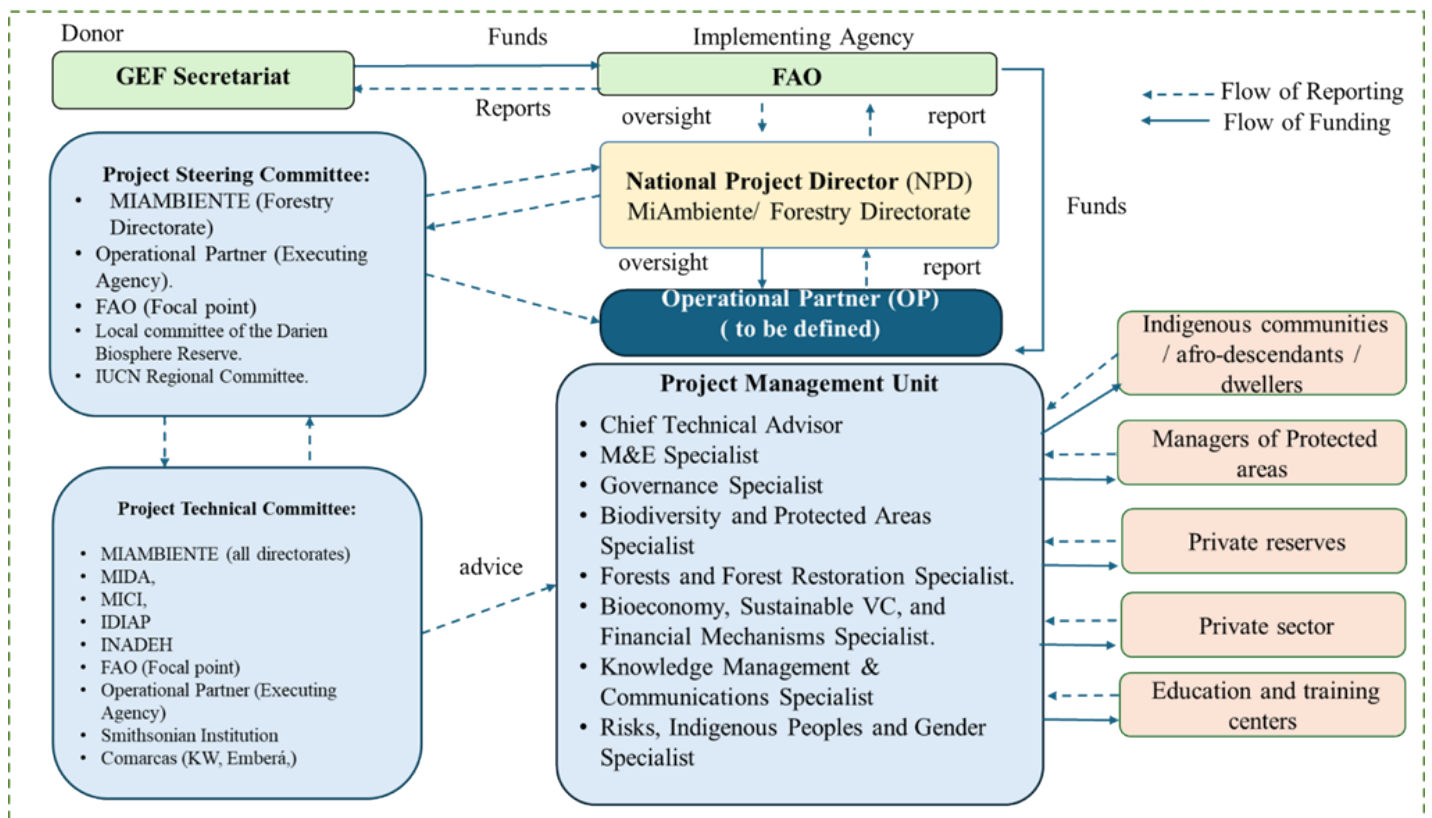


Figure 5: Diagram of Institutional Arrangements

The Ministry of Environment (MiAMBIENTE)[38] will act as the project’s **lead executing agency** and will designate a National Project Director (NPD), responsible for coordinating activities with all national agencies related to the different components of the project, as well as with the project partners. It will also be responsible for supervising and guiding the Project Coordinator on government policies and priorities.

MIAMBIENTE is the executing partner of the project. The Government of Panama has selected the NATURA FOUNDATION (Fundación Natura) to support MIAMBIENTE in the co-execution of the project activities, under the supervision of MIAMBIENTE, as well as the administrative/sub-executing entity of the fund. FAO as the implementing agency will carry out a fiduciary and capacity assessment of the selected sub-executing agency. Based on the results of that evaluation, FAO could sign an operational partnership agreement or an implementation agreement between the GEF implementing agency and the selected sub-executing partner. Significant risk partners will not be considered. As OP of the project the referred institution is responsible and accountable to FAO for the timely implementation of the agreed project results, operational oversight of implementation activities, timely reporting, and for effective use of GEF resources for the intended purposes and in line with FAO and GEF policy requirements.

MiAMBIENTE will chair the **Project Steering Committee (PSC)** which will be the main governing body of the project. The PSC will approve Annual Work Plans and Budgets (AWP/Bs) on a yearly basis and will provide strategic guidance to the Project Management Team and to all executing partners.

The PSC will be comprised of representatives from MiAMBIENTE, the Darien Biosphere Reserve Local Committee, OP and FAO. The members of the PSC will each assure the role of a Focal Point for the project in their respective agencies. Hence, the project will have a Focal Point in each concerned institution. As Focal Points in their agency, the concerned PSC members will: (i) technically oversee activities in their sector; (ii) ensure a fluid two-way exchange of information and knowledge between their agency and the project; (iii) facilitate coordination and links between the project activities and the work plan of their agency; and (iv) facilitate the provision of co-financing to the project.

Additionally, the following interested parties participate in the Steering Committee, Technical Committee and in specific project activities according to their mandate and experience:

- An Operational Partner (OP) (Fundación Natura)
- The Darien Biosphere Reserve Local Committee
- Ministry of Commerce and Industries (MICI)
- Agricultural Research Institute of Panama (IDIAP)
- National Institute of Vocational Training and Training for Human Development (INADEH)
- Universities in Darien and public universities such as the University of Panama (UP), the Technological University of Panama (UTP)
- ONG ANCON (Asociación Nacional para la Conservación de la Naturaleza)
- Civil Society Organization such as the Watershed committees
- Network of Private Reserves, OBC, NGOs that operate in Darién for the conservation of the forest and biodiversity.
- National Association of Reforesters and Related Workers of Panama (ANARAP) and its partner companies with existing plantations in the project area.
- International Bamboo and Rattan Organization (INBAR)
- International Tropical Timber Organization (ITTO)
- Central American Commission for Environment and Development (CCAD)

The complete list of interested parties has been incorporated in the Stakeholder Engagement Plan.

The **Food and Agriculture Organization of the United Nations (FAO)** will be the GEF Implementing Agency (IA) for the Project, providing project cycle management and support services as established in the GEF Policy. As the GEF IA, FAO holds overall accountability and responsibility to the GEF for delivery of the results. In the IA role, FAO will utilize the GEF fees to deploy three different actors within the organization to support the project (see Annex J for details):

- The Budget Holder, which is usually the most decentralized FAO office (FAO Panama), will provide oversight of day-to-day project execution.
- The Lead Technical Officer(s), drawn from across FAO will provide oversight/support to the projects technical work in coordination with government representatives participating in the Project Steering Committee.
- The Funding Liaison Officer(s) and the GEF Technical Officers (GTO) within FAO OCB GEF Unit will monitor and support the project cycle to ensure that the project is being designed and carried out in accordance with FAO and GEF minimum fiduciary and technical standards.

FAO responsibilities, as GEF agency, will include:

- Oversee project implementation in accordance with the project document, work plans, budgets, agreements with co-financiers, Operational Partners Agreement(s) and other rules and procedures of FAO.
- Provide technical guidance to ensure that appropriate technical quality is applied to all activities concerned.
- Conduct at least one supervision mission per year.
- Reporting to the GEF Secretariat and Evaluation Office, through the annual Project Implementation Review, the Mid Term Review, the Terminal Evaluation and the Project Closure Report on project progress.
- Financial reporting to the GEF Trustee.

[38] It should be noted that the identified Operational Partner(s) or OP, results to be implemented by the OP and budgets to be transferred to the OP are non-binding and may change due to FAO internal partnership and agreement procedures which have not yet been concluded at the time of submission of this funding proposal

Will the GEF Agency play an execution role on this child project?

If so, please describe that role here and the justification.

Also, please add a short explanation to describe cooperation with ongoing initiatives and projects, including potential for co-location and/or sharing of expertise/staffing (max. 500 words, approximately 1 page)

Coordination with other GEF-funded projects and other relevant initiatives

The CFBP Project will also benefit from lessons learned from another GEF-funded project that is in its final phase of development, called the ***Biodiversity-Friendly Livestock Production project based on the Darien Region's Ecosystem in the Republic of Panama*** (GEF-9589/ CAF03/ANCON). This project aims to develop a framework for biodiversity-friendly livestock production in the Darien Region of Panama, specifically working in the Filo del Tallo hydrological reserve, one of the four protected areas of the CFBP project; therefore, the CFBP project will seek to give continuity to the actions implemented in the territory that led to a reduction of livestock production in the Darien forests.

Connections are planned with the Global Coordination Program of the GEF-8 Food Systems Integrated Program (FSIP), particularly in terms of interacting with the cattle and silvopastoral systems community of practice to develop skills and share knowledge with other countries in the region that share the same objectives.

In support of the achievement of project objectives, synergies and complementarities can be created with the following GEF and Green Climate Fund (GCF) projects pursuing similar objectives or targeting the same project areas:

Project title	Donor, amount (USD) and duration	Executing agency	Objective	Status
Sustainable land management and restoration of productive landscapes in watersheds to meet national Land Degradation Neutrality objectives in Panama.	GEF ID: 10588 GEF financing: USD 1,867,808 Duration: 36 months	MiAMBIENTE - FAO - CATHALAC	Scaling up sustainable land management and restoration of productive landscapes in selected river basins to implement national land degradation neutrality objectives in Panama.	Approved
Sustainable rural development and biodiversity conservation project in Panama	GEF ID: 10709 GEF financing: USD 3,505,936 Duration: 48 months	World Bank MiAMBIENTE	Contribute to improving the management of protected areas and promote access to inclusive and biodiversity-friendly economic opportunities in the project areas.	Approved
Ecosystem-based adaptation to increase climate resilience in the	GCF	Central American Bank for Economic Integration (CABEI) : Inter-	The program aims to strengthen the adaptive capacity of vulnerable people, including smallholder and commercial	Approved

Project title	Donor, amount (USD) and duration	Executing agency	Objective	Status
Central American Dry Corridor and Arid Zones of the Dominican Republic	Financing: 174.3 million, Duration: 7 years	American Development Bank (IDB)	farmers, as well as entrepreneurs in rural communities in the Dry Corridor and Arid Zones. They will also contribute to the conservation and restoration of degraded and climate vulnerable landscapes through improved agricultural and agroforestry practices, as well as reforestation and improved forest management practices.	

The CFBP will also work in partnership with programs and initiatives described below:

- Strategic Government Plan (PEG 2020-2024)
- National Forestry Strategy 2050.
- Panama nationally determined contribution (CDN1). First update.
- National Policy on Climate Change (Executive Decree 35 of 2007)
- Nationally Determined Contributions (2020)
- National Climate Change Strategy 2050
- National Biodiversity Strategy and Action Plan 2018-2050
- National Reduce your Footprint Program (carbon and water)
- National Plan for Climate Change and the Agricultural Sector (2017).
- National REDD+ Strategy, Panama
- Alliance for the Million (2014 - 2030).

Table On Core Indicators

Core Indicators

Indicate expected results in each relevant indicator using methodologies indicated in the GEF-8 Results Measurement Framework Guidelines. There is no need to complete this table for climate adaptation projects financed solely through LDCF and SCCF.

Indicator 1 Terrestrial protected areas created or under improved management

Ha (Expected at PIF)	Ha (Expected at CEO Endorsement)	Ha (Achieved at MTR)	Ha (Achieved at TE)
830171	676298	0	0

Indicator 1.1 Terrestrial Protected Areas Newly created

Ha (Expected at PIF)	Ha (Expected at CEO Endorsement)	Ha (Achieved at MTR)	Ha (Achieved at TE)
0	0	0	0

Name of the Protected Area	WDPA ID	IUCN Category	Total Ha (Expected at PIF)	Total Ha (Expected at CEO Endorsement)	Total Ha (Achieved at MTR)	Total Ha (Achieved at TE)
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Indicator 1.2 Terrestrial Protected Areas Under improved Management effectiveness

Ha (Expected at PIF)	Ha (Expected at CEO Endorsement)	Total Ha (Achieved at MTR)	Total Ha (Achieved at TE)
830171	676298	0	0

Name of the Protected Area	WDPA ID	IUCN Category	Ha (Expected at PIF)	Ha (Expected at CEO Endorsement)	Total Ha (Achieved at MTR)	Total Ha (Achieved at TE)	METT score (Baseline at CEO Endorsement)	METT score (Achieved at MTR)	METT score (Achieved at TE)
			830,171.00						
Chepigan a Forest Reserve	34877	Protected area with sustainable use of natural resources		60,577.60			21.00		
Darien National Park	236	National Park		565,936.00			58.00		
Filo del Tallo Hydrological Reserve	555705288	Protected Landscape/Seascape		38,014.40			44.00		
Serrania del Darien Hydrological Reserve	107371	Protected Landscape/Seascape		11,770.00			13.00		

Indicator 3 Area of land and ecosystems under restoration

Ha (Expected at PIF)	Ha (Expected at CEO Endorsement)	Ha (Achieved at MTR)	Ha (Achieved at TE)
5000	5054	0	0

Indicator 3.1 Area of degraded agricultural lands under restoration

Disaggregation Type	Ha (Expected at PIF)	Ha (Expected at CEO Endorsement)	Ha (Achieved at MTR)	Ha (Achieved at TE)
Rangeland and pasture		3,945.00		
Cropland	200.00	309.00		

Indicator 3.2 Area of forest and forest land under restoration

Ha (Expected at PIF)	Ha (Expected at CEO Endorsement)	Ha (Achieved at MTR)	Ha (Achieved at TE)
4,800.00	800.00		

Indicator 3.3 Area of natural grass and woodland under restoration

Disaggregation Type	Ha (Expected at PIF)	Ha (Expected at CEO Endorsement)	Ha (Achieved at MTR)	Ha (Achieved at TE)

Indicator 3.4 Area of wetlands (including estuaries, mangroves) under restoration

Ha (Expected at PIF)	Ha (Expected at CEO Endorsement)	Ha (Achieved at MTR)	Ha (Achieved at TE)

Indicator 4 Area of landscapes under improved practices (hectares; excluding protected areas)

Ha (Expected at PIF)	Ha (Expected at CEO Endorsement)	Ha (Achieved at MTR)	Ha (Achieved at TE)
102905	105084	0	0

Indicator 4.1 Area of landscapes under improved management to benefit biodiversity (hectares, qualitative assessment, non-certified)

Ha (Expected at PIF)	Ha (Expected at CEO Endorsement)	Ha (Achieved at MTR)	Ha (Achieved at TE)
102,905.00	100,030.40		

Indicator 4.2 Area of landscapes under third-party certification incorporating biodiversity considerations

Ha (Expected at PIF)	Ha (Expected at CEO Endorsement)	Ha (Achieved at MTR)	Ha (Achieved at TE)

Type/Name of Third Party Certification

Indicator 4.3 Area of landscapes under sustainable land management in production systems

Ha (Expected at PIF)	Ha (Expected at CEO Endorsement)	Ha (Achieved at MTR)	Ha (Achieved at TE)
	5,053.60		

Indicator 4.4 Area of High Conservation Value or other forest loss avoided

Disaggregation Type	Ha (Expected at PIF)	Ha (Expected at CEO Endorsement)	Ha (Achieved at MTR)	Ha (Achieved at TE)
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Indicator 4.5 Terrestrial OECMs supported

Name of the OECMs	WDPA-ID	Total Ha (Expected at PIF)	Total Ha (Expected at CEO Endorsement)	Total Ha (Achieved at MTR)	Total Ha (Achieved at TE)
Comunity Permit			3,000.00		
Indigenous Regions (comarcas)			95,000.00		
Natural Private Reserve			30.40		

Documents (Document(s) that justifies the HCVF)

Title

Indicator 6 Greenhouse Gas Emissions Mitigated

Total Target Benefit	(At PIF)	(At CEO Endorsement)	(Achieved at MTR)	(Achieved at TE)
Expected metric tons of CO₂e (direct)	49040	7661581	0	0
Expected metric tons of CO₂e (indirect)	0	0	0	0

Indicator 6.1 Carbon Sequestered or Emissions Avoided in the AFOLU (Agriculture, Forestry and Other Land Use) sector

Total Target Benefit	(At PIF)	(At CEO Endorsement)	(Achieved at MTR)	(Achieved at TE)
Expected metric tons of CO₂e (direct)	49,040	7,661,581		
Expected metric tons of CO₂e (indirect)				
Anticipated start year of accounting	2024	2025		
Duration of accounting	20	20		

Indicator 6.2 Emissions Avoided Outside AFOLU (Agriculture, Forestry and Other Land Use) Sector

Total Target Benefit	(At PIF)	(At CEO Endorsement)	(Achieved at MTR)	(Achieved at TE)
Expected metric tons of CO₂e (direct)				
Expected metric tons of CO₂e (indirect)				
Anticipated start year of accounting				
Duration of accounting				

Indicator 6.3 Energy Saved (Use this sub-indicator in addition to the sub-indicator 6.2 if applicable)

Total Target Benefit	Energy (MJ) (At PIF)	Energy (MJ) (At CEO Endorsement)	Energy (MJ) (Achieved at MTR)	Energy (MJ) (Achieved at TE)
Target Energy Saved (MJ)				

Indicator 6.4 Increase in Installed Renewable Energy Capacity per Technology (Use this sub-indicator in addition to the sub-indicator 6.2 if applicable)

Technology	Capacity (MW) (Expected at PIF)	Capacity (MW) (Expected at CEO Endorsement)	Capacity (MW) (Achieved at MTR)	Capacity (MW) (Achieved at TE)
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Indicator 11 People benefiting from GEF-financed investments

	Number (Expected at PIF)	Number (Expected at CEO Endorsement)	Number (Achieved at MTR)	Number (Achieved at TE)
Female	5,589	1,000		
Male	6,205	1,000		
Total	11,794	2,000	0	0

Explain the methodological approach and underlying logic to justify target levels for Core and Sub-Indicators (max. 250 words, approximately 1/2 page)

- GEF Core Indicator 1: The indicated area includes four protected areas where management effectiveness will be strengthened through capacity building and updating of management plans: 1) Darien National Park: 565,936 ha (WDPA ID: 236 and METT Score: 58); 2) Filo del Tallo Hydrological Reserve: 38,014.4 ha (WDPA ID: 555705288 and METT Score: 44); 3) Serrania del Darien Hydrological Reserve: 11,770 ha (WDPA ID: 107371 and METT Score: 13); 4) Chepigana Forest Reserve: 60,577.6 ha (WDPA ID: 34877 and METT Score: 21).
- GEF Core Indicator 3: The total of 5,054 ha includes: The indicated area consists of areas degraded by land use change that will be restored through natural and assisted restoration (est. 800 ha/ GEF CI 3.2), and the reincorporation of tree components of native species through silvopastoral systems (est. 3,945 ha / GEF CI 3.1) and agroforestry systems (est. 309 ha / GEF CI 3.1), over a period of 4 years, starting in the third year of the project. The total of 5,054 ha includes: 3,000 ha within protected areas to be restored by the Ministry of Environment; 800 ha within indigenous territories to be restored by the indigenous communities; and 1,254 ha in buffer zones between protected areas and indigenous territories, to be restored jointly by the indigenous communities and PA authorities. Also included is the restoration of the banks of the Chucunaque River (Cativo Mixtos forest, wetlands) and the Balsa River, near the communities of the Chapigana Forest Reserve (37).
- GEF Core Indicator 4: The indicated area consists of the Kuna indigenous territory of Wargandi and the corregimiento of Camogantí, located in the districts of Pinogana and Chepigana in the province of Darien, where the project will improve participatory community forest management programs; traditional indigenous, Afro-Descendants and peasant agroforestry; silvopastoral models; local forest supervision/monitoring systems; and zero deforestation systems for timber and non-timber products; it will also implement OECM in private reserves, indigenous comarcas and lands with community permits. The total of 105,084 ha includes: 100,030.4 ha improved forest management plans developed and implemented on private farms (GEF CI 4.1), 98,030.4 ha of which are area of terrestrial OECMs officially declared under international standards for their management (GEF CI 4.5), 5,053.7 ha are area of landscapes under sustainable land management in production systems (GEF CI 4.3);
- GEF Core Indicator 6 : Calculated using the FAO Ex-ACT tool. The preliminary total carbon balance is -7,661,581 tCO₂e accounting for the 5 years of implementation and 15 years of capitalization, the activities accounted are:
 - Restoration of 3,945 ha of currently deforested and degraded areas, including riparian area
 - Transition to agroforestry (silvopastoral system) of 1,650 ha of existing cattle grazing areas
 - Transition to agroforestry (agricultural system) of and 154 ha of existing plantain (*Musa paradisiaca*) plantations without shade, introducing a tree component

- Transition to agroforestry (agricultural system) of 154 ha of existing coffee plantations (*Coffea canephora*) without shade, introducing a tree component
- Forest Management of 2,000 ha in private land
- Reduction to 0% deforestation from an annual deforestation rate of 0.02924% (based in rate of deforestation between 2003-2020 in the region), for the 774,328 ha of Mature Mixed Tropical Forest within the Protected Areas (676,298) and OECMs (98,030) included in the project. The deforestation reduction rate is assumed to be linear over 10 years and was applied only in border area (5% of the total area, 38,716.4 ha).
- GEF Core Indicator 11: The project will directly benefit 2,000 people, 1,000 men and 1,000 women, distributed as follows according to Output: a) 1.2.1 At least three (3) pilots developed in private reserves, indigenous and non-indigenous territories to verify compliance with the criteria of the OECMs: 200 people. b) 1.2.2 Technological innovations developed and implemented for sustainable and collaborative forest conservation and management in the project intervention area, including PAs, OECMs: 200 persons. c) 1.3.3 Updated Forest management plans: Three (03) in the Kuna de Wargandi Comarca: 200 people. d) 1.3.4 Ten (10) improved forest management plans developed and implemented in private farms: 200 people. e) 2.2. Community-based organizations (CBOs): 200 people. 2 Community-based organizations (CBOs) strengthened and empowered to face the challenges of the territory: 100 people. f) 3.1.2 Validated and implemented economic instruments of environmental incentives for ecosystem services: 200 people. g) 3.2.1 Strengthening gender-sensitive existing value chains in the biome for timber and non-timber forest products from sustainable forest landscapes and OECMs: 200 people. g) 3.2.3 Market opportunities developed for non-timber forest products from sustainable forest landscapes in the Darien: 200 people. h) 4.1.1 Inclusive and gender-focused training plan that reinforces forest ecosystem conservation both inside and outside PAs, OECMs, CFMs, SAF, VC, business and other topics of interest: 200 people. i) 4.1.1. 2 Agreements established with technical schools/universities in Darien and INADEH to train local people in the promotion of stubble management, restoration and non-timber management with a gender and inclusion approach: 200 people. j) 4.2.2 Information system / Knowledge management platform designed and implemented: 100 people. On the other hand, although this indicator will not be added up in this indicator, although they can be counted in implementation reports, it is estimated that indirect beneficiaries may reach 12,000 people.

(37) According to data from SINIA MiAMBIENTE, between 1992 and 2019, more than 65% of these wetlands were lost due to land use change to cattle ranching, due to deficiencies in the implementation of the management plans of the forest concession model.

(38) All contributions to the carbon balance will be monitored and confirmed during project implementation.

Key Risks

	Rating	Explanation of risk and mitigation measures
CONTEXT		
Climate	Moderate	Risk: Climate risk is moderate because climate poses a risk to the proposed project study area and the proposed project activities are affected by climate-

		<p>related impacts. Mitigation measures: The project will invest, through its activities, in increasing adaptive capacity and resilience through ecosystem restoration, sustainable forest management and the dissemination of climate-smart agricultural practices.</p>
<p>Environmental and Social</p>	<p>Moderate</p>	<p>The FAO Environmental and Social Standards (ESS) triggered by the project are: · ESS 1: Conservation of biodiversity and sustainable management of natural resources · ESS 2: Resource efficiency, pollution prevention and management. · ESS 4: Decent Work · ESS 5: Community Health and Safety · ESS 6: Gender equality and prevention of gender violence · ESS 8: Indigenous Peoples · ESS 9: cultural heritage The specific risks identified are the following: ESS 1: Biodiversity conservation and sustainable management of natural resources Risk: The activities proposed in the project are or are close to Protected Areas. Mitigation measures: a) through the ESMPs of the interventions, the potential adverse effects of their specific activities on PAs will be assessed and the risk mitigation hierarchy will be applied to avoid or mitigate adverse effects that may compromise the integrity, conservation objectives and biodiversity of the designated area. b) The project will, with respect to activities in PAs: - demonstrate that the proposed activities in these areas are legally permitted; - operate in accordance with management plans recognized by the Government; - facilitate and participate in Free, Prior and Informed Consent (FPIC) consultation and implementation with stakeholders. The project proposes a forest management scheme based on the principles of sustainable forest management, forest managers must safeguard the integrity of both land and forests through comprehensive planning and implementation of forestry operations. It proposes a sustainable forest management scheme that contributes, at the local level, to strengthening people's livelihoods, income generation and employment. ESS 2: Resource efficiency, pollution prevention and management. Risk: The project could affect soils and lands with agricultural practices outside protected areas. Mitigation measures: a) The project will choose activities that apply sustainable soil management practices to maintain and increase productivity in a sustainable manner. b) Avoid or minimize soil contamination. c) Promote the use of sustainable land management services and the application of agricultural practices that maintain and improve soil functions and sequester soil carbon. d) Support the initiatives of MiAMBIENTE and other institutions related to shared activities and generate inputs, if possible, for the sustainable management of soils and lands with sustainable agricultural practices. ESS 4: Decent work Risk: The project could use child labor as part of family farming activities. The project could use child labor as part of family farming activities. Mitigation measures: a) For the implementation of project activities, the minimum age for hiring will be specified, taking into account that they will not adversely affect health, personal development or interfere with their compulsory education. b) It will take into account what is determined by national legislation and in line with the International Labor Organization (ILO) Convention on Minimum Age 1973 (No. 138), which establishes the general minimum age for a person to be hired or work from the age of 15 years. Risk: There could be a risk to the</p>

safety and health of project workers due to the social and political conditions in the Darien Region. Mitigation Measures: a) There will be ongoing coordination with MiAMBIENTE and FAO to prevent and avoid any problems that workers may face. b) There will also be coordination with local government authorities, community leaders of peasant and Afro-Descendants communities and territorial authorities in the Wargandi Region to be duly informed about possible risk situations and how to avoid them so that they do not pose a risk to project workers. c) The project will have established the necessary processes and measures to address the safety and health of workers and will ensure compliance with these measures.

ESS 5: Community Health and Safety Risk: The communities involved could have health and safety risks associated directly and indirectly with the implementation of project activities. Mitigation Measures: (a) During project implementation, once the communities of intervention and the specific activities to be carried out have been defined, appropriate community health and safety assessments should be carried out and ensure that measures, plans and management systems based on international good practices, adapted to the sector or specific activities in question, and developed and implemented with appropriate health and safety expertise.

ESS 6: Gender Equality and Prevention of Gender Violence Risk: The project may prevent or fail to provide women and men with equal opportunities to participate in and contribute to decision-making processes throughout the identification, design, implementation, monitoring and evaluation of project activities. Mitigation measures: a) Apply the gender analysis conducted and implement the project's Gender Action Plan, in which specific roles and responsibilities, needs and priorities of women and men have been identified. b) At the beginning of the project, cross-check the information from the gender analysis and the Gender Action Plan with the specific information from the beneficiaries. (c) Throughout the project cycle, sex-disaggregated data should be available, to the extent possible, to verify whether, during implementation, the intervention has had unintended gender-differentiated effects or is achieving the intended gender-related outcomes and impacts.

Risk: The project throughout its cycle could address the GBV situation in the local populations where it will intervene. Mitigation measures: a) The project shall integrate GBV considerations throughout the program or project cycle and implement a prevention of sexual abuse and exploitation (PSEA) protocol to be built at the start of the project. b) Project implementers shall be sensitized to gender issues, including GBV, and committed to prevention and protection of vulnerable people, in each specific context.

ESS 8: Indigenous Peoples Risk: There are Indigenous Peoples that live within the area where the project will develop activities and that could be affected by these activities. Mitigation measures: a) Given that the project will work with the indigenous Guna people of the Wargandi Comarca, where the project will intervene, the MGAS will implement the Indigenous Plan through the application of the FPIC principle throughout the project cycle.

ESS 9: Cultural Heritage Risk: Project activities could have direct, indirect or cumulative adverse effects on cultural heritage. Mitigation Measures: The Project will

		avoid adverse effects on cultural heritage. After ensuring that all feasible and practicable alternatives have been explored, and if avoidance is not possible, effects will be minimized and mitigated in accordance with the risk mitigation hierarchy.
Political and Governance	Moderate	Risk: The risk is classified as moderate because Panama has adequate policies and sustainable environmental practices, including sustainable forest management to halt forest degradation and deforestation, in order to increase direct benefits for people and the environment, but there is still room for improvement. Mitigation measures: Contribute to the generation of regulatory proposals and the facilitation of public policies that promote environmental improvement and sustainable forest management in the country. The Project has a governance system that has been working well between MiAMBIENTE, other related institutions and FAO; and FPIC has been implemented to integrate the territorial authorities of the Wargandi Region; a mission has also been planned to integrate the peasant and Afro-Descendants communities of the Darien Region into the consultation process. The Project has a governance system that has been working well between MiAMBIENTE, other related institutions and FAO; and FPIC has been implemented to integrate the territorial authorities of the Wargandi Region; a mission has also been planned to integrate the peasant and Afro-descendant communities of the Darien Region into the consultation process.

INNOVATION

Institutional and Policy	Moderate	Risk: The project risk is classified as low because the strategies and policies in the country are robust Mitigation measures: there are some gaps that the Project intends to fill, for example the development and updating of management plans for Protected Areas and other figures such as the OECMs; through sustainable and friendly practices with the environment and with the participating social groups, ensuring an equitable participation and distribution of benefits.
Technological	Low	Risk: The project has been designed taking into account the needs of the institutions in accordance with their development priorities for the country, as well as those of the population that will benefit from their activities, and therefore the risk is considered low.
Financial and Business Model	Low	Risk: Panama is one of the fastest growing economies in the Americas, largely influenced by the famous canal connecting the Atlantic and Pacific oceans, and by business-friendly regulations. As a result, the services sector, which includes insurance, finance, legal industries and flagship registry, accounts for 80% of GDP. Mitigation measures: After reviewing the main macroeconomic indicators, it is considered that these do not represent a risk for the execution of the Project.

EXECUTION

Capacity	Moderate	Risk: The institutional capacity for the implementation and sustainability of the Project is adequate Mitigation measures: mainly due to the lack of
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		personnel in some areas, the Project has planned to propose some fundable plans and projects so that the institutions can cover these shortcomings.
Fiduciary	Moderate	Risk: The fiduciary status of the Project, in terms of financial management and procurement, will be considered for proper implementation. Mitigation measures: To this end, a budget has been prepared that includes all activities and is based on the institutional procurement procedures, those of FAO and GEF. It is also planned to present a portfolio of cooperating and financial entities that can support the continuation of the Project's strategic activities in the future.
Stakeholder	Low	Risk: low engagement of the stakeholders Mitigation measures: One of the objectives of the Project is to carry out the necessary actions to ensure the effective participation of all stakeholders, including especially the rural population (including peasant, indigenous and Afro-Descendants populations), in gender and age equity, through consultation mechanisms (FPIC) and instruments such as the ESMF with its Stakeholder Participation Plan and feedback mechanism, the Gender Action Plan and the Indigenous Plan.
Other		
Overall Risk Rating	Moderate	The Project has an overall risk rating of moderate; mainly due to existing risks in the Darien Region, such as migration, sometimes organized crime, social conflicts and those related to communication and transportation difficulties during the rainy season. In addition, some of the proposed activities assume that the institutions will implement them, that there is political will to implement the proposed plans and regulations and to give continuity to the Project activities, which is beyond the scope of the Project itself.

C. ALIGNMENT WITH GEF-8 PROGRAMMING STRATEGIES AND COUNTRY/REGIONAL PRIORITIES

Explain how the proposed interventions are aligned with GEF- 8 programming strategies, including the specific integrated program priorities, and country and regional priorities, Describe how these country strategies and plans relate to the multilateral environmental agreements, such as through NDCs, NBSAPs, etc.

For projects aiming to generate biodiversity benefits (regardless of what the source of the resources is - i.e., BD, CC or LD), please identify which of the 23 targets of the Kunming-Montreal Global Biodiversity Framework the project contributes to and explain how.

(max. 500 words, approximately 1 page)

The project is well aligned with the GEF 8 integrated program theory of change. The project supports all of the medium-term outcomes identified in the theory of change, including:

- i) strengthening the governance and protection of Mesoamerican IFLs;
- ii) adoption/integration of enabling policies, reforms and planning;

- iii) increased investment in positive forest landscapes; and
- (iv) improved regional cooperation and coordination.

The project is also aligned with the integrated approaches highlighted in the overall program, which include the integration of forests into broader landscapes; coherence and intersectorality of public policies and incentives; and the involvement of the private sector and indigenous communities. The project will support a connectivity strategy for protected areas, indigenous territories, private lands and sustainable community forest management areas; a protection strategy that includes strengthened PA and OECM management; and the strengthening of key cross-sectoral platforms. The project will contribute to multiple global environmental benefits, including conservation of globally important biodiversity and enhancement of carbon stocks, through the protection of forests in the Darien region.

The project is also in line with the five pillars of the *Libreville Plan* agreed at the *One Forest Summit* (<https://zm.ambafrance.org/One-Forest-Summit-Protecting-Tropical-Forests-with-the-Libreville-Plan>).

Finally, the project will facilitate the scaling up of outcomes from the local to the national level. The landscape-level approach proposed by this project, in which the Darien region becomes a 'model forest' in which different conservation strategies (formal protected areas; OECM; private reserves; indigenous reserves; etc.) are interspersed with indigenous sustainable forest management areas, and landscape-level platforms and strategies are facilitating collaborative efforts between government, Indigenous Peoples and Local Communities (IPLCs) and private sector stakeholders to ensure that the region's forests are conserved and provide sustainable socio-economic benefits to its inhabitants.

This general model, as well as lessons learned in sustainable forest management, forest restoration, zero deforestation approaches, value chain development, etc., will be systematized by the project and shared widely to facilitate replication in other similar landscapes within Panama and the sub-region. Finally, the project will serve as a pilot experience for the implementation of Panama's reforestation fund under Law 69 of 2017 and incentives to increase forest cover [\[39\]²⁵](#) and Law 25 on Agricultural Transformation. [\[40\]²⁶](#)

The project is aligned with the country's priorities and policies, as summarized in the table below:

International Convention	Project contribution
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<p>Convention on Biological Diversity (CBD)</p>	<p>The project is aligned with and will contribute to the following objectives and targets of the Kunming-Montreal Global Biodiversity Framework:</p> <ul style="list-style-type: none"> i) Outputs under Outcome 1.1 are related to Global Biodiversity Framework (GBF) Target 3, contributing to the 30x30 goal, as it relates to improved governance of protected areas. ii) Outcome 1.2. also relates to GBF Target 3 regarding OECMs and conserved areas. iii) Outcome 1.3. contributes to GBF Target 1 in relation to participatory land-use or land-spatial planning, and also contributes to GBF Target 2 of in relation to the restoration of forest ecosystems in degraded areas. iv) Outcome 2.1 mostly relates to GBF Target 9 on the management and sustainable use of wild species (plants). v) Outcome 2.2. contribute to GBF Targets 22 and 23, in terms of ensuring the full and effective participation of Indigenous Peoples in biodiversity decision-making processes and promoting gender equality. vi) Component 3 will contribute to GBF Target 19 of the global biodiversity framework in terms of mobilizing financial resources and exploring financial solutions to fill funding gaps for biodiversity conservation. vii) Component 4 is related to information and communication and is related to GBF Targets 20 and 21, contributing to facilitate access to information, data and knowledge for the conservation of forest biodiversity. Also, with the strengthening of capacities, and through international cooperation with the countries of the Mesoamerican region and Latin America, South-South cooperation.
<p>United Nations Convention to Combat Desertification (CNULDS)</p>	<p>Contributes to the implementation of the Panama Goals to achieve Land Degradation Neutrality (LDN) by 2030, presented to the UNCCD in december 5 2018.</p> <p>The project contributes with actions related to:</p> <p>Goal: By 2030, forest cover has increased by 26%.</p> <p>Measure: Lead and promote the “alliance for a million” initiative, which aims to reforest one million hectares considering the vocation of the soil and using native species in prioritized areas.</p> <p>Measure: Identify and evaluate existing financial resources, which will directly help the recovery of degraded lands; financed in part or totally through a possible link with corporate environmental responsibility policies of the financial sector, transport linked to the canal and agribusiness.</p> <p>Goal: By 2030, increase the productivity of 62,000 hectares of agricultural land and 12,000 hectares of shrublands and grasslands with decreasing productivity and early stages of deterioration.</p> <p>Measure: Encourage the protection of natural forest patches within productive areas. Additionally, establish buffer zones in areas that border national parks or</p>

	<p>state lands with high-value native forests. Complement these actions with the development of financing mechanisms for the sustainable management of productive areas with minimal impact on nearby priority areas.</p> <p>Goal: By 2020, improve coordination between different institutions, civil society, unions and promote participatory mechanisms.</p> <p>Measure: Improve cooperation between ministries to develop joint strategies with the objective of generating synergies that allow the goals to be met.</p>
United Nations Framework Convention on Climate Change (UNFCCC)	<p>The second Nationally Determined Contribution was presented on June 13, 2024.</p> <p>The project is aligned with the updated Nationally Determined Contributions (NDCs) through the Commitment 2.5: By 2025, the Forest Master Plan will have been created, and by 2030, it will have been implemented in regions vulnerable to climate change.</p> <p>Commitment 2.7: By 2026, there will be a financing strategy to conserve the ecosystem services of forests, and by 2028, its implementation will have begun.</p>
Government Priorities	Project contribution
National Biodiversity Strategy and Action Plan 2018-2050 ^[41] ²⁷	<p>Made official by Executive Decree No. 128 of December 18, 2018: has as a goal by 2050, the restoration, as a priority, of at least 15% of degraded areas at the national level, focused on key biodiversity areas (CBA), watersheds, buffer zones, mangroves and forest vocation lands and that at least, 25% of the national territory has plans and budget for the mitigation and adaptation to climate change of ecosystems by 2050.</p> <p>Its Action Plan considers five strategic axes related to i) governance, ii) knowledge, iii) reduction of pressures, iv) conservation - restoration, use and v) sustainable management); in addition to the initiative for the development of Other Effective Area-based Conservation Measures (OECM).</p>
National Land Degradation Neutrality Strategy ^[42] ²⁸	<p>END 2030 goals related to i) increase in forest cover, ii) decrease in forest conversion to stubble, iii) increase in productivity of agricultural land, iv) institutional coordination and v) legal framework).</p>
National Climate Change Strategy 2050 ^[43] ²⁹	<p>Aims to move towards a green economy and maintain the balance between economic growth and environmental sustainability. It establishes a roadmap for the country to adopt a low-carbon, climate-resilient economy. It recognizes the role of forests as carbon sinks.</p>

National Climate Action Plan (Executive Decree N°10 of 2022 ^{[44]³⁰})	This decree approves Panama's updated Nationally Determined Contribution (NDC), with greenhouse gas emission reduction targets for the energy and forestry sectors, and is a key instrument that promotes the country's long-term national and sectoral ambitions on climate change and aims to facilitate and guarantee the implementation of the NDC and its periodic updates, in compliance with the commitments assumed as a country.
Reduce Your Footprint National Program (Executive Decree No. 100 of 2020 ^{[45]³¹}).	For the management and monitoring of the country's low carbon economic and social development and serves as the basis for the development of the National Carbon Market of the Republic of Panama.

General environmental aspects:

General environmental aspects	
Regulatory framework	Political-strategic framework
General Environmental Law (Law No. 41 ^{[46]³²} of 1998): Establishes the basic principles and norms for the protection, conservation and recovery of the environment, including forest ecosystems; establishes provisions on forest protection, forest parks, environmental law, reserves and more, for environmental management in Panama. Authorizes and regulates co-management approaches within the PA system. Broadly recognizes the rights of the comarcas and indigenous peoples in relation to the use, management and traditional sustainable use of renewable natural resources located within their territories.	The National Environmental Strategy 2021-2031 , in which Pillar 3 aims at habitat conservation in the PA System (SINAP) ^{[47]³³} through multisectoral / multicultural approaches.
Forests and forest heritage	
Regulatory framework	Political-strategic framework
Panama Forestry Law (Law No. 1 of 1994) ^{[48]³⁴} : its purpose is to protect, conserve and increase the	Panama's Forestry Policy (Executive Decree N°37 of 2009) ^{[49]³⁵} : The policy establishes the principles and

<p>existing forest resources at the national level and promote their rational and sustainable management and use, and to encourage and implement forest plantation projects in the places indicated for this purpose.</p>	<p>guidelines for sustainable forest management, including biodiversity protection, community participation, promotion of the forest industry and adaptation to climate change.</p>
<p>Incentives Program for Forest cover (Law 69 of 2017^{[50]³⁶}): creates an incentive program for forest cover and conservation of natural forests with the objective of protecting, recovering and conserving Panama's forest cover and to promote activities aligned with the public-private initiative 'Alliance for the Million Hectares'.</p>	<p>National Forest Strategy 2050 (Executive Decree No. 20 MiAMBIENTE, 2019)^{[51]³⁷}, which focuses on increasing forest cover / conserving forest ecosystems; promoting a sustainable forest industry, conserving forest heritage as the basis of ecosystems, and mitigating the effects of climate change.</p>
<p>Regulation of the Forestry Law (Board of Directors Resolution N 05-98^{[52]³⁸}): The Decree regulates the process of sustainable forest harvesting in natural forests, establishing the basic rules for its execution.</p>	<p>National REDD+ Strategy^{[53]³⁹} (2022), which aims to reduce carbon emissions through improved governance, financial incentives and forest conservation and management.</p>
<p>Executive Decree No. 129 of 2018^{[54]⁴⁰}: regulation of Law 69 and establishes certain criteria that beneficiaries must meet in order to qualify for the aforementioned incentives.</p>	<p>National Forest Restoration Program (2021-2025)^{[55]⁴¹}, which promotes restoration in water-producing watersheds.</p>
<p>Forest Traceability and Control System of the Ministry of Environment (Resolution No. 68-2018^{[56]⁴²}): This system allows the responsible management of private and State forest and forest plantations with the objective of tracking the flow of timber from the forest and forest plantations to internal and external stocking yards, industries and/or processing and marketing companies.</p>	<p>National Land Degradation Neutrality Strategy^{[57]⁴³} (END 2030 goals related to i) increase in forest cover, ii) decrease in forest conversion to stubble, iii) increase in productivity of agricultural land, iv) institutional coordination and v) legal framework).</p>

The **Forest Stewardship Council (FSC)** standard is a globally recognized certification system that promotes responsible management of the world's forests. It ensures that forest products are sourced in ways that are environmentally sustainable, socially beneficial, and economically viable. The FSC standard sets strict criteria for forest management, focusing on conserving biodiversity, protecting the rights of indigenous peoples and

local communities, and promoting fair wages and working conditions. Products certified under the FSC label are tracked from the forest to the consumer, ensuring transparency and traceability throughout the supply chain.

The new FSC Provisional Forest Management Standard (EPMF) for Panama has been published and entered into force on January 1, 2024. The EPMF for Panama promotes responsible forestry in Panama, ensuring social responsibility, environmental protection and economic sustainability, while transferring the FSC Principles and Criteria to Forest Management on the ground. The new EPMF will contribute to promoting responsible forest management in both plantations and natural forests, while contributing to livelihoods, income generation and local employment. It will also contribute to the conservation of natural ecosystems and wildlife habitats, including threatened and endangered species, and protect water sources in managed forests, while bringing many benefits to certificate holders, such as better and greater market access, strengthened image and status in the market.

This is particularly important in the Darien region, where financing mechanisms are insufficient to mobilize the necessary resources for the implementation of forest and stubble management plans focusing on the use of non-timber and restoration actions, and for the private sector to improve its environmental performance. Incorporating the FSC standards is an important element for the implementation of output 2.1.2, 2.1.5, 2.2.3.

The portfolio of FSC clients in the Darien region is extensive, creating an enabling environment to support the local economy through sustainable forestry, attracting investment from international entities focused on environmental sustainability and responsible land use. The project expects companies that are Forest Steward Council (FSC) certified, to be constructive partners in sustainable forest management activities.

C.1 Alignment with FAO Strategic framework, SDGs and Country Programming Framework.

The project contributes to the FAO's Country Programming Framework (CPF), Panama: 2021-2025^{[58]⁴⁴} : **CPF Priority Area No. 1:** Support the institutional modernization of Panamanian agriculture to promote the resilience and sustainability of the agricultural sector and ecosystem services.

The project is aligned with the Regional Initiative No. 3 'Sustainable and Resilient Agriculture' and according to the FAO Strategic Framework 2022-2031, the project is aligned with the Priority Programmatic Areas (PPAs) and Sustainable Development targets.

Regarding the Biennial Planning of the Representation 2022 - 2023, the project is aligned to RIL3 - 10734, RIL2 - 10720 and RIL3 - 9984.

C.2 Lessons learned from past projects

Multiple forestry and community-based projects have been developed, focused on supporting Indigenous Peoples and forest-dependent communities. Progress has certainly been made, but there are still limitations to their incorporation into sustainable forest management; indigenous and rural communities have been left with the responsibility of sustainably managing the forest without adequate support to ensure the success of management. In other words, they have not received the governmental support required to strengthen their management as administrators and dependents of the forest. This task has been taken on by entities and NGOs that work in the Darien region and provide timely support with programs, initiatives and projects focused on reducing deforestation, contributing to reforestation, training the population in sustainable forest management and strengthening community groups.

The projects and experiences have shown that there is a need to strengthen the knowledge and implementation of sustainable forest management, and greater promotion of forest products and understanding of the value chain of these products, since the timber processing industries are located far from the forest and there are no policies to promote their establishment near the forest. This situation has made forest-dependent communities vulnerable to investors and illegal timber buyers, who negotiate prices, species and harvesting conditions in their favor to meet their basic needs in the short term. Little by little, a small group has managed to monopolize the timber trade, leaving aside the sustainability of the forest and the development of the communities that are left without resources. Therefore, the presence of MiAMBIENTE should be intensified and alliances with public and private entities should be promoted to support the social, cultural and educational development of indigenous and rural communities so that their livelihoods are sustainable.

Lessons learned from the Foundation for the Conservation of Natural Resources -Fundación Natura- with the debt-for-nature swap in the Darién National Park:

- **On the structure and governance mechanisms:** Good governance must be considered a Supervisory Committee composed of the most relevant organizations. This is a good practice for them to be agile and authoritative in making decisions independently. In this context, it was ideal in the experience of the exchanges that both the government entities responsible for finance (MEF) and protected area management (ANAM/MiAMBIENTE) participated in the Surveillance Committee, with differentiated roles of principal and advisor, respectively, but complementary. It is considered a good practice to incorporate an organization that provides technical support and assistance to the beneficiaries of the Fund on a permanent and continuous basis.
- **On the design of investments:** The use of strategic plans for the implementation of the Funds in protected areas is a good practice. A Protected Area Financial Plan should be established that explicitly reflects all sources of revenue and input, both from the Government and from any other available financial mechanism.

- **On investment processes:** Expand the use of market-based instruments to facilitate private sector input. The largest increase in financing will result from the operation of different market instruments. Choose investment portfolios for non-extinguishing funds that, without involving high risks, allow good return margins to be obtained.
- **About the executing partners:** Maintain as a key factor for the motivation of the partners and the success of the effort technical assistance and accompaniment of the '24/7' type actions in the field.
- **About training:** Formalize farmer-to-farmer training with spontaneous encouragement from the implementing partners to share their knowledge. Emphasize training for the management of economic activities as a business to create a more entrepreneurial culture among producers.

Offsets outside protected areas and other DIFOR programs with lessons learned.

Lessons learned from reforestation during the period 1992 -2017 as a result of Law No. 24 of 1992: Darien Region, Panama.

- **Currently, the regulatory framework that regulates the issue of forestry incentives in Panama is Law No. 69 of October 30, 2017, regulated by Executive Decree 129 of December 27, 2018.** However, until 2017, when the aforementioned Law emerged, the regulatory framework that regulated incentives for reforestation in Panama was Law No. 24 of 1992.
- Among the incentives established by the law are the following (Arcia and Muñoz, 2006): Owners who carry out plantations during the validity of Law No. 24 (1992 to 2017) will not pay taxes on income, nor on the profits of the use and commercialization of forest products. Investors are exempt from paying import taxes and other duties on machinery, equipment, tools, agrochemicals, seeds and other inputs necessary for the exclusive use in the reforestation, management and use of plantations. Investors are exempt from paying property taxes and real estate transfer if more than 75% of the farm's surface is dedicated to reforestation and has been registered with ANAM (National Environmental Authority of Panama (nowadays it is the Ministry of Environment)).
- **Recommendations:** With the creation of the Ministry of Environment in 2015 and the consequent conversion of the forestry department to the Forestry Directorate, there has been an advance in the governing institutionality of the forestry sector, however, the experience lived with the

application of Law No. 24 of 1992, suggests that the current institutionality is not prepared in terms of capacity for action in human and technological resources for the challenges demanded by the new Incentive legislation.

- It is necessary to make adjustments that simplify the processes of the procedures necessary to access the incentives that are proposed. The idea is not to generate disinterest in applying for incentives, so as not to submit to procedures whose response times are long.

Derived from the implementation of PROJECT PS89923 'CONSOLIDATION OF THE PREPARATION PHASE FOR THE REDUCTION OF EMISSIONS FROM DEFORESTATION AND FOREST DEGRADATION (REDD+) IN PANAMA':

- Coordination within MiAMBIENTE, where the Directorate of Forestry, Protected Areas and the Directorate of Climate Change work in coordination in the implementation of the 2050 Forest Strategy and ENREDD+, especially because one is within the other.
- Greater coordination with other Ministries, such as the Ministry of Agricultural Development (MIDA) will be required for field activities with the Livestock and Private Agricultural Sector of Panama and the Ministry of Economy and Finance.
- A valuable opportunity lies in developing an internal financing strategy, particularly through the Reforesta Panama Fund, which serves as a resource management mechanism capable of receiving contributions from private initiatives, performance-based payments, and international support. The conversation around creating an internal market for certificates can be revived by linking it to Panama Canal activities, offering voluntary reduction certificates for shipping transport. Results-based payment projects need to provide immediate evidence to encourage participation, highlighting the importance of updating the monitoring phase and installing the necessary systems.

Experiences of the National Association of Reforesters and Allied Workers of Panama (ANARAP):

- More than 110,000 hectares of forests out of more than 200,000 in the **Darien and East Panama** region are granted for forest use, which indicates that 20% are under forest control, with about 350 to 850 hectares used in a year.

[39]https://www.asamblea.gob.pa/APPS/LEGISPAN/PDF_NORMAS/2010/2017/2017_635_0532.pdf

[40]<https://mida.gob.pa/elementor-26940/#:~:text=The%20law%20on%20a,%20integral%20development%20of%20the%20agricultural%20sector>

[41]<https://vlex.com.pa/vid/decreto-ejecutivo-n-128-751343669>

[42]https://www.unccd.int/sites/default/files/ldn_targets/2018-12/Panama%20LDN%20TSP%20Country%20Report.pdf

[43] National Climate Change Strategy (ENCCP) 2050. Executive Decree No. 34, May 24, 2019.

[44]https://www.gacetaoficial.gob.pa/pdfTemp/29558_C/92220.pdf

[45]https://www.gacetaoficial.gob.pa/pdfTemp/29138_C/GacetaNo_29138c_20201020.pdf

[46]<https://docs.panama.justia.com/federales/leyes/41-de-1998-jul-3-1998.pdf>

[47] https://www.MiAMBIENTE.gob.pa/wp-content/uploads/2022/10/Estrategia-Nacional-Ambiental_Final_BAJA.pdf

[48]https://arap.gob.pa/wp-content/uploads/2015/05/ARAP_legislacion_Ley-arap1-3-2-1994.pdf

[49]<https://faolex.fao.org/docs/pdf/pan90273.pdf>

[50]https://s3-legispan.asamblea.gob.pa/legispan/NORMAS/2010/2017/LEY/Administrador%20Legispan_28397-C_2017_10_30_ASAMBLEA%20NACIONAL_69.pdf

[51] Executive Decree No. 20 of March 28, 2019

[52]<https://www.ecolex.org/details/legislation/resolucion-de-junta-directiva-no-05-98-reglamento-de-la-ley-forestal-de-la-republica-de-panama-lex-faoc035127/?type=legislation&sortBy=oldest>

[53]https://www.MiAMBIENTE.gob.pa/wp-content/uploads/2022/10/ENREDD_.pdf

[54]https://www.gacetaoficial.gob.pa/pdfTemp/28684_B/GacetaNo_28684b_20181227.pdf

[55]<https://www.MiAMBIENTE.gob.pa/wp-content/uploads/2021/02/Programa-Nacional-Restauracion-Forestal-2020-baja-resolucion.pdf>

[56]<https://www.ecolex.org/details/legislation/resolucion-no-68-2018-establece-el-sistema-de-trazabilidad-y-control-forestal-del-ministerio-de-ambiente-lex-faoc179228/>

[57]https://www.unccd.int/sites/default/files/ldn_targets/2018-12/Panama%20LDN%20TSP%20Country%20Report.pdf

[58] FAO and National Government of Panama. 2022. Country Programming Framework, Panama: 2021-2025. Panama. <https://doi.org/10.4060/cb8421es>

D. POLICY REQUIREMENTS

Gender Equality and Women's Empowerment:

We confirm that gender dimensions relevant to the project have been addressed during Project Preparation as per GEF Policy and are clearly articulated in the child Project Description (Section B).

Yes

1) Does the project expect to include any gender-responsive-measures to address gender gaps or promote gender equality and women's empowerment?

Yes

If the child project expects to include any gender-responsive measures to address gender gaps or promote gender equality and women empowerment, please indicate in which results area(s) the project is expected to contribute to gender equality:

Closing gender gaps in access to and control over natural resources;

Yes

Improving women's participation and decision-making; and/or

Yes

Generating socio-economic benefits or services for women.

Yes

2) Does the child project's results framework or logical framework include gender-sensitive indicators?

Yes

Stakeholder Engagement

We confirm that key stakeholders were consulted during Project Preparation as required per GEF policy, their relevant roles to project outcomes has been clearly articulated in the Child Project Description (Section B) and that a Stakeholder Engagement Plan has been developed before CEO endorsement.

Yes

Select what role civil society will play in the Project:

Consulted only;

Member of Advisory Body; Contractor; Yes

Co-financier; No

Member of project steering committee or equivalent decision-making body ; Yes

Executor or co-executor; Yes

Other (Please explain) No

Private Sector

Will there be private sector engagement in the Child project?

Yes

And if so, has its role been described and justified in section B "Child project description"?

Yes

Environmental and Social Safeguards

We confirm that we have provided information regarding Environmental and Social risks associated with the proposed child project or program, including risk screenings/ assessments and, if applicable, management plans or other measures to address identified risks and impacts (this information should be presented in Annex E).

Yes

Please provide overall Project/Program Risk Classification

Overall Project/Program Risk Classification

PIF	CEO Endorsement/Approval	MTR	TE
	Medium/Moderate		

E. OTHER REQUIREMENTS

Knowledge management

We confirm that an approach to Knowledge Management and Learning has been clearly described during Project Preparation in the Project Description and that these activities have been budgeted and an anticipated timeline for delivery of relevant outputs has been provided. This includes budget for linking with and participation in knowledge exchange activities organized through the coordination platform.

Yes

Socio-economic Benefits

We confirm that the child project design has considered socio-economic benefits to be delivered by the project and these have been clearly described in the Project Description and will be monitored and reported on during project implementation (at MTR and TER).

E.1 Knowledge Management and Communication

The project's knowledge management approach is clearly described in Component 4: Capacity building, knowledge management and coordination with the Critical Forest Biomes IP Mesoamerica, and the Global CFB IP platform (**see Section B**) and its activities have been budgeted and incorporated into the work plan for the delivery of relevant outcomes. Component 4 of the project will be aligned with Mesoamerica's Integrated Program Critical Forest Biomes (CFB) and the platform led by International Union for Conservation of Nature (IUCN). The project will share knowledge, learning and experiences with the program and other CFB projects through:

- i) technical assistance and training provided by the program in support of national projects.
- ii) exchange of information on lessons learned and follow-up outcomes.
- iii) mechanisms and sharing of strategies to maximize the participation of key stakeholders, including Indigenous Peoples; and
- iv) information sharing/collaboration on resource mobilization mechanisms.

Key benefits expected from this project include the exchange of information through the regional program on linking SMFEs to sustainable indigenous forest management approaches, as well as the exchange of information on fire management strategies. The project will also seek to share experiences in Panama on forest monitoring and national certification processes as examples of best practices.

FAO and the Government of Panama will contribute to inter-operability of the GEF-8 CFB IP global platform, facilitating cross-fertilization and exchange of best practices and monitoring tools, both in the region and across the globe.

The project will also use various regional and global forums and platforms of which Panama is a member to share best practices, tools and strategies, among them:

- i) The AFOLU 2040 Regional Policy of the Central American Integration System (SICA) - which promotes a carbon neutral path (through forest cover).
- ii) Regional Initiative of the Central American Commission for Environment and Development (CCAD) 5GF - Five Great Forests of Mesoamerica.
- iii) RedParques¹¹⁴⁵ , which works to improve the financial sustainability and management of PAs.
- iv) The Bonn Challenge, under which Panama has committed to restore 1 million hectares of forest.
- v) 20x20 Sustainable Landscapes for Food, Water and Climate Initiative, which aims to change the dynamics of land degradation in Latin America and the Caribbean.
- vi) The International Tropical Timber Organization.

E.2 Socioeconomic Benefits and Decent Rural Employment

The project 'Panama's Critical Forest Biome: A Collaborative Conservation Initiative in the Darien' is expected to bring important socioeconomic benefits at both the national and local levels. At the national level, conservation of the Darien critical forest biome contributes to maintaining essential ecosystem services such as water regulation, carbon sequestration and biodiversity conservation. These services are vital for sustaining various sectors of the economy, such as agriculture, fisheries, tourism and energy production. By safeguarding these ecosystems, the project helps ensure the long-term sustainability of these economic activities, building national resilience to environmental shocks and contributing to Panama's overall development goals.

At the local level, the project generates direct and indirect socioeconomic benefits for communities living in and around the Darien region. By promoting sustainable land management practices and providing training and capacity building opportunities, the project improves local livelihoods, enhances food security and reduces vulnerability to the effects of climate change. In addition, the project facilitates the creation of green jobs in sectors such as sustainable forestry, ecotourism and biodiversity monitoring, thereby promoting full productive employment in rural areas. These economic opportunities support the progressive realization of

the right to decent rural employment and empower communities to participate in conservation efforts and improve their quality of life.

These socioeconomic benefits are in line with GEF objectives. By promoting ecosystem conservation and sustainable land management, the project contributes to global environmental benefits such as climate change mitigation, biodiversity conservation, and adaptation to climate change impacts. In addition, the project's focus on improving local livelihoods and promoting green employment is consistent with GEF's objectives of promoting sustainable development and poverty reduction in developing countries. Therefore, the socioeconomic benefits of the project directly support the achievement of global environmental and adaptation goals, while promoting inclusive and sustainable development in rural Panama.

[59] Latin American Network for Technical Cooperation in National Parks, other Protected Areas, Wildlife and Flora: <https://redparques.com/>

ANNEX A: FINANCING TABLES

GEF Financing Table

Trust Fund Resources Requested by Agency(ies), Country(ies), Focal Area and the Programming of Funds

GEF Agency	Trust Fund	Country/ Regional/ Global	Focal Area	Programming of Funds	Grant / Non-Grant	GEF Project Grant(\$)	Agency Fee(\$)	Total GEF Financing (\$)
FAO	GET	Panama	Biodiversity	BD STAR Allocation: IPs	Grant	6,290,770.00	566,168.00	6,856,938.00
FAO	GET	Panama	Climate Change	CC STAR Allocation: IPs	Grant	898,681.00	80,881.00	979,562.00
FAO	GET	Panama	Biodiversity	BD IP Matching Incentives	Grant	2,096,923.00	188,723.00	2,285,646.00
FAO	GET	Panama	Climate Change	CC IP Matching Incentives	Grant	299,560.00	26,960.00	326,520.00
Total GEF Resources (\$)						9,585,934.00	862,732.00	10,448,666.00

Project Preparation Grant (PPG)

Was a Project Preparation Grant requested? true

PPG Amount (\$) 200000

PPG Agency Fee (\$) 17999

GEF Agency	Trust Fund	Country/ Regional/ Global	Focal Area	Programming of Funds	PPG(\$)	Agency Fee(\$)	Total PPG Funding(\$)
FAO	GET	Panama	Biodiversity	BD STAR Allocation: IPs	131,250.00	11,812.00	143,062.00
FAO	GET	Panama	Climate Change	CC STAR Allocation: IPs	18,750.00	1,688.00	20,438.00

FAO	GET	Panama	Biodiversity	BD IP Matching Incentives	43,750.00	3,937.00	47,687.00
FAO	GET	Panama	Climate Change	CC IP Matching Incentives	6,250.00	562.00	6,812.00
Total PPG Amount (\$)					200,000.00	17,999.00	217,999.00

Please provide Justification

Sources of Funds for Country Star Allocation

GEF Agency	Trust Fund	Country/ Regional/ Global	Focal Area	Sources of Funds	Total(\$)
FAO	GET	Panama	Biodiversity	BD STAR Allocation	7,000,000.00
FAO	GET	Panama	Climate Change	CC STAR Allocation	1,000,000.00
Total GEF Resources					8,000,000.00

Focal Area Elements

Programming Directions	Trust Fund	GEF Project Financing(\$)	Co-financing(\$)
CFB MesoAmerica IP	GET	9,585,934.00	25296117
Total Project Cost		9,585,934.00	25,296,117.00

Confirmed Co-financing for the project, by name and type

Please include evidence for each co-financing source for this project in the tab of the portal

Sources of Co-financing	Name of Co-financier	Type of Co-financing	Investment Mobilized	Amount(\$)
Civil Society Organization	01. National Association of Reforesters and Related Industries of Panama (ANARAP)	In-kind	Recurrent expenditures	63750
Recipient Country Government	02. Ministry of Environment, Climate Change Directorate	Grant	Investment mobilized	4943890

Recipient Country Government	02. Ministry of Environment, Climate Change Directorate	In-kind	Recurrent expenditures	281558
Others	03. Fondo Reforesta Panamá	In-kind	Recurrent expenditures	469775
Others	04. International Bamboo and Rattan Organization (INBAR)	In-kind	Recurrent expenditures	420000
Recipient Country Government	05. Ministry of Environment, Directorate of Protected Areas and Biodiversity	Grant	Investment mobilized	52376
Recipient Country Government	06. Ministry of Environment, Indigenous Peoples' Environmental Office	In-kind	Recurrent expenditures	335820
Recipient Country Government	07. Ministry of Environment, Program for the Sustainable Development of Darien and Annexed Comarcas (PRODACAN)	In-kind	Recurrent expenditures	2251000
Others	08. International Tropical Timber Organization (ITTO) project	In-kind	Recurrent expenditures	730088
Recipient Country Government	08. International Tropical Timber Organization (ITTO) project - Ministry of Environment	In-kind	Recurrent expenditures	747860
Others	09. Panama Reforestation Services	Grant	Investment mobilized	15000000
Total Co-financing				25,296,117.00

Please describe the investment mobilized portion of the co-financing

The Ministry of Environment, Climate Change Directorate, contributes with 4.943.890 USD from the project "Adaptation Based on Ecosystems to Increase Climate Resilience in the Central American Dry Corridor and Arid Zones of the Dominican Republic" implemented at regional level by FAO, which has a cooperation agreement with CABI (Project document: <https://openknowledge.fao.org/server/api/core/bitstreams/268742e5-299b-42f2-b026-6955a4cd095d/content>).

The Ministry of Environment, Directorate of Protected Areas and Biodiversity, contributes to the project through the SIN PA Conservation Program projects and the Subsidy for the Management and Development of Protected Wildlife Areas (FIDECO).

Panama Reforestation Services, contribute to the project through the reforestation of 500 hectares of forest annually.

ANNEX B: ENDORSEMENT

GEF Agency(ies) Certification

GEF Agency Coordinator	Date	Project Contact Person	Telephone	Email
Project Coordinator		Valeria Gonzalez Riggio		valeria.gonzalezriggio@fao.org

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

Please attach the Operational Focal Point endorsement letter(s) with this template.

Name of GEF OFP	Position	Ministry	Date (MM/DD/YYYY)
Raul Pinedo	Planning Analyst	Ministry of Environment of Panama	3/29/2023

ANNEX C: PROJECT RESULTS FRAMEWORK

Please indicate the page number in the Project Document where the project results and M&E frameworks can be found. Please also paste below the Project Results Framework from the Agency document. For the Integrated Programs' global/regional coordination child project, please include the program-wide results framework, inclusive of results specific to the coordination child project. For any country child project, please ensure that relevant program level indicators are included.

Results chain	Indicators	Baseline	Mid-term target	Final target	Means of verification	Assumptions	Responsible for data collection
Project Objective: To conserve and sustainably manage the Darien Intact Forest Landscapes (IFLs) and their buffer zones, by strengthening governance and collaborative management, and ensuring a sustainable flow of ecosystem services for people and the planet							
Component 1: Conservation and accelerated restoration of critical forest landscapes in the Darien							
Outcome 1.1: Strengthened governance and management of protected areas with a gender, resilient and inclusive approach	GEF Core Indicator 1: Terrestrial protected areas created or improved in their management <i>Target: 676,298 ha</i> <u>Project indicator 1</u> Number of local governance structures strengthened with at least 50%	0	According to the work plan to be defined	676,298 ha	Technical reports, Field mission reports	The government provides PAs with personnel and basic equipment so that they can assume the roles that strengthen their management. There are mechanisms for the participation and inclusion of	MiAMBIENTE, Protected Areas Directorate

	of participants are women <i>Target: 04</i>					women, youth, and indigenous communities.	
<u>Output 1.1.1:</u> Participatory governance models with a gender, resilient and inclusive approach for four protected areas in the Darien Region implemented	Number of local governance structures strengthened. Indicator 1.1.1 PFD	0	4	4	Technical reports, Workshop and meeting reports. Approval by national and local authorities	There is the political and regional will to achieve participatory governance models in the 4 PAs.	Operational Partner (OP), MiAMBIENTE, Protected Areas Directorate, PA Managers
<u>Output 1.1.2:</u> The official methodology of the Ministry of Environment for the design of protected areas management plans updated.	Updated and approved methodology for the design of PA management plans.	0	1	1	Technical reports, Workshop and meeting reports	A new methodology for PA management is designed taking into account international advances and new approaches.	OP, MiAMBIENTE, Protected Areas Directorate,
<u>Output 1.2.3:</u> Four new or updated protected areas management plans.	Number of PA management plans designed/updated and approved.	0	1	4	Technical reports, Workshop and meeting reports. Approval by national and local authorities	The management plan methodology (Output 1.2.2) has been updated and management plans are designed or updated considering the particularities of each area, the	OP, MiAMBIENTE, Protected Areas Directorate, PA managers.

						conservation targets, co-management opportunities and the participation of local communities.	
Outcome 1.2: Diversified OECM models that promote the conservation and sustainable use of the Darien's intact forest landscapes in priority areas, with a gender, resilient and inclusive approach.	GEF Core Indicator 4.5: Area of terrestrial OECM officially declared according to international standards for their management. <i>Target: 98,030 ha</i> <u>Project indicator 2:</u> Area (ha) of newly established OECM protecting the integrity of primary forests and increasing functional connectivity. <i>Target: 3</i>	0	According to the work plan to be defined	98,030 ha	Technical reports, Reports of workshops and meetings, reports of field visits, etc.	Panama generates regulations for the recognition of OECMs.	OP, MiAMBIENTE, Protected Areas Directorate .
<u>Output 1.2.1:</u> At least three pilots developed in private reserves, indigenous and non-	Area (ha) of newly established OECM that protect the integrity of primary forests and expand	0	According to the work plan to be defined	3	Technical reports, Workshop and meeting reports.	The institutional framework for OECM recognition has been approved	OP, MiAMBIENTE, Forestry Directorate

indigenous territories to verify compliance with the OECM criteria.	functional connectivity. <i>CFB Mesoamerica IP PFD Indicator 2.2.1</i>				Field visit reports	(outcome 2.1.3). A private reserve, an indigenous territory and a non-indigenous territory have been selected in a participatory manner for the development of the OECMs.	
<u>Output.1.2.2:</u> Technological innovations developed and implemented for sustainable, resilient and collaborative forest conservation and management in the project intervention area, including protected areas and OECM	Number of technological innovations developed and implemented	0	According to the work plan to be defined	At least 4 technological innovations	Technical reports, Workshop and meeting reports.	The project supports with resources the development of prototypes of technological innovations. There is interest from universities, research centers, private sector, among others for the development of innovations.	OP, MiAMBIENTE, Forestry Directorate Directorate of Protected Areas
Outcome 1.3: Strategies for collaborative sustainable	GEF Core Indicator 4:	0	According to the work	105,084 ha	Technical reports,	Governmental and organizational capacity	OP,

management of Darien Forest landscapes, increasing the carbon sequestration capacity by 2028, in line with NDC-2 commitment #2	Landscape area with improved practices <i>Target: 105,084</i>		plan to be defined		Workshop and meeting reports. Approval by national and local authorities.	exists to support	MiAMBIENTE, Forestry Directorate
	GEF Core Indicator 6: Greenhouse gas emission mitigated (tons of CO ₂ e) <i>Target: - 7,661,581 tCO₂e</i>	0	According to the work plan to be defined	- 7,661,581 tCO ₂ e	Technical reports, Field mission reports	Restoration activities, sustainable forest management, PA strengthening, among others, are carried out according to the work plan.	OP, MiAMBIENTE, Protected Areas Directorate
<u>Output 1.3.1</u> A Master Plan for Biodiversity Conservation, Ecosystem Services, Human Well-being and Forest Landscape Restoration based on an integrated vision of the Darien	Biodiversity conservation master plan designed and approved	0	1	1	Technical reports, Workshop and meeting reports. Approval by national and local authorities	There is governmental and organizational capacity to support. SFM practices will improve the provision of ecosystem services, including the provision of carbon sequestration and agricultural productivity.	OP, MiAMBIENTE, Forestry Directorate, local governments

<p><u>Output 1.3.2</u> Ten forest restoration pilots developed and implemented in selected protected areas of the project, increasing the carbon sequestration capacity</p>	<p>GEF Core Indicator 3 Area of land and ecosystems under restoration <i>Target: 5,054 ha</i></p>	0	According to the work plan to be defined	5,054 ha	<p>Technical reports, Workshop and meeting reports. Field visit reports</p>	<p>Local stakeholders are willing to restore degraded lands to: i) Reduce climate vulnerability ; ii) Increase adaptive capacity; iii) Restore forest cover; iv) Increase carbon sequestration; v) Increase producers' incomes; vi) Improve the quality of life of local communities</p>	<p>OP, MiAMBIENTE, Forestry Directorate</p>
<p><u>Output 1.3.3</u> Improved forest inclusive and resilient management plans focus on restoration and non-timber use approach: Three in the Kuna de Wargandi Comarca.</p>	<p>Number of forestry management plans designed and approved.</p>	0	According to the work plan to be defined	4	<p>Technical reports, Workshop and meeting reports. Field visit reports.</p>	<p>Governmental and organizational capacity exists to support</p>	<p>OP, MiAMBIENTE, Forestry Directorate</p>
<p><u>Output 1.3.4:</u> Ten improved forest inclusive and resilient management plans focusing</p>	<p>Number of forest management plans designed and approved on private farms</p>	0	According to the work plan to be defined	10	<p>Technical reports, Workshop and</p>	<p>Silvicultural measures in the management plans contribute to the</p>	<p>OP, MiAMBIENTE, Forestry Directorate</p>

on stubble management, restoration and non-timber management and implemented on private farms					meeting reports. Field visit reports	sustainability of the Darien's IFLs	
Output 1.3.5: At least twenty crop and livestock production pilots improved through agroforestry systems with local producers, increasing the carbon sequestration capacity	Number of agroforestry or silvopastoral systems pilots designed and implemented	0	According to the work plan to be defined	20	Technical reports, Workshop and meeting reports. Field visit reports	Producers and producer groups are interested in incorporating silvicultural practices to make their systems more sustainable and profitable.	OP, MiAMBIENTE, Forestry Directorate MIDA
Output 1.3.6: Red List Ecosystem Evaluation (RLE) applied in the Darien region.	Evaluation of the IUCN's Red List of Ecosystems applied to Darién	0	1	1	Technical reports, Workshop and meeting reports.	The project supports the implementation of the red list of ecosystems and takes into account its results to prioritize actions on the ground.	OP, MiAMBIENTE, Forestry Directorate Address of AP.
Component 2: Policy, regulatory and institutional frameworks enabling sustainable management of the Darien's intact forest landscapes							
Outcome 2.1. Enabling policies, regulations and enabling strategies at the regional and national levels for the	<u>Project Indicator 4</u> Number of multisectoral agreements that support	0	According to the work plan to be defined	1	Technical reports, Workshop and meeting reports.	There is political and technical support from the forestry governing body and key	OP, MiAMBIENTE, Forestry Directorate

conservation and sustainable, resilient and collaborative management of the Darien forests	primary forest conservation. <i>Target:1</i>				Approval by national and local authorities	organizations and stakeholders are working in a coordinated manner to improve regulatory and policy instruments.	
<u>Output. 2.1.1</u> Policy and regulatory framework adjusted to promote zero deforestation and forest-industry integration under circular economy principles	Number of policy and regulatory instruments developed to promote the circular economy and zero deforestation products.	0	According to the work plan to be defined	2	Technical reports, Workshop and meeting reports. Approval by national and local authorities	There is political and technical support from the forestry governing body and key organizations and stakeholders, such as the private sector, are working in a coordinated manner to improve regulatory and policy instruments.	OP, MiAMBIENTE, Forestry Directorate
<u>Output. 2.1.2</u> Improved policy and regulatory framework for sustainable and resilient forest management within the State Forest Heritage	Number of local and/or national instruments that use positive criteria for nature in their design and implementation <i>CFB</i> <i>Mesoamerica IP</i>	0	According to the work plan to be defined	1	Technical reports, Workshop and meeting reports. Approval by national and local authorities	There is political and technical support from the forestry governing body and key organizations and stakeholders are working in a coordinated	OP, MiAMBIENTE, Forestry Directorate

	<i>PFD Indicator: 1.2.1</i>						manner to improve regulatory and policy instruments.	
<u>Output 2.1.3</u> Institutional framework developed and implemented for OECM recognition	Number of regulations (executive decree) designed and approved for the recognition of OECMs	0	1	1	Technical reports, Workshop and meeting reports. Approval by national and local authorities	There is political and technical support from the forestry governing body and key organizations and stakeholders are working in a coordinated manner to improve regulatory and policy instruments.	OP, MiAMBIENTE, Forestry Directorate	
<u>Output 2.1.4</u> National or regional protected areas management model developed and implemented in the project areas	Number of PA management models at national or regional level developed and implemented in the project region.	0	According to the work plan to be defined	At least two, one for national parks and one for hydrological or forest reserves.	Technical reports, Workshop and meeting reports. Approval by national and local authorities	There is political and technical support from the forestry governing body and key organizations and stakeholders are working in a coordinated manner to improve regulatory and policy instruments.	OP, MiAMBIENTE, PA Directorate	
<u>Output 2.1.5</u> Guideline for the	Number of guidelines for the formulation	0	1	1	Technical reports,	The development of the	OP,	

formulation of inclusive and resilient Forest Management Plans (FMPs) and Annual Work Plans (AWPs) focus on restoration and non-timber management use revised and improved with the adoption of the Forest Steward Council (FSC), standard and biodiversity conservation criteria	of FMPs and Annual Operating Plans (AWP/Bs) revised and improved.				Workshop and meeting reports. Approval by national and local authorities.	guide will provide guidance to indigenous communities, farmers and other stakeholders on best silvicultural and forest harvesting practices.	MiAMBIENTE, Forestry Directorate
<u>Output 2.1.6</u> Integrated Forest Monitoring Systems (IFMS) developed and implemented as a pilot in the Darien	Integrated forest monitoring system	0	According to the work plan to be defined	1	Technical reports, Workshop and meeting reports. Approval by national and local authorities	There are several forestry systems that are not integrated and therefore the information is not uniform and systematized.	OP, MiAMBIENTE, Forestry Directorate SINIA
Outcome 2.2: Inclusive multi-stakeholder mechanisms established for cross-sectoral coordination.	<u>Project indicator 5:</u> Number of indigenous people, local communities (IPLCs), women's and rural youth organizations	0	100 people	500 people	Technical reports, Workshop and meeting reports. Approval by	The decision-making process at the local level benefits from the work of government	Collaborating Agency MiAMBIENTE, Forestry Directorate

	<p>participating in regional, national and/or local decision-making processes.</p> <p><i>Target: 500 people with at least 50% of participants are women</i></p>				national and local authorities	<p>al institutions and structures that have higher levels of expertise in natural resource management.</p>	
<p><u>Output. 2.2.1</u> Local Committee of the Darien Biosphere Reserve established as a platform for multi-stakeholder consultation and inter-sectoral coordination for the construction of an integrated vision and collaborative management of the Darien Forest landscapes</p>	<p>Local Committee for the Darien Biosphere Reserve installed.</p>	0	<p>According to the work plan to be defined</p>	1	<p>Technical reports, Workshop and meeting reports. Approval by national and local authorities</p>	<p>The local committee strengthens its role as a local partner in forest governance and the improvement of the productive landscape.</p>	<p>OP, MiAMBIENTE, Forestry Directorate, Local Authorities</p>
<p><u>Output. 2.2.2</u> Community-Based Organizations (CBOs) strengthened and empowered to face the challenges of the territory</p>	<p>Number of community-based organizations (CBOs) strengthened.</p>	0	4	10	<p>Technical reports, Workshop and meeting reports. Attendance lists</p>	<p>The project is empowering local stakeholders on priority issues to strengthen the management</p>	<p>OP, MiAMBIENTE, Forestry Directorate, Local Authorities.</p>

						t of the Darien LFIs.	
<u>Output 2.2.3</u> Three improved forest management plans focusing on stubble management, restoration and non-timber management of the Kuna de Wargandi Comarca, with FSC standards	FSC certified forest management areas (ha)	0	According to the work plan to be defined	1000	Technical reports, Workshop and meeting reports. Approval by national and local authorities	Procedures are designed and applied to indicate how to assess SFM.	OP, MiAMBIENTE Forestry Directorate Fondo Reforesta Panama Fundación Indígena del FSC
<u>Output 2.2.4</u> Monitoring the effectiveness of Protected Area management, using the tool developed by MiAMBIENTE, implemented and integrated into the management and governance processes covered by the project	Management Effectiveness value of protected areas that include primary forests with METT scores that improved by at least 10%. <i>CFB Mesoamerica IP PFD Indicator 2.1.1</i>	34 points on average	According to the work plan to be defined	Increase by 10% the PA Management Effectiveness Value based on METT scores.	Technical reports, Workshop and meeting reports. Field visit reports	Strengthening PAs will improve their effectiveness and enable them to meet their conservation objectives.	OP, MiAMBIENTE, PA Directorate, PA Administrators
Component 3: Innovative financing and investment to expand and strengthen livelihoods							
Outcome 3.1. Mechanisms for financing sustainable, climate- and community-based forest	<i>Project indicator 6:</i> Number of financial mechanisms developed/adapted to promote conservation and	0	According to the work plan to be defined	At least four financial mechanisms	Technical reports, Workshop and meeting reports.	The financial mechanisms developed by the project are adequate for vulnerable	OP, MiAMBIENTE, Forestry Directorate

management in Darién	management of forests <i>Target: 4</i>					communities to access financing and efficient technologies for the collaborative management of the Darien LFI.	
<u>Output. 3.1.1</u> Protected areas financial sustainability strategy developed and implemented	Number of financial strategies developed for PAs.	0	1	4	Technical reports, Workshop and meeting reports.	Conditions exist to strengthen the PAs of Darien, but it is necessary to achieve greater proximity to financing options.	OP, MiAMBIENTE, Forestry Directorate
<u>Output. 3.1.2</u> Economic-environmental incentives for the provision of ecosystem services, to promote investments for the conservation, restoration of forests and rehabilitation of forests in the Darien Region, in accordance with current Panamanian regulations of Law 69 and Panama 2 nd NDC	Number of farm investment plans approved for incentive application	0	According to the work plan to be defined	30	Technical reports, Workshop and meeting reports.	The incentive mechanism through the reforestation fund is operative according to Law 69.	OP, MiAMBIENTE, Forestry Directorate
<u>Output 3.1.3</u> At least four	Number of financial	0	According to	4	Technical reports,	There are compensati	OP,

financial mechanisms developed for sustainable, climate resilient and collaborative forest management in the Darien region	mechanisms developed for sustainable and collaborative forest management in the Darien region.		the work plan to be defined		Workshop and meeting reports.	on or benefit mechanisms for private parties that adopt sustainable silvicultural practices.	MiAMBIENTE, Forestry Directorate
Outcome 3.2 Leverage public and private investment to develop value chains (VCs) that contribute to sustainable, climate-resilient and collaborative forest management in the Darien	Amount (USD) of leveraged public and private financial resources that contribute to protecting and conserving primary forests and developing local livelihoods. <i>CFB Mesoamerica IP Indicator 3.1.1 PFD</i>	0	According to the work plan to be defined	USD 8,000,000	Technical reports, Workshop and meeting reports. Minutes and reports of meetings held	There is access to investment capital to finance selected projects that strengthen the collaborative management of the Darien IFLs.	OP, MiAMBIENTE, Forestry Directorate
<u>Output. 3.2.1</u> Strengthening gender-sensitive existing value chains in the biome for non-timber forest products from sustainable forest landscapes and OECM	Number of VCs strengthened	0	According to the work plan to be defined	3	Technical reports, Workshop and meeting reports. Field visit reports	There is access to investment capital to finance selected projects that strengthen the prioritized VCs.	OP, MiAMBIENTE, Forestry Directorate
<u>Output 3.2.2</u> Market opportunities developed for non-timber forest	Number of business events held for non-timber forest products	0	2	4	Technical reports, Workshop, meeting	Business events and similar activities can generate	OP, MiAMBIENTE, Forestry Directorate

	Target:10						
<p><u>Output. 4.1.1</u> Inclusive, gender and Indigenous Peoples focused training plan that reinforces forest ecosystem conservation both inside and outside protected areas, OECM, agroforestry systems, community-based forest, value chains, and businesses</p>	<p>Number of workshops and training courses designed and implemented to promote the conservation of the Darien IFLs.</p> <p>Number of people identified by sex trained in topics related to the conservation of the IFLs of the Darien.</p>	0	3	6	<p>Technical reports,</p> <p>Workshop and meeting reports.</p> <p>Attendance lists</p>	<p>There is a need for a program to strengthen the capacities of institutions, indigenous communities, local NGOs, cooperatives and producer organizations in the planning, implementation and monitoring of conservation and sustainable forest management practices.</p>	<p>OP, MiAMBIENTE, local communities</p>
<p><u>Output. 4.1.2</u> Agreements established with technical schools/universities in Darien and INADEH^{[1]46} to train the local population in the promotion of sustainable forest management with a gender</p>	<p>Number of agreements established with technical schools/universities, vocational training centers, to provide training in the promotion of sustainable forest management.</p>	0	3	3	<p>Signed agreements, minutes of meetings and agreements, technical reports, course attendance lists, etc.</p>	<p>Technical schools, universities and vocational training centers are willing to include courses related to sustainable forest management in their</p>	<p>OP, MiAMBIENTE, local organizations, education and training center.</p>

and inclusive approach						course offerings. Especially in the Darien region there are people with skills and capabilities that can serve as trainers of trainers.	
Output 4.1.3 Project communication strategy designed and implemented to raise awareness among local communities, decision-makers and other stakeholders of the role of improved forest management in conserving forest ecosystems	Number of communication materials developed and published on social networks and in the media.	0	According to the work plan to be defined	6	Technical reports, notes on social networks and media, attendance list for virtual and in-person events	Information material on SFM needs to be developed and disseminated to a wide range of stakeholders. The communication strategy will help more people document the positive experiences of MFS-focused projects.	OP, MiAMBIENTE, local organizations,
Outcome 4.2. Strengthening the implementation of regional strategies and commitments to CFB IP Mesoamerica	<i>Indicator of the CFB IP Mesoamerica program:</i> Number of south-south / lesson sharing events with other GEF Integrated Program initiatives for the Amazon,	0	According to the work plan to be defined	At least one international event.	Workshop reports. Attendance list, event reports	The integrated program of the Critical Forests of Mesoamerica supports the developmen	Collaborating agency, MiAMBIENTE, IUCN, FAO

and the Global Integrated Program	Congo and Critical Forest Biomes <i>Target: TBD</i>					t of regional events for the exchange of experiences.	
<u>Output. 4.2.1</u> Lessons learned and best practices of the project systematized and disseminated at the regional, national and Mesoamerican regional levels	Number of local, national and regional events for lesson sharing, with at least 50% of participants are women. <i>CFB Mesoamerica IP Indicator 4.2.1 PFD</i>	0	According to the work plan to be defined	At least one national and one regional event.	Workshop reports. Attendance list, event reports Travel reports	In Panama, at least one event is organized annually starting in the second year of the project to exchange experiences and lessons learned with different stakeholders. Project resources are available to attend regional IP events. The systematization of experiences helps to develop better projects with better results.	OP, MiAMBIENTE, IUCN, FAO
<u>Output. 4.2.2</u> Information system / Knowledge management platform designed and implemented	Knowledge management platform designed and implemented	0	According to the work plan to be defined	1	Technical Report	There are the technical capabilities (server, computers, website, among others) to	OP, MiAMBIENTE, MIDA, local governments, communities

						host the platform. The entity in charge of hosting and maintaining the platform beyond the end of the project is identified.
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[1] National Institute of Vocational Training and Training for Human Development (Instituto Nacional de Formación Profesional y Capacitación para el Desarrollo Humano)

ANNEX D: STATUS OF UTILIZATION OF PROJECT PREPARATION GRANT (PPG)

Provide detailed funding amount of the PPG activities financing status in the table below:

Project Preparation Activities Implemented	GETF/LDCF/SCCF Amount (\$)		
	Budgeted Amount	Amount Spent To date	Amount Committed
Activity 1. Work sessions to initiate the implementation of the PPG and inform the GEF OFP and the main government institutions (MIAMBIENTE Forestry Directorate) about the approval of the PPG, next steps, functions and schedule	1,000.00	0.00	1,000.00
Activity 2. Development of the environmental and social management plan and risk management of the project	25,060.00	23,125.00	1,935.00
Activity 3. PPG Inception Workshop	48,739.00	48,739.00	0.00
Activity 4. Conduct institutional capacity assessment and design of capacity development program on conservation and restoration, for existing legal, regulatory and policy frameworks, approved and adopted by the OECEM government, including budget (Component 1)	3,409.00		3,409.00
Activity 5. Conduct baseline assessments on biodiversity/forest and restoration area, and subsequent definition of deforestation indicators at the project level, including inclusive multi-stakeholder mechanisms and cross-sectoral coordination, in addition to the project budget (Component 2)	57,435.00	52,618.00	4,817.00
Activity 6. Design innovative financial mechanisms for investments, certification and marketing of forest products in support of sustainable management at the project area (Component 3)	14,115.00	14,115.00	0.00
Activity 7. Gender Analysis and Gender Action Plan	12,000.00	7,721.00	4,279.00

Activity 8. Implement Free, Prior and Informed Consent (FPIC) in intervention communities.	11,410.00	4,249.00	7,161.00
Activity 9. GEF Project Design Expert Consultant (responsible for developing project options, this includes basic costing, technical and scientific design parameters, financial plan, assessment of incremental cost, strategy papers, coordinating the work of the PPG national consultants; assistance in preparing national and/or sectoral plans and programs that have direct bearing on project design; national policy analysis, and inventories and data analysis in support of the proposed project; supporting the Social Safeguards and Gender Specialist in the stakeholder mapping and engagement, facilitating the PPG consultations, inception and validation workshops; supporting thematic experts in the identification of baseline programmes and co-financing opportunities, and advising co-financing negotiation; supporting FAO in discussions with national project partners and other institutional stakeholders; translating documents into and out of English)	26,832.00	26,832.00	
Total	200,000.00	105,535.00	22,601.00

ANNEX E: PROJECT MAP AND COORDINATES

Please provide geo-referenced information and map where the project interventions will take place

Location Name	Latitude	Longitude	GeoName ID
Darien Province	8.40833	-77.91500	3,711,671

Location Description:

Activity Description:

Location Name	Latitude	Longitude	GeoName ID
Kuna Wargandi Comarca	9.24200	-78.22000	9,072,772

Location Description:

Activity Description:

Location Name	Latitude	Longitude	GeoName ID
Darien National Park	7.87722	-77.79222	11,288,302

Location Description:

Activity Description:

Location Name	Latitude	Longitude	GeoName ID
Serranía del Darién Hydrological Reserve	8.16667	-77.30000	12,299,764

Location Description:

Activity Description:

Location Name	Latitude	Longitude	GeoName ID
Filo del Tallo Hydrological Reserve	8.40205	-77.95239	12,299,299

Location Description:

Activity Description:

Location Name	Latitude	Longitude	GeoName ID
Chepigana Forest Reserve	8.41667	-78.15000	12,282,862

Location Description:

Activity Description:

Please provide any further geo-referenced information and map where project interventions are taking place as appropriate.

Project Intervention Area

Within the Darien Forest region, the scope of the project focuses on the Darien Province and indigenous territories (Figure 3), mainly in the Kuna de Wargandi Comarca^{[1]⁴⁷}, other non-indigenous territories such as private reserves, sustainable community forest management areas and in four protected areas, namely:

- **The National Park (NP) of Darien**^{[2]⁴⁸} (565,936 ha): It is the largest NP in Panama and a UNESCO Biosphere Reserve^{[3]⁴⁹}. It connects Central and South America and contains a wide variety of habitats such as high and lowland rainforests, sandy beaches, rocky coasts, mangroves, marshes. WDPA ID: 236 and METT Score: 58.
- **The Filo del Tallo Hydrological Reserve**^{[4]⁵⁰} (38,014 ha) includes the Matusagarati Wildlife Refuge and 19 micro-watersheds. It connects with regional forests threatened by agricultural and livestock expansion. WDPA ID: 555705288 and METT Score: 44.
- **Serranía de Darién Hydrological Reserve**^{[5]⁵¹} (11,770 ha) connects the Atlantic rainforests through the Azul, Jefe and Alto Chagres hills and the San Blas mountain range with the forests of the Darién National Park. WDPA ID: 107371 and METT Score: 13.
- **Chepigana Forest Reserve**^{[6]⁵²} (60,578 ha): Created in 1960, it is located in the province of Darien, in eastern Panama, near the Colombian border. It is home to a great diversity of ecosystems, ranging from tropical rainforests to mangroves and savannah areas. It is home to a great variety of flora and fauna, including endangered species such as the jaguar and tapir, and is crucial in the biological connectivity of the region, allowing the genetic flow of species in the Mesoamerican biological corridor. WDPA ID: 34877 and METT Score: 21.

Location Name	Latitude <i>Required field</i>	Longitude <i>Required field</i>	Geo Name ID <i>Required field if the location is not an exact site</i>
Darien Province	8,40833	-77,91500	3711671
Kuna Wargandi Comarca	9,24200	-78,22000	9072772
Darien National Park	7,87722	-77,79222	11288302
Serranía del Darién Hydrological Reserve	8,16667	-77,30000	12299764
Filo del Tallo Hydrological Reserve	8,40205	-77,95239	12299299
Chepigana Forest Reserve	8,41667	-78,15000	12282862

^[1] The participation of the Emberá Wounaan Commune in specific activities of the project is not ruled out.

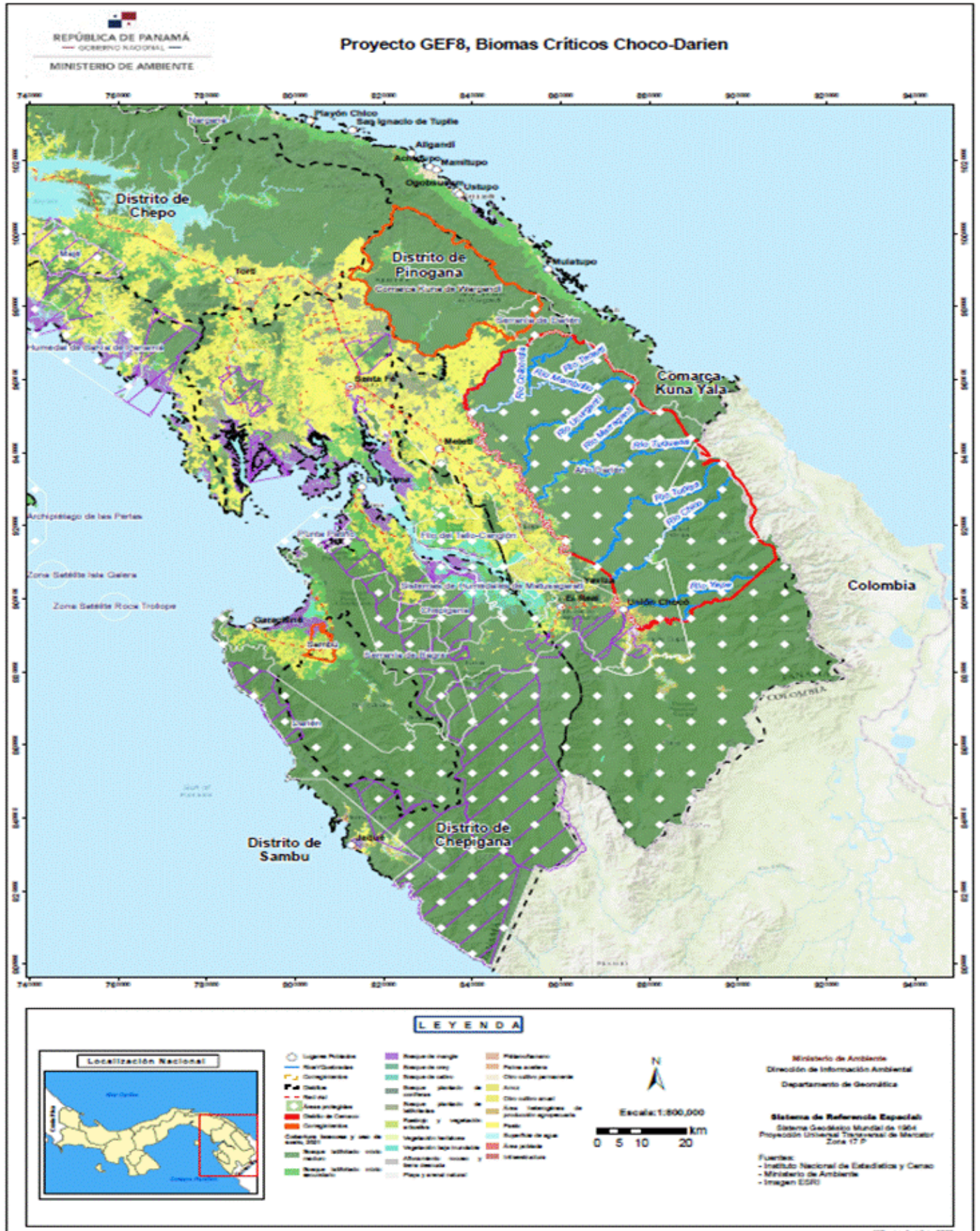
^[2] Created by Executive Decree No 21 of August 7, 1980.

^[3] <https://whc.unesco.org/es/list/159>

[4] It was established by Resolution JD-04-97 of January 22, 1997.

[5]<https://www.gacetaoficial.gob.pa/pdfTemp/25881/6356.pdf>

Created by Decree No. 94 of September 28, 1960.



ANNEX F: ENVIRONMENTAL AND SOCIAL SAFEGUARDS DOCUMENTS INCLUDING RATING

Attach agency safeguard datasheet/assessment report(s), including ratings of risk types and overall project/program risk classification as well as any management plans or measures to address identified risks and impacts (as applicable).

Title

Stakeholder Engagement Plan

Gender analysis and Action Plan

Climate risk screening

FESM Checklist_ANNEX I_Panama

ENVIRONMENTAL AND SOCIAL SAFEGUARDS

ANNEX G: BUDGET TABLE

Please upload the budget table here.

Please explain any aspects of the budget as needed here

<i>FAO Expenditure category</i> Detailed description	<i>Component 1</i> <i>Conservation and accelerated restoration of critical forest landscapes in the Darien.</i>	<i>Component 2</i> <i>Policy, regulatory and institutional frameworks enabling sustainable management of the Darien's IFLs.</i>	<i>Component 3</i> <i>Innovative financing and investment for livelihood expansion and strengthening.</i>	<i>Component 4</i> <i>Capacity building, knowledge management and coordination with the Global Integrated Program.</i>	<i>M&E</i>	<i>PMC</i>	<i>Responsible Entity</i> <i>Executing Entity receiving funds from the GEF Agency</i>	<i>Total GEF</i>
5013 Consultants								
Chief Technical advisor	76,984	50,098	50,098	13,360		190,540	Ministry of Environment (MiAMBIENTE)	381,080
Administrative and financial assistant	0	0	0	0		199,433	Ministry of Environment (MiAMBIENTE)	199,433
Environmental Governance Specialist	55,650	111,300	111,300	22,260			Ministry of Environment (MiAMBIENTE)	300,510

Biodiversity and Protected Areas Specialist	155,436	103,624	20,725	20,725			Ministry of Environment (MiAMBIENTE)	300,510
Forestry and forest landscape restoration specialist	111,300	111,300	55,650	22,260			Ministry of Environment (MiAMBIENTE)	300,510
Bioeconomy and Sustainable Value Chain Specialist and Financing Mechanisms	0	46,092	92,107	18,494			Ministry of Environment (MiAMBIENTE)	156,694
Specialist in environmental and social risks, indigenous peoples and gender.	22,480	44,738	14,926	74,550			Ministry of Environment (MiAMBIENTE)	156,694
Monitoring and Evaluation Specialist (M&E)	0	0	0	0	120,310	0	Ministry of Environment (MiAMBIENTE)	120,310
5013 Sub-total national Consultants	421,850	467,153	344,805	171,649	120,310	389,973		1,915,740
5014 Contracts (5650)								
Strengthening PA governance and management	286,000	60,000	0	0			Ministry of Environment (MiAMBIENTE)	346,000
Update of the management plan of the Darién National Park through meetings with the key actors identified in the region	200,000	0	0	0			Ministry of Environment (MiAMBIENTE)	200,000
Support for the implementation of the management plan of the Filo del Tallo Canglón Hydrological Reserve through alliances with key actors identified in the region	50,000	0	0	0			Ministry of Environment (MiAMBIENTE)	50,000
PA management model at the national or regional level developed and implemented in the project region.	0	160,000	0	0			Ministry of Environment (MiAMBIENTE)	160,000
Monitoring of conservation objects in PAs	0	35,000	0	0			Ministry of Environment (MiAMBIENTE)	35,000
Mid-term and terminal assessment in follow-up to baseline on PA management effectiveness (i.e., METT score)	30,000	0	0	0			Ministry of Environment (MiAMBIENTE)	30,000
Forest management and landscape restoration	330,000	0	0	0			Ministry of Environment (MiAMBIENTE)	330,000
Ten (10) pilot forest restoration projects developed and underway in the protected areas selected in the project (5 thousand hectares restored)	2,400,000	0	0	0			Ministry of Environment (MiAMBIENTE)	2,400,000
Assessment of the Red List of Ecosystems (RL) applied in the Darién region	75,000	0	0	0			Ministry of Environment (MiAMBIENTE)	75,000

Financial mechanisms (3.1.2 Validated and implemented economic instruments of environmental incentives for ecosystem services, which promote investments for the conservation, restoration of forests and rehabilitation of forests in the Darien Region, in accordance with current Panamanian regulations of Law 69 and Panama's 2030 NDC)	0	0	333,300	0			Ministry of Environment (MiAMBIENTE)	333,300
Value chain strengthening	0	0	70,000	0			Ministry of Environment (MiAMBIENTE)	70,000
Strengthening at least 4 value chains of wood and non-wood forest products from sustainable forest landscapes and OECMs.	0	0	240,000	0			Ministry of Environment (MiAMBIENTE)	240,000
Process/standards established between the guild of reforesters and cabinetmakers for the transformation of wood from the sustainable forest landscapes of the Darién to reduce waste and develop new wood products.	0	0	50,000	0			Ministry of Environment (MiAMBIENTE)	50,000
Letter of Agreement with MICI for an assessment and market3.2 plan for timber and non-timber forest products from sustainable forest landscapes in the Darién.	0	0	50,000	0			Ministry of Environment (MiAMBIENTE)	50,000
Institutional framework of the OECM	30,000	30,000	0	0			Ministry of Environment (MiAMBIENTE)	60,000
Adjusted policy and regulatory framework for forest management	0	210,000	0	0			Ministry of Environment (MiAMBIENTE)	210,000
Capacity building on Forest management and landscape restoration	0	0	0	125,000			Ministry of Environment (MiAMBIENTE)	125,000
Agreements established with technical schools/universities (UP and UTP) and INADEH to train the local population in the promotion of sustainable forest management with a focus on gender and inclusion.	0	0	0	280,000			Ministry of Environment (MiAMBIENTE)	280,000
Strengthened institutional, sectoral and local capacities for sustainable and collaborative forest management in the Darien.	0	0	0	270,000			Ministry of Environment (MiAMBIENTE)	270,000
Strengthening Community-Based Organizations (CBOs)	0	300,000	0	0			Ministry of Environment (MiAMBIENTE)	300,000
Systematization and dissemination of lessons learned and best practices of the project, both at the regional, national and Mesoamerican regional	0	0	0	50,000			Ministry of Environment (MiAMBIENTE)	50,000

levels to participate to CFB IP activities								
Strengthening the governance of the Darien Biosphere Reserve	160,000	60,000	0	0			Ministry of Environment (MiAMBIENTE)	220,000
Design and implementation of a project communication strategy	0	0	0	50,000			Ministry of Environment (MiAMBIENTE)	50,000
Maintenance and signalling of PA boundaries		240,000		0	0		Ministry of Environment (MiAMBIENTE)	240,000
Scholarship program for thesis development on critical topics for the implementation of the project (SFM, SAF, CdV, biodiversity monitoring, sustainable forest trade, community tourism, among others).	0	0	0	60,000			Ministry of Environment (MiAMBIENTE)	60,000
Mid-Term Review (MTR)	0	0	0	0	35,000		FAO	35,000
Terminal Evaluation (TE)	0	0	0	0	60,000		FAO	60,000
Terminal Report	0	0	0	0	6,650		FAO	6,650
Spot check (approx. \$4275)	0	0	0	0		21,375	FAO	21,375
Audit (approx. \$9025)	0	0	0	0		45,125	FAO	45,125
5650 Sub-total Contracts	3,561,000	1,095,000	743,300	835,000	101,650	66,500		6,402,450
5021 Travel								
National and International Travel expenses	45,000	20,000	10,000	10,000			Ministry of Environment (MiAMBIENTE)	85,000.00
Travel expenses to participate in regional cooperation activities, knowledge management and lessons learned in the context of the CFB IP (output 4.2.1)				50,000			Ministry of Environment (MiAMBIENTE)	50,000
Annual Joint Control Missions	10,000	5,000	5,000	5,000			Ministry of Environment (MiAMBIENTE)	25,000
5021 Sub-total travel	55,000	25,000	15,000	65,000	0	0		160,000
5023 Training								
Workshops to update the official methodology of the Ministry of Environment for the design of PA management plans	6,000	0	0	0			Ministry of Environment (MiAMBIENTE)	6,000
Workshops to strengthen capacities in the use of technological applications for monitoring biodiversity conservation in the area of intervention of the project, including PAs, OECMs.	20,000	0	0	0			Ministry of Environment (MiAMBIENTE)	20,000

Workshops for the formulation of improved forest management plans: Three (03) in the Kuna de Wargandí Region and one (01) for the Chepigana Forest Reserve within the framework of the Protected Area Management Plan.	32,000	0	0	0			Ministry of Environment (MiAMBIENTE)	32,000
Workshops for the formulation of the ten (10) Improved Forest Management Plans developed and implemented on private farms.	20,000	0	0	0			Ministry of Environment (MiAMBIENTE)	20,000
Workshops for the formulation of the twenty (20) pilot farming and livestock production improved through SAF with local producers.	40,000	0	0	0			Ministry of Environment (MiAMBIENTE)	40,000
Workshop with key actors for the review of the proposed adjustments to the policy and regulatory framework to promote zero deforestation and the integration of forest and industry under circular economy principles.	0	4,000	0	0			Ministry of Environment (MiAMBIENTE)	4,000
Workshop with key actors for the revision of the proposed adjustments to the improved policy and regulatory framework for sustainable forest management in forests of the State Forest Heritage.	0	4,000	0	0			Ministry of Environment (MiAMBIENTE)	4,000
Workshop with key stakeholders for the review of the proposal for the adoption of an institutional framework for the recognition of OECM.	0	2,000	0	0			Ministry of Environment (MiAMBIENTE)	2,000
Exchange to learn about experiences of the incorporation of the FSC standard and biodiversity conservation criteria in forest management plans	0	15,000		0			Ministry of Environment (MiAMBIENTE)	15,000
Workshop with key stakeholders for the revision of the proposed adjustments to the revised and improved guide for the formulation of PGMFs and POAs with the adoption of the FSC standard and biodiversity conservation criteria.	0	2,000	0	0			Ministry of Environment (MiAMBIENTE)	2,000
Training workshop on the operation of the Integrated Forest Monitoring System (SIMBOS)	0	20,000	0	0			Ministry of Environment (MiAMBIENTE)	20,000
Exchange to learn about biodiversity monitoring experiences and comprehensive forest monitoring systems	0	20,000	0	0			Ministry of Environment (MiAMBIENTE)	20,000

Exchange to learn about experiences on the functioning of the Local Committee of the Biosphere Reserve	0	15,000	0	0			Ministry of Environment (MiAMBIENTE)	15,000
Workshops for monitoring the effectiveness of PA management, using the MiAmbiente tool, implementing and integrated into the management and governance processes implemented by the project.	0	8,000	0	0			Ministry of Environment (MiAMBIENTE)	8,000
Workshops for mid-term and final assessment in follow-up to the baseline on the effectiveness of PA management (i.e. METT score)	0	10,000					Ministry of Environment (MiAMBIENTE)	10,000
Workshops with key stakeholders for the design of a PA financial sustainability strategy	0	0	4,000	0			Ministry of Environment (MiAMBIENTE)	4,000
Diagnostic workshops of at least 4 value chains of wood and non-wood forest products from sustainable forest landscapes and OECMs.	0	0	20,000	0			Ministry of Environment (MiAMBIENTE)	20,000
Inception-Workshop	0	0	0	0	12,000		Ministry of Environment (MiAMBIENTE)	12,000
Workshop to finalize the Free, Prior and Informed Consent and elaboration of the Indigenous Peoples Action Plan					10,000		Ministry of Environment (MiAMBIENTE)	10,000
Terminal Workshop	0	0	0		12,000		Ministry of Environment (MiAMBIENTE)	12,000
Annual Work Plan	0	0	0	25,000			Ministry of Environment (MiAMBIENTE)	25,000
5023 Sub-total training	118,000	100,000	24,000	25,000	34,000	0		301,000
5024 Expendable procurement								
Office Supplies	0	0	0	28,744			Ministry of Environment (MiAMBIENTE)	28,744
Maintenance of transport equipment to improve forest management and PA		120,000		0	0		Ministry of Environment (MiAMBIENTE)	120,000
Recurrent mobility expenses such as car rental for the execution of project field activities under outcomes 1.1, 1.2,3.1,3, 2.1, 2.2, 3.1, 3.2, 4.1 and 4.2 including a) Pilots for the implementation of financial models, b) Strengthened capacities of local stakeholders to	60,000	20,000	20,000	20,000			Ministry of Environment (MiAMBIENTE)	120,000

improve or innovate their sustainable management practices , c) generate added value in prioritized value chains , d) strengthen capacities in technical business and managerial capacities								
5024 Sub-total expendable procurement	60,000	140,000	20,000	48,744	0	0		268,744
6100 Non-expendable procurement								
Technological equipment for monitoring biodiversity conservation in the area of intervention of the project, including PAs, OMECs.	10,000	0	0	0	0		Ministry of Environment (MiAMBIENTE)	10,000
Technological equipment for the assembly of the SIMBOS (Central Station / Seat of the PlanetScope platform)		200,000	0	0	0		Ministry of Environment (MiAMBIENTE)	200,000
Technological equipment for the assembly of the SIMBOS (Regional Station and Community Substations)		120,000	0	0	0		Ministry of Environment (MiAMBIENTE)	120,000
Equipment for forest measurement (2.1.4.3 Management activities resulting from the new management model implemented in the field in the <i>Kuna de Wargandi Comarca</i>)		80,000		0	0		Ministry of Environment (MiAMBIENTE)	80,000
Equipment for protected areas (2.1.4.3 Management activities resulting from the new management model implemented in the field in the <i>Parque Nacional Darién, Reserva Forestal Chepigana, Filo del Tallo hydrological reserve and Serranía del Darién hydrological reserve</i>)		80,000	0	0	0		Ministry of Environment (MiAMBIENTE)	80,000
	10,000	480,000	0	0	0	0		490,000
5028 GOE budget								
Gasoline, Vehicle Maintenance & Others (for the execution of project field activities under outcomes 1.1, 1.2,3.1,3, 2.1, 2.2, 3.1, 3.2, 4.1 and 4.2)				48,000		0	Ministry of Environment (MiAMBIENTE)	48,000
6300 Sub-total GOE budget	0	0	0	48,000	0	0		48,000
TOTAL	4,225,850	2,307,153	1,147,105	1,193,393	255,960	456,473		9,585,934

ANNEX I: RESPONSES TO PROJECT REVIEWS

From GEF Secretariat and GEF Agencies, and Responses to Comments from Council at work program inclusion and the Convention Secretariat and STAP at PIF.

not applicable