

Panama Forest Protocol for Offset Credits V1.0 Workgroup Meeting Notes and Takeaways

Work Group Meeting #2 Notes – 3/15/2023 | 11:00 – 1:00 pm (Panama time)

Reserve Assistants: Amy Kessler, Claudia Jurado, Abbey Garcia

External consultants: Alberto Ramirez, John Nickerson

[Link to review the recording](#)

Workgroup Members in attendance:

Organization (alphabetically)	Name	Present (P) or Absent (A)
Asociación Nacional de Técnicos Forestales de Panamá - ANTEFORP	Jose Angel Rojas Gamboa	A
Bosques Amazónicos -BAM	Juan Carlos Flores Del Castillo	A
Bioforestal Innovación Sustentable	Jesus Morales	P
BRET CONSULTORES	Teresa Tattersfield	P
CO2 Cero	Andrés Silva	P
Comarca Ngäbe-Buglé	César Bernal	P
Congreso General Guna	Jorge Andreve	P
Consultora de proyectos de Carbono Forestal	Adriana Abondano Pineda	P
Consultores Ecológicos Panameños SA - CEPESA	Ramon Alvarado	A
Earthshot Labs	Andrew Coates	P
Ecotopia Teak	Carlos Maestre	P
Fac. Ciencias Agropecuarias - Universidad de Panamá	Dimas Arcía	P
Fundación Natura	Rosa Montañez	A
Futuro Forestal	María Gallegos	P
Geo Forestal, S.A	Jacobo Melamed	A
Instituto Nacional de Investigaciones Forestales Agrícolas y Pecuarias	Geronimo Quiñonez Barraza	P
Ministerio de Medio Ambiente de Panamá - MiAmbiente	Verónica González	P
Ministry of the Environment, the Fight Against Climate Change, Quebec	Philippe Gregoire	P
Panama Teak & Forestry Inc	Itzel Ivon Rodriguez	A
South Pole	María Fernanda Buitrago Acevedo	A

Terra Global Capital	Gregory C. Ives	A
Universidad Tecnológica de Panamá	Carlos Espinosa Peña	A
Wetlands International	Andrés Fraiz	P
World Resources Institute - WRI	René Ibarra	P

Agenda:

1. Presentations
2. Process Overview
3. Key Considerations for Eligibility
 1. Land Tenure
 2. Project and activity areas
 3. Eligible activities
4. Questions, comments, and next steps

Main Points of Discussion and Decisions Made:

1. Forest Owner: who owns the carbon rights?

- The Workgroup reviewed the following laws to assess their applications for forest carbon sequestration projects:
 - Bill 942 Climate Change Framework
 - Article 159. Right to Carbon.
 - Article 160. Right of Reduction.
 - Law of 1 of February 3, 1994
 - Article 10. State Forest Heritage.
- The Workgroup acknowledged that these laws suggest that all natural forest lands are property of the State and that the State has the rights to sequestered carbon (i.e., removals); however, there are potential contradictory laws within the Comarcas, stating that Comarcas have the right to the natural resources on their lands. The Workgroup further discussed there appears to be contradictory laws when referring to the ownership of carbon vs. biomass (i.e., timber rights).
- The Workgroup identified the need to clarify a legal mechanism to issue the credits and associated benefits from carbon sequestration projects directly to landowners, potentially requiring MiAmbiente to cede or acknowledge the carbon rights of the landowner.
- The Reserve will create a sub-committee with MiAmbiente, expert lawyers, and representation from the Comarcas to clarify this legal mechanism.

2. Land Tenure Categories in Panama

- The workgroup agreed with the categories of land tenure in Panama.

3. Private Land

- The Workgroup agreed that private property should be an eligible landowner category within the protocol and has clear land title documentation.
- The workgroup noted that there are no limitations (temporal or other) on carbon rights in private property as long as they have the property title in place to make long-term legal agreements.
- The Workgroup clarified that rights of possession (clarified to be possessory rights in Spanish) should not be an eligible category as they do not have a clear land title and are unable to make long-term commitments pertaining to land management or ownership.

4. State Lands / Public Ownership

- The Workgroup agreed that public ownership should be an eligible category within the protocol when there is a clear land title.
- The workgroup clarified that there are two categories for public ownership, national lands, which refer to lands that have no other landowner and thus do not have property titles, and State lands, where the State lands are clearly delimited and formalized through a land title. National lands without a land title would not be eligible.
- The Workgroup highlighted that specific categories of public lands may not have clear ownership, for example, certain National Parks may be in the custody of a specific government agency but on land customarily owned or managed by a third party.
- The workgroup explained that State Concessions are commonly used to protect forests and the contracts that establish the obligations under State Concessions are registered with the Contraloría de la República de Panamá. Moreover, the Workgroup clarified that these State Concessions may be for any period of time established in the contract.
- The Reserve requested clarification on the institution in which land disputes may be registered.

5. State Protected Areas

- The Workgroup agreed that protected areas may be eligible within the protocol; however, they are not necessarily a separate land ownership category as Protected Areas may be established on public, communal, or private lands.
- The workgroup agreed that protected areas are registered in the National System of Protected Areas (SINAP).
- The workgroup emphasized the importance of clarifying the equitable distribution of credits and benefits associated with carbon projects on protected areas.
- The workgroup noted that there is no protected area law in Panama, but each protected area has a specific law or decree.
- The Workgroup identified the need to clarify the legal mechanism to issue carbon credits to the land owners where protected areas may coexist, particularly when overlapping with Comarca lands.
- The Workgroup identified additionality as a pending topic for discussion as related to protected areas.

6. Comarcas or indigenous territories

- The Workgroup agreed that comarcas or indigenous territories should be an eligible category within the protocol and that they have a clear land title.

- The workgroup identified three traditional decision-making authorities in the comarca Ngäbe-Buglé : the general cacique or king, the General Congress in coordination with the Permanent Commission on the Environment, and complying with FPIC in accordance with Law 37 of 2016.
- The Workgroup suggested that the Project Area would be at the entire Comarca level, requiring project approval from the cacique or king and the General Congress, in compliance with FPIC, due to the long-term requirements of carbon projects. The Comarca may then establish the Activity Areas within their project where specific activities to enhance carbon stocks and generate carbon credits will be implemented.

7. Collective lands

- The Workgroup agreed that collective lands should be an eligible category within the protocol where there is a clear land title.
- The workgroup noted that collective lands can be recognized when there are clear property titles.

Pending Questions for the Workgroup:

- Formation of a sub-committee to assess the legal mechanisms to cede or acknowledge the carbon rights to the landowner level (i.e., Comarca, collective lands, or private lands).
- Clarification on the agency or registry where land disputes may be registered.
- Clarification on the specific land title documentation and registries for each landowner category if not already identified in the slides.