

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

**Work Group Meeting #8** Notes – 06/30/2023 | 11:00 – 1:00 pm (Panama time)  
**Reserve Attendees:** Amy Kessler, Celeste Meléndez, Claudia Jurado, Miguel Delgado.

[Link to review recording #8](#)

### Workgroup Members in attendance:

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

### Personal invitado

Organization (alphabetically)	Name	Present (P) or Absent (A)
Ministerio de Medio Ambiente de Panamá – MiAMBIENTE	Javier Martínez	P
Ministerio de Medio Ambiente de Panamá – MiAMBIENTE	Ana Moreno	P
Ministerio de Medio Ambiente de Panamá – MiAMBIENTE	Karen Victoria	P
Ministerio de Medio Ambiente de Panamá – MiAMBIENTE	Raúl Gutiérrez	P
Ministerio de Medio Ambiente de Panamá – MiAMBIENTE	Carlos Guerra	P
Ministerio de Medio Ambiente de Panamá – MiAMBIENTE	Eric Rodriguez	P
Ministerio de Medio Ambiente de Panamá – MiAMBIENTE	Victor Corro	P
Ministerio de Medio Ambiente de Panamá – MiAMBIENTE	Carlos Hawkins	P
Ministerio de Medio Ambiente de Panamá – MiAMBIENTE	Jovel Nuñez	P
Ministerio de Medio Ambiente de Panamá – MiAMBIENTE	Álvaro Castillo	P
Ministerio de Medio Ambiente de Panamá – MiAMBIENTE	Jorge E. Jaén	P
CAF	Maria Eugenia Miquelea	P
CAF	Nelson Larrea	P

### Agenda:

- Presentations, The Climate Action Reserve and Overview of the protol process.
- Carbon Markets
- Key considerations for protocol development
  - Project and activity areas
  - Eligible activities
  - Safeguards
  - Adicionality
  - Permanence
  - Quantification and MRV
- Quantification Tools
- Questions, Comments, and Next Steps

## **Main Points of Discussion and Decisions Made:**

### **1. Overview of the Climate Action Reserve, the protocol development process, and carbon markets.**

- The Reserve explained the general concepts of carbon markets, as well as the principles of the carbon credits certified by The Reserve called Climate Reserve Tonnes (CRTs), which are: additional, verified, real, permanent, and enforceable. The Reserve emphasized that its primary role is to ensure the integrity of the carbon market by developing high quality offset protocols aligned with the principles of the international carbon market.

### **2. Carbon markets.**

- The Reserve explained that one of the objectives of the protocol is to ensure forest projects generate larger social benefits, which is achieved through the implementation of social Safeguards (SS) that include, but are not limited to, the implementation of Free, Prior and Informed Consent (FPIC), notification, participation, and documentation, and project governance.
- MiAMBIENTE stated that it has been in contact with two verification agencies located in Mexico but has also requested to the Reserve a list of the organizations accepted by the Reserve.
- The Reserve stated that the Verification Body (VB), in addition to meeting their own requirements, must also be accredited by an entity accepted by the Reserve. Currently, ANAB and EMA are accepted; also, the Reserve stated that about five VBs in Mexico meet all the requirements to verify the Mexican Forest Protocol (MFP).
- A work group member proposed to identify the organizations that certify ISO standards in Panama, with the goal of analyzing the possibilities of submitting them to CAR requirements, to certify local VBs and thus reduce the potential costs of verification.
- The Reserve also explained that once the protocol is implemented in Panama, the Reserve will hold a training as part of the requirements for VBs interested in verifying projects in Panama.

### **3. Key considerations for protocol development**

#### **3.1 Project and activity areas**

- The Reserve explained that there are ongoing discussions to define eligible land tenure categories and the Reserve is continuing to evaluate these considerations with MiAMBIENTE.

#### **3.2 Eligible activities**

- The members of the work group raised different scenarios of potential activities to be considered in the protocol, to which The Reserve clarified doubts and concepts related to the subject and emphasized that the eligibility requirements and principles of The Reserve are aligned with the requirements of the international carbon market to ensure the integrity of the market and offset project. The eligible activities proposed for version one of the protocol include: Agroforestry and Silvopastoral Systems, Restoration, Improved Forest Management and urban forest.
- The Reserve clarified that the Protocol will not include quantification of avoided emissions in this version of the protocol but potentially may be considered for inclusion in the future, to which the Work Group agreed.

- The Work Group requested to change the terminology of "plantation" within the descriptions of eligible activities to avoid confusion.
- The Reserve explained that large urban forests may be eligible by demonstrating a trend of historic degradation using satellite imagery.

### 3.3 Environmental Safeguards (ES)

- The Work Group agreed on the environmental safeguards to be considered within the protocol, and The Reserve clarified doubts and concepts related to the environmental safeguards.
- The Work Group provided comments on the following safeguards:
  - i. **SA2 Native species and SA3 Composition of native species**
    - The Work Group requested to clarify the use of species native specific to the region/site and that native species are required for Reforestation Activity Areas.

### 3.4 Social Safeguards (SS)

- The Work Group agreed with the social safeguards to be considered within the protocol; likewise, The Reserve clarified doubts and concepts regarding Social Safeguards.
- The Work Group agreed that the SS should apply to all types of land tenure, and the Work Group requested that the wording of the protocol specify the holding of meetings and congresses to account for different land tenure structures.
- A member of The Work Group explained that within the Ngäbe-bugle comarca, tenure is demonstrated by the seal of the traditional authority, and the owner of the project is the specified governing body.
- The Reserve showed the cost-benefit analysis tool, which includes the general costs of implementing the forest protocol in Mexico. This tool needs to be modified to the costs of implementation in Panama and will be shared with the Wor Group so that they can provide their comments.
- The Reserve clarified that the quantification tools are managed by the Reserve; these include allometric equations for each species, which require the measurements of diameter at breast height, and tree height in the field. The Reserve clarified that if a species is not included in the standardized quantification tools, Reserve staff will update the tools to include the necessary species.
- The Reserve specified that it includes below-ground standing tree carbon (i.e. tree roots), which is calculated as 20% of the above-ground tree biomass.
- The Reserve mentioned that they are in the process of creating a methodology for calculating mangrove soil carbon to be included in the MFP.

### 3.5 Additionality

- The Reserved explained that all projects must pass a Legal Requirements Test and Performance Standard Test (PST) to demonstrate additionality. The PST is aligned with the specific activity type (i.e. Reforestation, Small and Big Urban Forest, agroforestry and Silvopastoral systems, and Restoration).
- The Workgroup agreed with the presented PST for Reforestation, Agroforestry/Silvopastoral Systems, and Small Urban Forest activities.
- The Workgroup agreed with the presented PST for Large Urban Forest activities.
- The Reserve explained that if an activity area has incentive benefits, it could affect its eligibility under the protocol; however, the Reserve will determine if the program for which it receives incentives affects its eligibility.

- Regarding Improved Forest Management (IFM) Activity Areas, The Reserve requested clarification of the differences between forest management programs (FMP) for private and public lands and the laws/norms that regulate the permitted harvest volume.

### 3.6 Permanence

- The Reserve clarified the definition of permanence and the procedures to ensure permanence. The following related concepts were analyzed:
  - Project Implementation Agreement (PIA),
  - Tonne-year accounting, emissions of CRTs, Reversals, and
  - Buffer pool (contributions, redistributions, and examples).
- The Reserve explained that the required permanence period is 100 years, though the minimum commitment period is 30 years. Projects with a shorter commitment period receive credits based on their commitment period relative to 100 years employing tonne-year accounting.
- The Reserve explained that for Reforestation, Restoration, Agroforestry/Silvopastoral Systems, and Urban Forests, the baseline is established as the initial carbon stocks at the start date; for IFM, the baseline is still to-be-determined as the Reserve continues to assess how forest management plans and permitted harvest volumes are regulated.

### 3.7 Quantification

- The Reserve explained and clarified concepts regarding the following Steps for GHG Quantification:
  - (1) Quantify the Activity Area (AA) live and dead standing carbon.
  - (2) Determine the AA baseline of carbon stocks.
  - (3) Calculate the AA Primary Effect for each Activity Area
  - (4) Quantify the AA Secondary Effects for each Activity Area
  - (5) Calculate the total GHG removals.
  - (6) Calculate the CRTs to be issued.
- The Reserve explained it had developed an Access Database tool called CALC BOSK to calculate and manage carbon forest inventories based on field data; moreover, it has an Excel Spreadsheet that facilitates the quantification of CRTs in coordination with CALC BOSK.

### 3.8 MRV

- The Reserve explained the cycle of the Reporting and Verification Periods as follows:
  - The first reporting period can be up to 12 months from the project start date.
  - Each subsequent reporting period has a duration of 12 months.
  - Annual Monitoring Reports are required within 12 months after the end of each Reporting Period.
  - Full verifications (i.e. typically requiring site visits) should be performed every 6 years with the option to perform a desk verification in the interim years to receive credits more frequently.
- The Reserve explained that in the case of Reforestation Activity Areas, projects can postpone their full forest inventory until planted trees have matured.
- The Reserve clarified that CRTs are issued upon satisfactory completion of either a desk verification (without a field visit) or a full verification (with a field visit).

- The Reserve explained that a desk verification can optionally be performed within the 12-month period following the end of a reporting period to receive credits, but as mentioned above, a full verification must be performed every 6 reporting periods.

#### **4. Quantification Tools**

- The Reserve showed the different calculation tools used in the protocol: CALBOSK, an Excel Spreadsheet that facilitates the quantification of CRTs, and sequential sampling for site visit verifications.

#### **5. Next Steps**

- The next meeting will be scheduled via email during August.
- The Reserve will share the draft forest protocol in August for work group comments and review.

#### **6. Pending Questions for the Workgroup**

- Meeting with the sub-committee to assess pending land tenure considerations.
- Meeting with MiAMBIENTE to assess pending comments and questions.
- The Reserve will share the cost-benefit tool.
- The Reserve will schedule a meeting with some members of the working group to address questions regarding Forest Management Plans and permitted harvest volumes.