

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

**Work Group Meeting #9** Notes – 10/24/2023 | 1:00 – 4:00 pm (Panama time)

**Reserve Attendees:** Amy Kessler, Celeste Meléndez, Claudia Jurado, Miguel Delgado.

[Link to review recording #9](#)

### 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	A
BRET CONSULTORES	Teresa Tattersfield	P
CO2 Cero	Andrés Silva	A
Comarca Ngäbe-Buglé	César Bernal	A
Congreso General Guna	Jorge Andreve	A
Consultora de proyectos de Carbono Forestal	Adriana Abondano Pineda	A
Consultores Ecológicos Panameños SA – CEPSA	Ramon Alvarado	A
Earthshot Labs	Andrew Coates	A
Ecotopia Teak	Carlos Maestre	A
Fac. Ciencias Agropecuarias - Universidad de Panamá	Dimas Arcía	A
Fundación Natura	Diego Dipieri	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 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	A
Universidad Tecnológica de Panama	Carlos Espinosa Peña	A
Wetlands International	Andrés Fraiz	A
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	Victor Corro	P
Ministerio de Medio Ambiente de Panamá – MiAMBIENTE	Abigail	P
Ministerio de Medio Ambiente de Panamá – MiAMBIENTE	Erick Rodriguez	P
Ministerio de Medio Ambiente de Panamá – MiAMBIENTE	Jorge Elias Jaen Bonilla	P

**1) Agenda:**

- Presentations, The Climate Action Reserve, and Overview of the protocol process.
- Key changes in the protocol draft
  - Project and activity areas
  - Land tenure
  - Eligible activities
  - Safeguards
  - Additionality
  - Permanence
  - Quantification and MRV
- Questions, Comments, and Next Steps

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

**2) Overview of the Climate Action Reserve, the protocol development process, and carbon markets.**

- i) The Reserve explained the principles of the carbon credits certified by The Reserve called Climate Reserve Tonnes (CRTs): 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.

**3) Key changes in the Panama Forest Protocol (PFP) Draft**

- **Project Areas and Eligible Activities**
  - i) The Reserve summarized the main changes on the PFP draft regarding the eligible activities (Restoration, Improved Forest Management (IFM), Agroforestry Systems, small urban forests, and large urban forests), which include the requirements of a prior authorization issued by MiAMBIENTE according to the activity to be implemented, as well as the incorporation of concepts and terminology previously suggested by the Work Group (WG).
  - ii) The Reserve explained that based on the lack of legislative clarity regarding property titles for collective lands and comarcas, lands with a collective title (indigenous territories or comarcas and collective lands) were not included in the PFP draft, but could be considered eligible in a future version of the Protocol with prior authorization from MiAMBIENTE, and presentation of a registered property title and a delimitation

of the property before ANATI or the Public Registry MiAMBIENTE clarified that comarcas and collective lands do have clear land titles and boundary delineations (i.e. recorded polygons); however, they can be costly and challenging to obtain from ANATI. The WG accordingly discussed and decided that comarcas can be included as an eligible category if they have a registered land title and boundary delineation with ANATI. The Reserve agreed to update the protocol draft accordingly.

- **Social Safeguards (SS)**

- i) The Reserve highlighted that the SS are intended to ensure that Forest Owners are focused on the design and implementation of the Forest Projects and, as owners of the forest carbon, are the primary beneficiaries of the Forest Project.
- ii) The Reserve summarized the changes in the Social Safeguards Section as follows:
  - Social Safeguards, Table 3.1 incorporated the SS requirements for public and private property, including requirements related to Free, Prior, and Informed Consent (FPIC), Notification, Participation and Documentation, and Project Governance.
  - SS5 Project Safety was added.

- **Environmental Safeguards (ES)**

- i) The Reserve summarized the ES, The use of native species outside of their historical range may be approved in certain cases by the Reserve pending an authorization from MiAMBIENTE for the purposes of climate change adaptation.

- **Additionality**

The Reserve summarized the changes regarding the additionality, which include:

- i) Performance Standard Test (PED) for IFM AAs: Forest Management Plans (FMP) may allow harvesting of all planted trees therefore the PFP considers planted trees and periodic growth of forest plantations or artificial forests under a FMP to be at risk and all unharvest able growth to be considered additional.
- ii) Performance Standard Test for Reforestation AAs: The Reserve would require that the project has had 10% or less forest cover on the start date and a minimum of 10 years prior to the start date of the Reforestation Activity Area.
- iii) Performance Standard Test for Restoration AAs: Restoration activities may be eligible by demonstrating compliance with the Performance Standard Test excel-based tool.

- **Permanence**

- i) The Reserve explained that there are no significant changes from those discussed in previous meetings regarding 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).
- ii) 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.

- **Quantification**
  - i) The Reserve summarized the concepts regarding the following Steps for GHG Quantification and mentioned that there are no significant changes from those discussed in previous meetings:
    - (i) Quantify the Activity Area (AA) live and dead standing carbon.
    - (ii) Determine the AA baseline of carbon stocks.
    - (iii) Calculate the AA Primary Effect for each Activity Area
    - (iv) Quantify the AA Secondary Effects for each Activity Area
    - (v) Calculate the total GHG removals.
    - (vi) Calculate the CRTs to be issued.
  - ii) The Reserve mentioned the standardized GHG quantification tools that are part of the PFP include:
    - (i) Access Database tool called CALCBOISK to calculate and manage carbon forest inventories based on field data
    - (ii) Excel Spreadsheet that facilitates the quantification of CRTs in coordination with CALCBOISK.
    - (iii) Sequential sampling sheets for on-site verifications.
  - iii) The Reserve clarified, in some cases, particularly in mangrove ecosystems, that project developers may opt to include trees with a Diameter at Breast Height (DBH) of less than 3cm in the forest inventory.
  - iv) The Reserve explained that it is currently working on a methodology for soil carbon quantification in mangroves to be incorporated in the Mexico Forest Protocol, and although this version of the PFP does not include such quantification, projects may be eligible to incorporate it once it is included in future versions of the PFP even if they are already listed or registered upon transferring to the latest protocol version.
  - v) The Reserve clarified that the PFP does not include GHG quantification in shrubs.
- **Monitoring, Reporting and Verification (MRV)**
  - i) The Reserve summarized the changes to Section 7 of the draft PFP, which includes the following:
    - Table 7.2. Monitoring Requirements and Schedule for Compliance with Social Safeguards, including Private and public properties
    - 7.3 Monitoring Objectives and Results for Non-Compliance
  - ii) The Reserve summarized the changes to Section 8 of the draft Protocol, which includes the following:
    - Government Agency that oversees the registration of certified professional foresters as part of the Protocol requirements for site visit verifications.
      - The Workgroup commented that the Technical Council for Agriculture in Panama (CTAP) can act as the National Certifier of the Professional Competence of Forestry Professionals.
    - 8.3.4 Project SSs. Table 8.3 & Table 8.4
  - iii) The Reserve summarized the cycle of the Reporting and Verification Periods and mentioned that there are no significant changes from those discussed in previous meetings, the reporting cycle is summarized 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.
- iv) The Reserve explained that in the case of Reforestation Activity Areas, projects can postpone their full forest inventory until planted trees have matured.
- v) There were no additional comments from the Workgroup.

#### **4) Next Steps**

- i) The Reserve will review and consider the incorporation of the comments issued by the WG to the PFP (the deadline for receipt of comments from the WG was October 27, 2023).
- ii) The Reserve will incorporate the Comarcas and collective lands into the category of eligible Forest Owners.
- iii) Once the above considerations are incorporated into the draft PFP, it will be posted on the reserve's official website for public comment period.