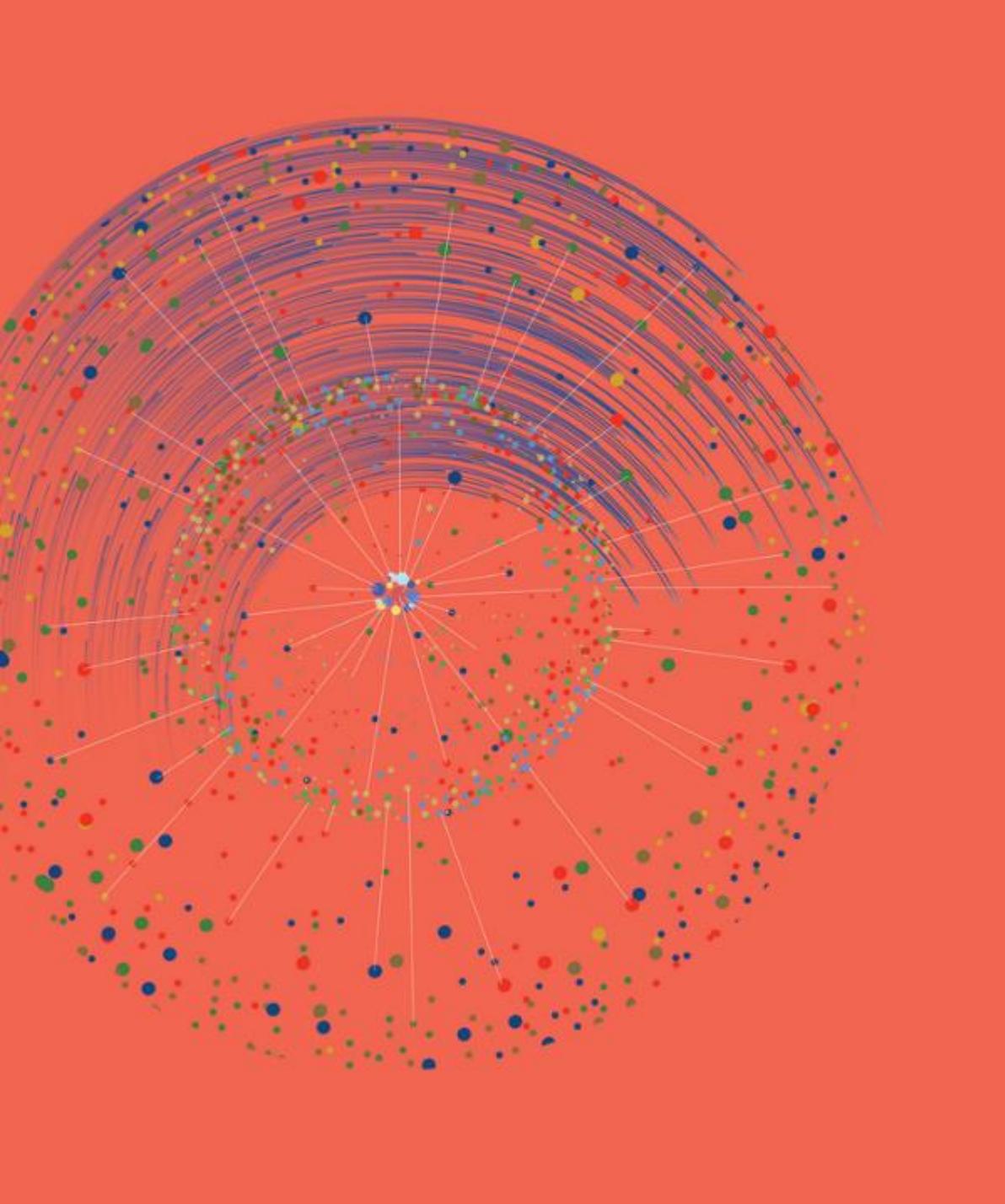


**We will start soon!**  
**Please don't forget to fill out the  
participation form**





# Presentation of Panama's National Carbon Market Roadmap

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CiACA Project Panama  
Dissemination Workshop  
January 2025

# Welcome Remarks



**Andrea Camponogara**, RCC Global Lead  
UN Climate Change Secretariat



# Palabras de bienvenida



**Ángel Ureña**, Subdirector de Cambio Climático del Ministerio de Ambiente de Panamá



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# Workshop agenda

**9:20** – Session 1: CiACA project summary, results, and role of RCC Latin America

–

**9:35** – Session 2: The progress of operationalization of Article 6 in Latin America

–

**10:20** – Coffee Break

**10:40** – Session 3: Presentation of the Roadmap

–

**11:55** – Session 4: Panel of experts – Building Trust in Carbon Markets: Governments Driving Private Investment

–

**12:50** – Closing of the day / lunch





# **Introduction to the "Collaborative Instruments for Ambitious Climate Action" Project**

Ana Domínguez, RCC Latin America, UN Climate Change Secretariat

# Collaborative Instruments for Ambitious Climate Action (CiACA)



- Launched at COP22 in 2016.
- Supported by the German Federal Government through the Federal Ministry for Economic Affairs and Climate Action.



United Nations  
Climate Change

Implemented with the support and assistance of the Regional Collaboration Centres.

## Objective



**Support** Parties in the development of carbon pricing instruments for the implementation of NDCs.

## Types of instruments



- Carbon Taxes.
- Emission Trading Systems.
- Hybrid Systems.

## Types of Support

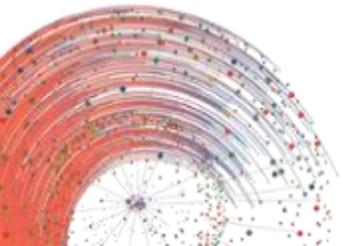


- Trainings and CB activities.
- Preliminary Studies.
- Instrument design.
- Public consultations for informed decision-making.
- Collaboration and Exchange spaces.

Para más información: [The Collaborative Instruments for Ambitious Climate Action \(CiACA\) | UNFCCC](#)

# Regional Collaboration Centres – UN Climate Change Secretariat

- **RCC Asia-Pacific** supports 40 countries in Asia and the Pacific (in coordination with IGES).
- **RCC MENA and South Asia** supports 22 Arab States and 8 South Asian countries (in coordination with WGEO).
- **RCC East and Southern Africa** supports 19 countries in East and Southern Africa (in coordination with EADB).
- **RCC Central and West Africa** supports 26 countries in 15 Member States of the Economic Community of West African States (ECOWAS) and 11 Francophone countries (in coordination with BOAD).
- **RCC Latin America** provides support to 17 countries in Latin America (in coordination with UNEP).
- **RCC Caribbean** supports 16 countries in the Caribbean region (in coordination with WINDREF).



# RCC Latin America - Areas of Work

**Goal 01** Ambition: Maximizing the scale and scaling up climate action.

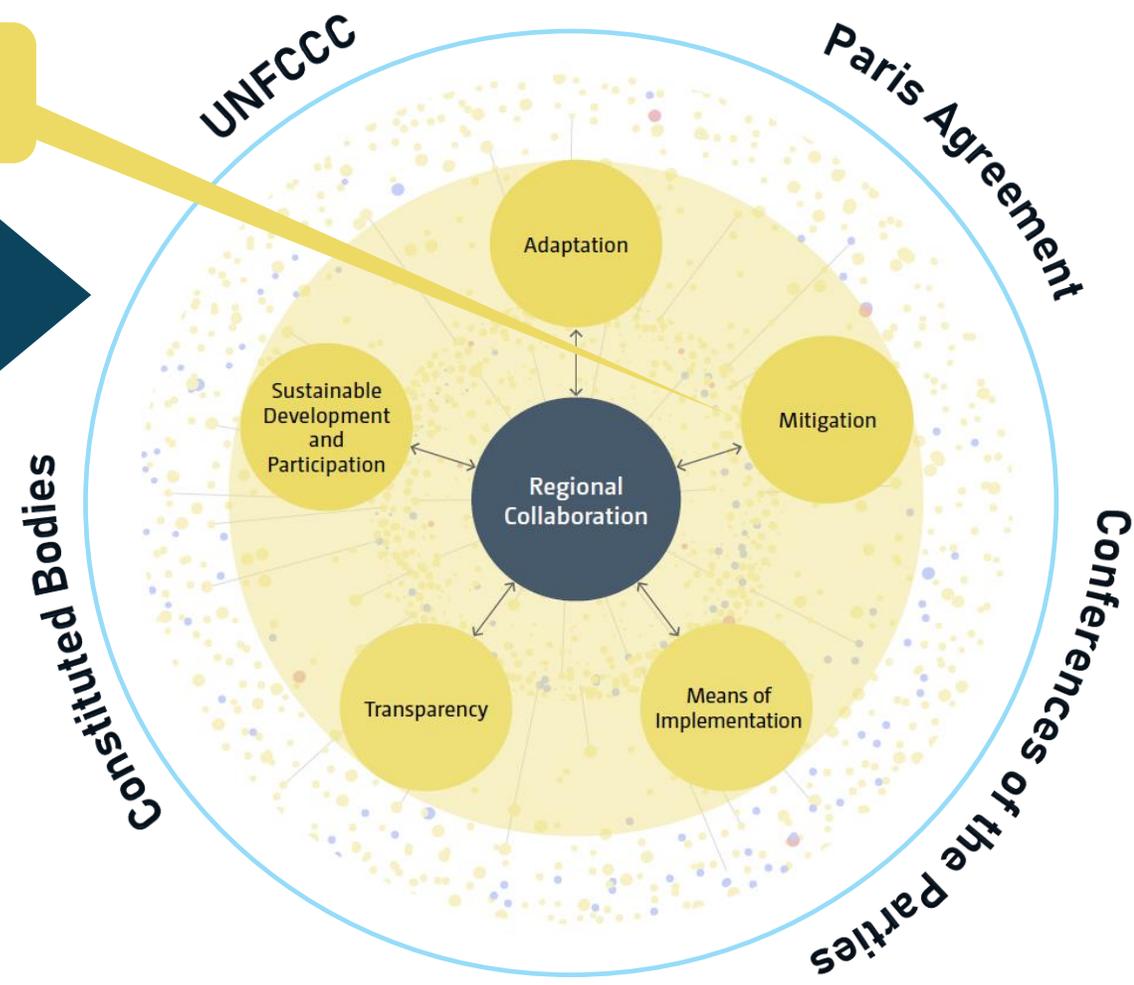
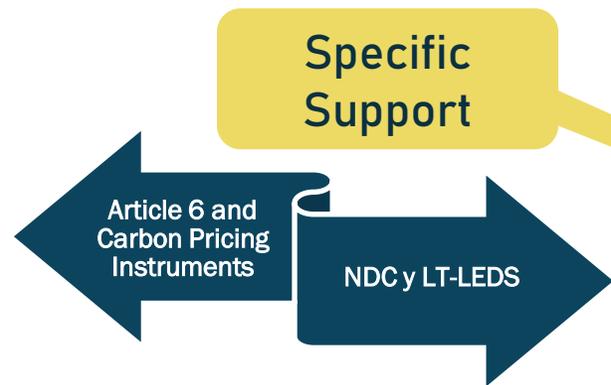
Communication, capacity building and participation to promote NDCs and Long-Term Strategies (LT-LEDS).

**Goal 02** Implementation

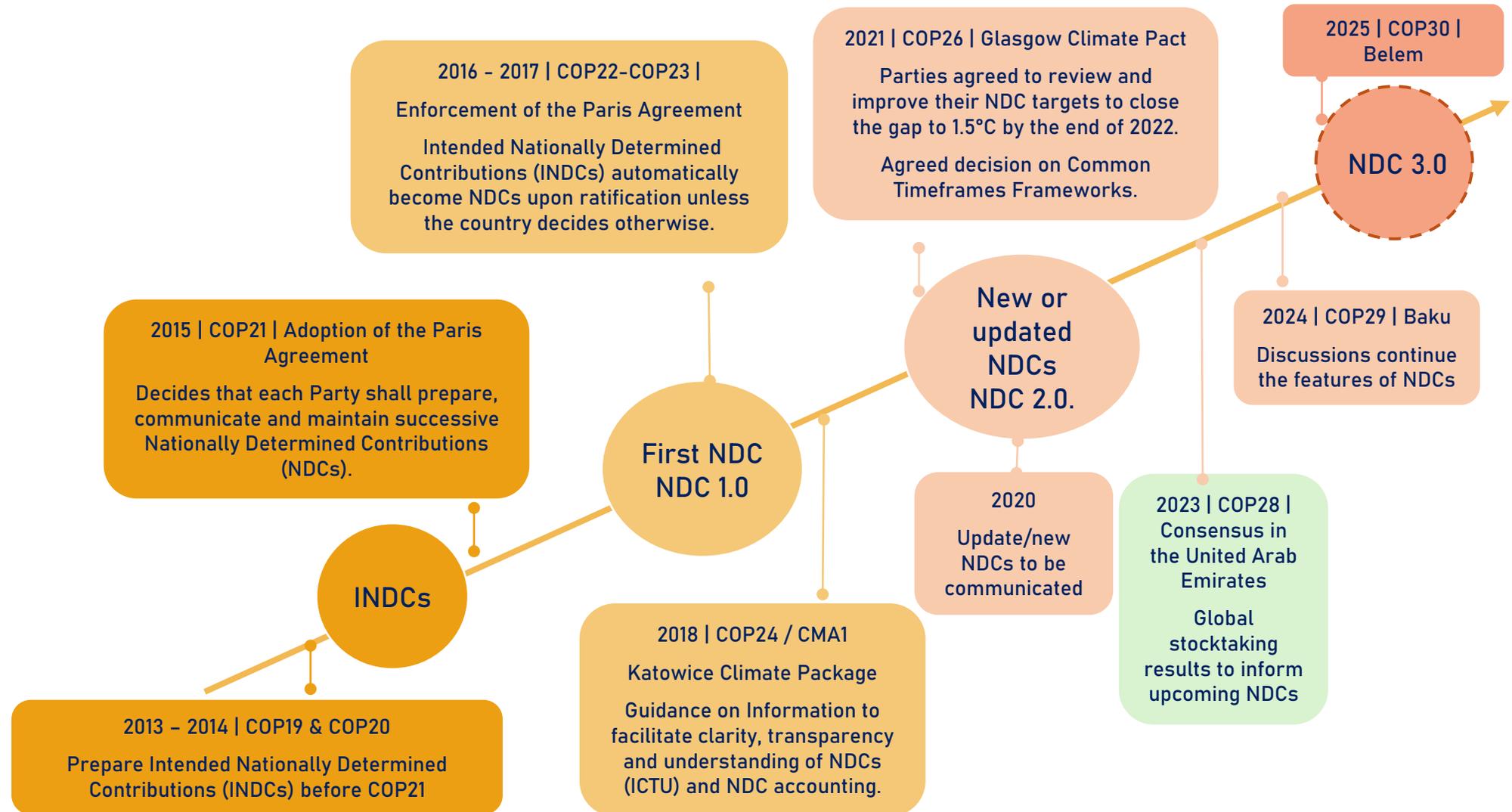
Facilitate the implementation of Climate Action to achieve commitments

**Goal 03** Partnerships and Collaboration

Partnerships at international, regional and local levels.  
Work Plan to Support the Issue-Based Coalition for Climate Action.



# NDC: A history, more than 10 years of ambition



# Challenges for the Implementation of the NDCs

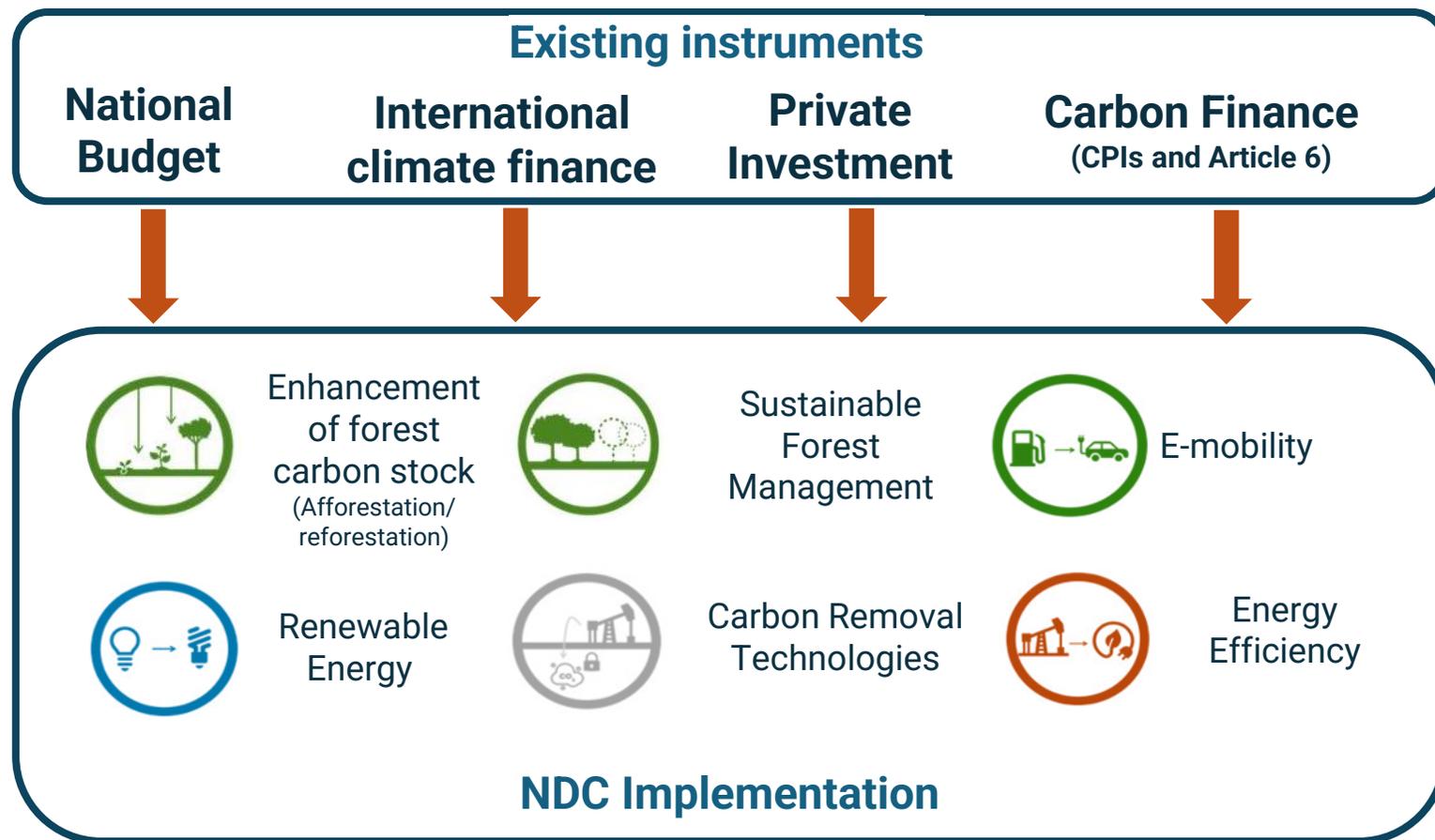


- More than 94% of countries under the Paris Agreement have adopted quantified mitigation targets (2024 NDC Synthesis Report), and over 70 countries have long-term mitigation goals (2023 LT-LEDS Synthesis Report).
- Current mitigation policies are insufficient to achieve Paris Agreement Goals: 1.5°C goal: GHG emissions must be reduced by 43% by 2030 and 60% by 2035 relative to 2019 levels).
- Implementing NDCs and achieving the Paris Agreement goals requires mobilizing an unprecedented amount of climate finance.
- Current estimates show that country needs for implementing NDCs amounting to USD 5.036–6.876 trillion.
- Ensuring access to financing is one of the most requested areas of support by countries: This requires the effective deployment of the full range of national and international resources.
- The Paris Agreement recognizes that incentives, such as carbon pricing instruments, are fundamental to reducing emissions, transforming economies, and achieving climate goals.
- Countries can also opt to use cooperative approaches under Article 6 of the Paris Agreement to implement their climate targets and achieve greater ambition.

Source: Information extracted from the [2024 NDC Synthesis Report](#), the [2023 LT-LEDS Synthesis Report](#) and the [Second Report on the determination of needs of developing country Parties related to implementing the Convention and the Paris Agreement](#).



# Existing Financial Instruments for the Implementation of NDCs



# The Role of Carbon Pricing Instruments and Article 6

Essential tools to achieve climate goals

- Carbon Pricing Instruments (CPI), such as carbon taxes and Emissions Trading Systems (ETS), incentivize emission reductions and promote economic efficiency.
- Article 6 of the Paris Agreement enables international cooperation to trade mitigation outcomes and foster effective carbon markets.

Closing the Implementation Gap

Mobilization of financial resources

Increasing climate ambition and promote SDGs.

Opportunities for the private sector

Global Cooperation

Advances and Global Trends



- **78% of Paris Agreement countries** stated they plan or may use at least one type of voluntary cooperation under Article 6.
- **12% indicated** that the use of voluntary cooperation is a condition for achieving their mitigation targets..
- Promising signs of CPI adoption in middle-income countries..
- Use of multiple instruments to expand sector and price coverage.
- Flexible designs adapted to national contexts.

# CiACA Panama Project



Panama, supported by CiACA and the RCC Latin America, has advanced in developing carbon pricing instruments for its NDC, serving as an example in Central America

## Main advances and outcomes:

**2017-2019** Conducted exploratory studies and developed a technological framework to implement carbon pricing instruments, establishing a national registry for emissions and mitigation actions.

**2020-2021** Developed a Voluntary Carbon Footprint Management Program (Reduce Your Footprint - Corporate Program) with over 200 registered organizations, 41 committed to carbon neutrality by 2050, and launched the National Emissions Registry.

**2020-2025** Began developing its National Carbon Market in 2020, consisting of the following components: Voluntary GHG Programs, the National GHG Offsetting System, the National Emissions Registry, and the Panamanian Carbon Exchange. In 2024, assessed its national, legal, technological, and operational capacities, refining and developing a strategic roadmap for the implementation of its National Carbon Market by February 2025.



# CiACA Panama Project



With RCC Latin America's support, the June 2024 workshops introduced the Roadmap initiative and gathered stakeholder input.

## Key recommendations from private, public, and civil society actors include:

- **Collaboration is crucial:** Public-private cooperation is essential for effective and sustainable carbon market policies. More engagement spaces are needed for MNCP development and international market alignment.
- **Capacity building is necessary:** Many lack technical knowledge on carbon pricing and Article 6, calling for simplified language and tailored training materials.
- **Clear regulations and incentives:** Both public and private sectors stress the need for well-defined rules to encourage participation in carbon markets.
- **Government as a facilitator:** Calls for clearer participation rules, simplified processes, cost-benefit transparency, and supportive structures to enable market engagement.
- **Private sector open to mandates:** Participants positively viewed a phased transition from voluntary to mandatory markets, emphasizing flexibility and training for effective participation.



# Process for Developing the Roadmap for the Implementation of Panama's National Carbon Market

**[Insert CiACA Video]**





# **International overview: The progress of operationalization of Article 6 in Latin America**

Ana Him, Center for Clean Air Policy (CCAP)



Q

A

# Group picture



# Coffee break

We'll be back in a few minutes!



**We will be back soon!**  
**Please don't forget to fill out the  
participation form**





# **Presentation of the National Carbon Market Roadmap**

Ana Moreno, Carbon Market Consultant, CiACA Project



**Section 3: National  
Context and Background**

**Section 4: Panama  
National Carbon Market**

**Section 5: Proposed  
Roadmap for the National  
Carbon Market**

# National Context and Background



3



61.42% of forest cover and other forest land (2024)



28.1 %  
National GHG emissions - Energy (2021)



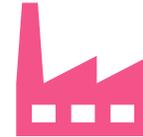
-6,805.3 kt CO<sub>2</sub> eq  
GHG balance, 2021



8.7 %  
National GHG emissions - Agriculture (2021)



Service based economy



3.4 %  
National GHG emissions - IPPU (2021)



57.1 %  
National GHG emissions - LULUCF (2021)



2.7%  
National GHG emissions - Waste (2021)

## Regulatory Framework



E.D. 100  
October 20,  
2020

E.D. 142  
December 9,  
2021

Res. DM-  
0207-2022  
December 2,  
2022

## Public Policies



NDC,  
Updated  
NDC1, NDC2

ENREDD+

LT-LEDS

## International Markets



CDM, 23  
projects, 6 for  
transition

A6.4, 4  
projects for  
“prior  
consideration”

VCM, 14  
projects

# Mitigation commitments - Panama's NDCs



**Energy Sector:** “By 2050, Panama will achieve a reduction in total emissions from the country's energy sector by at least 24% and by at least 11.5% by 2030, with respect to the baseline scenario, representing an estimated 60 million tons of CO<sub>2</sub>eq accumulated between 2022- 2050 and up to 10 million tons of CO<sub>2</sub>eq accumulated between 2022-2030”.



**Forestry Sector:** “Panama is committed to forest restoration of 50,000 hectares nationwide, which will contribute to carbon absorption of approximately 2.6 million tons of CO<sub>2</sub>eq by 2050”.



**Agriculture Sector:** “By 2050, 130,000 hectares of degraded land will have been restored under agroforestry and silvopastoral systems, and by 2030, 15% of this restoration will have been achieved, to the extent of the international support received”.



**Marine-coastal sector:** “By 2028, Panama will have increased mangrove coverage and/or restored 1,800 hectares nationally, representing 210 ktCO<sub>2</sub>eq sequestered (based on financial support received)”.

# Main conclusions of the ELP Panama

- Meet the scenarios only under a sharp **reduction in energy consumption** relative to BAU.
- Electricity generation as the electrification of end uses plays a key role in decarbonization. **Removing fossil fuels** from electricity generation is a necessity for decarbonization.
- A **reduction of GHG emissions not linked to energy** consumption is required as soon as possible.
- The **transport sector** needs to make a major transformation. The development of electromobility is key to decarbonization.
- The **LULUCF sector** is key to achieving both carbon neutrality and carbon negativity. It will be necessary to increase the ambition of the upcoming NDCs to achieve the decarbonization targets.

# Panama National Carbon Market

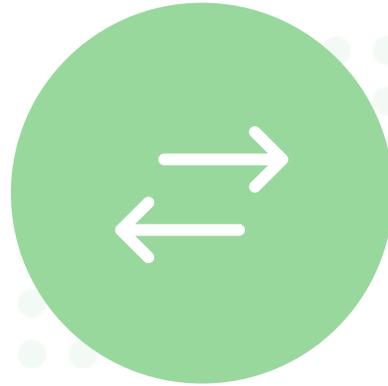
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# MNCP Components



## **RTH Corporate - Carbon (operational)**

Organizations aiming for compensation, neutrality or First 50.



## **Panamanian Carbon Exchange (under development)**

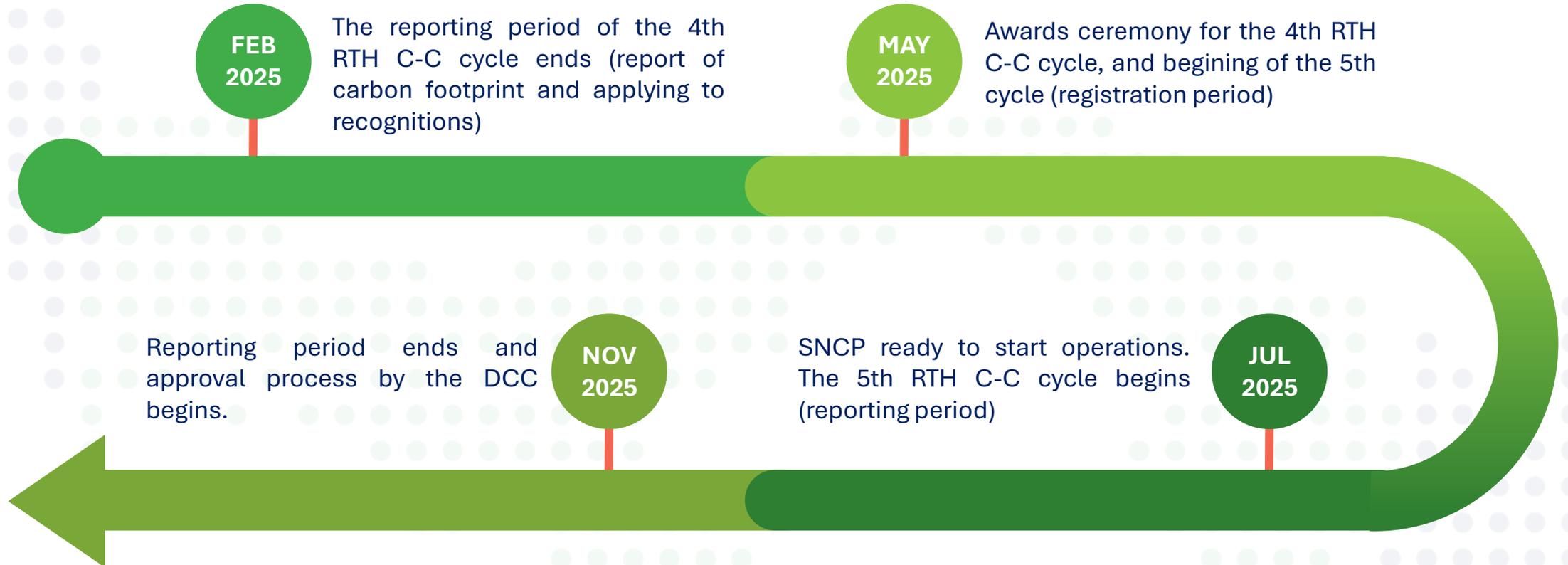
Virtual platform to facilitate the buying and selling process of UNRE



## **GHG Emissions Offsetting System (under development)**

Includes rules, procedures and tools. Certified and registered sectoral projects

# Timeline of operationalization of MNCP components



# Proposed Roadmap for the National Carbon Market

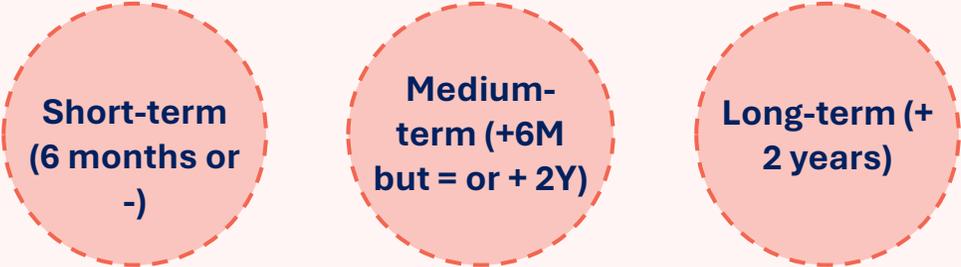
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# Classification of the activities included in the Roadmap

Themes



Implementation time



Priority



# Roadmap

Activity	Actor	2025				2026				2027			
		T1	T2	T3	T4	T1	T2	T3	T4	T1	T2	T3	T4
<b>1. Regulations</b>													
Development of Executive Decree on markets*	DCC	Green											
Establishment of carbon ownership.*	DIFOR	Green	Green										
Define the legal nature of carbon credits*	MEF	Yellow	Yellow										
Approval of Framework Law on Climate Change	DCC	Green	Green	Green	Green								
<b>2. Strategic approaches</b>													
Definition of the scope of the MNCP.*	High level	Green	Green										
Definition of registry to be used for Article 6.2*	DCC	Green	Green	Green									
Development of National Market Strategy	DCC	Yellow	Yellow	Yellow	Yellow								
<b>3. Operational issues</b>													
Enable Registry of Marketable Projects*	DCC	Yellow	Yellow										
Integration of the National Bank to MNCP	DCC	Yellow	Yellow	Yellow	Yellow	Yellow							

Short-term

Medium-term

Long-term

# Roadmap

Activity	Actor	2025				2026				2027			
		T1	T2	T3	T4	T1	T2	T3	T4	T1	T2	T3	T4
<b>3. Operational issues</b>													
Development of SNCP standard	DCC		█	█									
Definition of infrastructure for A6*	DCC		█	█	█								
Start of the first phase of the MNCP*	DCC			█	█	█	█	█	█				
Establishment of process to improve PanamaNDC	DCC				█	█							
Definition of rules for new crediting mechanisms	DCC									█	█		
Revisión e integración de otras plataformas	Key actors									█	█	█	█
Start of the second phase of the MNCP*	DCC											█	█
<b>4. Organizational structure</b>													
Establish formal organizational structure*	DCC	█	█										
Strengthen technical team (human resources)	DCC			█	█	█	█						

Short-term                      Medium-term                      Long-term

# Roadmap

Activity	Actor	2025				2026				2027			
		T1	T2	T3	T4	T1	T2	T3	T4	T1	T2	T3	T4
<b>5. Capacities</b>													
Capacity building program for MNCP participants	Academia							Yellow	Yellow				
Structure for the creation of national VVBs	DGNTI									Yellow	Yellow	Yellow	Yellow
Capacity building for VVB and project developers	Academia											Yellow	Yellow
<b>6. Sectoral approach</b>													
Define activities under Article 6.4*	Key actors	Yellow	Yellow										
Development of SNCP sectoral standards	DCC		Green	Green	Green								
Quantification of NDC goals	Key actors			Green	Green	Green							
Definition of approach for existing incentives	Key actors						Yellow	Yellow					
Establish sectoral GHG budgets	Key actors											Yellow	Yellow



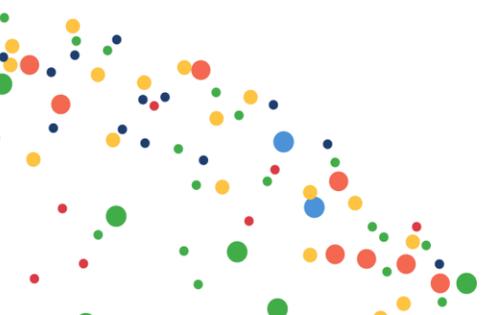
Short-term



Medium-term



Long-term



# Activity: Development of Executive Decree on markets

Provide greater clarity with respect to the MNCP, promoting transparency and accountability and ensuring that stakeholders understand their role, processes and participation requirements.

**Unified technical definitions**

**Definition of mandatory registration in the Registry of Tradable Offset Projects**

**Creation of working teams within the framework of the MNCP**

**Clarification of the MNCP's operational structure**

**Establishment of an SNCP standard**

**Establishment of roles and functions of actors under the MNCP**

**Definition of mandatory RTH C-C as part of the MNCP demand**

**Establishment of sectoral standards under the SNCP**

**Define carbon markets as a tool to comply with NDC and the ELP**

**Result: Published Executive Decree.**

# Activity: Establishment of carbon ownership

Clarity about the ownership of carbon credits can affect the perceived integrity of carbon credits and, possibly, their market value, even compromising investment possibilities.

## Carbon Ownership Response by Management Attorney Rigoberto Gonzalez, March 2024

### **Question: Is the carbon captured, absorbed and removed by forests the property of the State?**

Answer: Regarding the ownership of carbon, the accessory follows the principal, which allows asserting that the carbon reduced or fixed by the forest resource also corresponds to the State's patrimony.

### **Question: Can this carbon be used under the modalities established in Article 27 of Law 1 of February 3, 1994, for the purpose of capturing resources?**

Answer: An administrative concession granted for forest exploitation does not grant the right to generate carbon credits that allow the exploitation of carbon sequestration.

Other observations: It is recommended that MiAMBIENTE promote a law in this regard, establishing the procedure for granting concessions for this natural forest asset, with the State being able to reserve the right to grant these, other than those authorized directly for forest harvesting.

**Result: consensual and public legal instrument that clearly establishes carbon ownership and allows the establishment of processes for the development of forestry projects on lands with different types of tenure.**

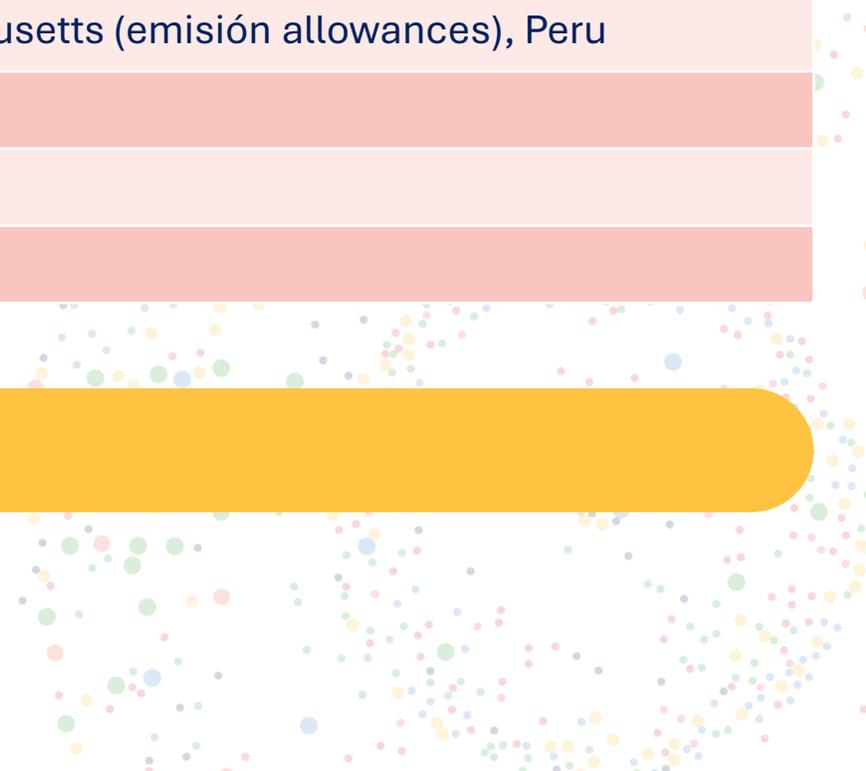
# Activity: Define the legal nature of carbon credits

The nature of the carbon credits defines the rights to generate, own and use them, and may even define how they are accounted for and taxed.

## Examples of legal characterization of carbon credits

Transferable movable assets	Australia
Intangible assets	Côte d'Ivoire (REDD+ framework), Massachusetts (emisión allowances), Peru
Administrative instruments	Mexico (emisión allowances)
Private property rights	California (emisión allowances), Paraguay
Commodities	Kazakhstan

*Result: legal nature of carbon credits defined.*



## Activity: Definition of the scope of the MNCP

The complexity of a carbon market impacts a variety of sectors and key stakeholders, so it is recommended to be clear about its scope.

**Types of organizations that will be required to participate in the MNCP**

**Sectors to be promoted under the SNCP**

**Role of the BPC**

**Interaction with other national policies**

**Engagement with other international markets**

**Other strategic definitions, such as costs, tariffs, benefit sharing and processes**

**Result: MNCP scope defined.**

## Activity: Participation requirements for Article 6

Participation in Article 6 cooperative approaches requires following a national preparation process through which participation requirements are met.

### Being part of the Paris Agreement

Law No. 40 of Monday, September 12, 2016, approving the Paris Agreement in Panama. No Actions are required,

### Preparation, communication and maintenance of an NDC

Panama submitted both its ELP Panama and NDC2 in 2024, but neither report specifies how Panama's participation in Article 6 will contribute to its implementation. NDC3 in progress.

### National authorization arrangements

The country has not begun to define authorization processes but is working on regulatory tools to formalize the legal basis of the carbon market.

### National arrangements for tracking ITMO usage (A6.2)

Panama has not yet defined the registry to be used for ITMO monitoring, however, the country has a Registry of Marketable Offset Projects that will operate under the MNCP.

*Result: participation requirements achieved.*

## Activity: Participation requirements for Article 6

Participation in Article 6 cooperative approaches requires following a national preparation process through which participation requirements are met.

### Most recent National Inventory Document submitted (A6.2)

Panama presented its National Inventory Document in June 2024, as part of its Biennial Transparency Report.

### Contribution to the NDC, LT-LEDS and to the long-term objectives of the Paris Agreement

Panama is working on its NDC3 and it is recommended to include clear information on its intention to use Article 6 mechanisms. Also, should clarify what types of mitigation activities will be approved

### Designated National Authority (A6.4)

Panama formally notified its DNA (MiAMBIENTE). The development and formalization of an institutional framework for A6.4 is currently pending.

### Types of Mitigation Activities to Approve

Panama should describe the types of activities it plans to approve under Article 6.4. These activities should align with national priorities and GHG reduction strategies.

*Result: participation requirements achieved.*

# Activity: Enable Registry of Marketable Projects

Carbon markets are often supported by technological platforms that facilitate the measurement, reporting and verification of mitigation measures, as well as their certification for the issuance of carbon credits.



**NATIONAL CLIMATE**  
TRANSPARENCY PLATFORM

*Result: National Registry of Marketable Offset Projects open to the public.*

# Proposal for project management through the registry

Registry Launch



## Prior to registry projects

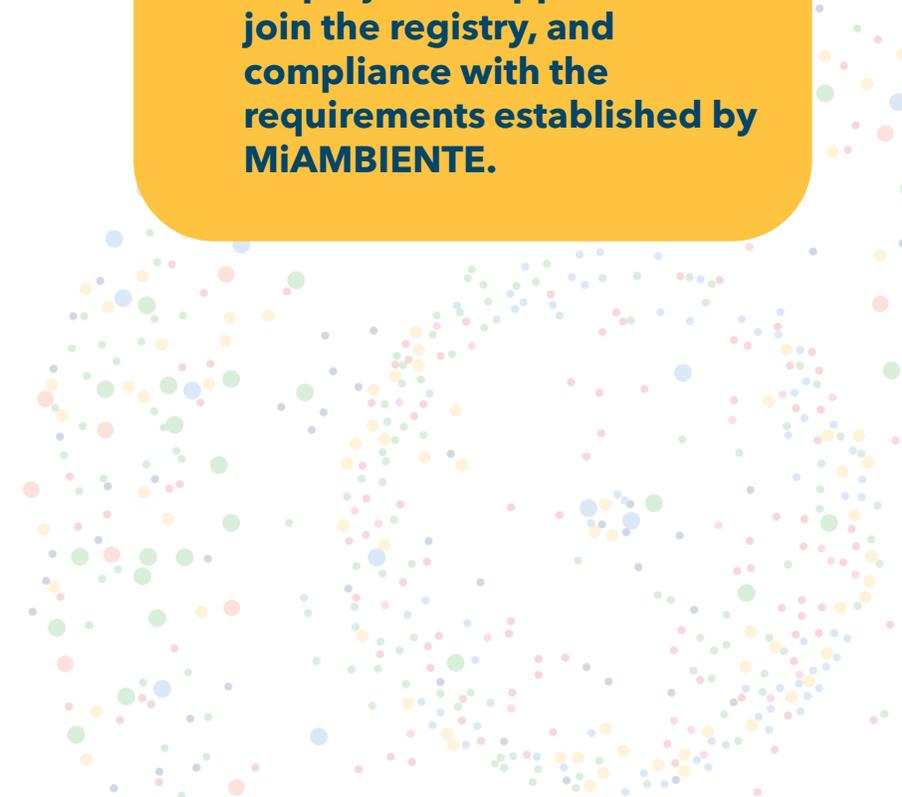
- **Proyectos finalizados que hayan comercializado todos sus créditos = no se requieren acciones.**
- **Completed projects that still have outstanding credits to be marketed = request to join the registry, flexibility applies.**

## Projects under development during registry

- **Projects that have already initiated development and investment but have not yet issued credits = request to join the registry, and case-by-case evaluation to identify whether additional actions will be requested. Flexibility applies.**
- **Projects in planning = request to join the registry and adjust to the requirements established by MiAMBIENTE.**

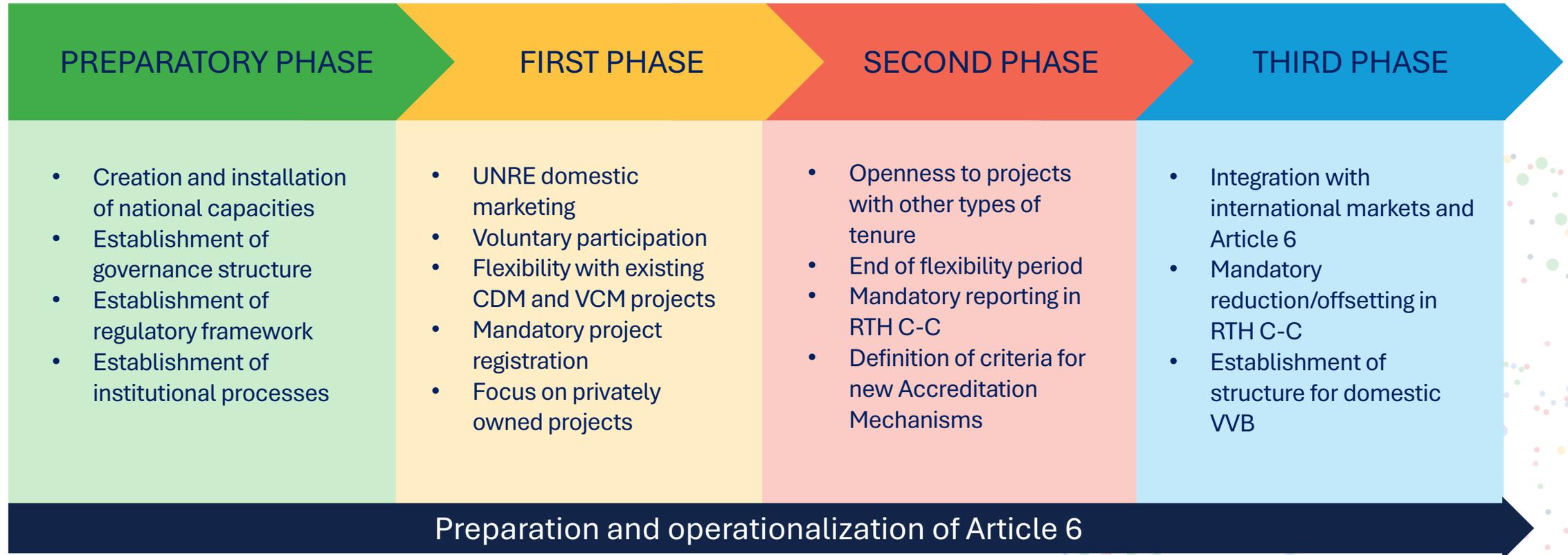
## Post-registry projects

- **All projects = application to join the registry, and compliance with the requirements established by MiAMBIENTE.**



# Activity: Establishment of phases for the implementation of the MNCP

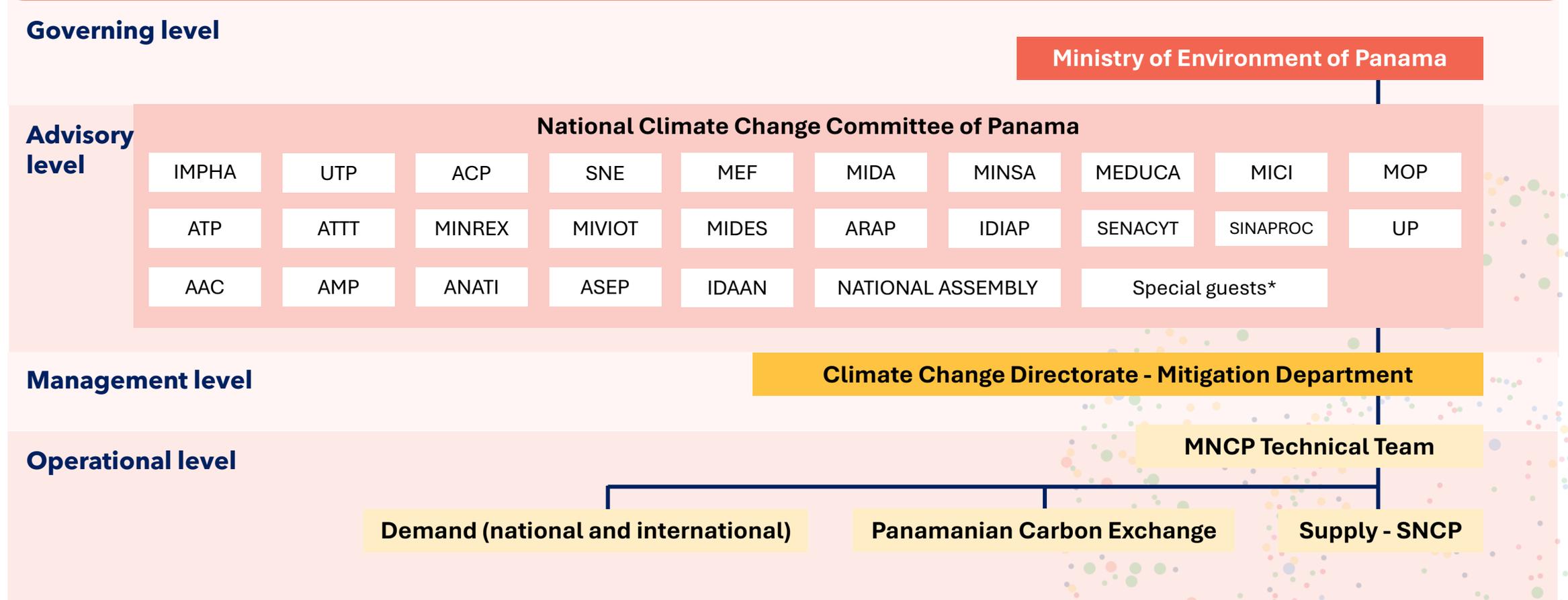
Due to the complexity of the MNCP and its potential impact on various sectors and stakeholders, a phased implementation is recommended.



**Result: MNCP phases implemented.**

# Activity: Establish formal organizational structure

Jurisdictions intending to implement market mechanisms will have to create a structure to support the development of such a tool, including the definition of roles and responsibilities and the definition of operational functions.



*Result: Organizational structure established and formalized.*



# Review of concepts

# **1. Example of topics to be addressed in the new MNCP Executive Decree**

- a. Mandatory demand and supply of the MNCP**
- b. Carbon ownership**
- c. Legal nature of carbon credits**
- d. All of the above**



# 1. Example of topics to be addressed in the new MNCP Executive Decree

**a. Mandatory demand and supply of the MNCP**

b. Carbon ownership

c. Legal nature of carbon credits

d. All of the above



## **2. What are participation requirements in the context of carbon markets?**

- a. Requirements to be met by project owners under the MNCP**
- b. Requirements to be met by RTH C-C participating organizations**
- c. Requirements to be met by PA Parties to participate in A6 cooperative approaches**
- d. None of the above**



## 2. What are participation requirements in the context of carbon markets?

- a. Requirements to be met by project owners under the MNCP
- b. Requirements to be met by RTH C-C participating organizations
- c. Requirements to be met by PA Parties to participate in A6 cooperative approaches**
- d. None of the above



### **3. What types of offset projects must be registered in the MNCP Project Registry?**

- a. Projects that want to participate in the VCM**
- b. Projects that want to participate in A6**
- c. Projects that want to participate in MNCP**
- d. Projects that want to participate in CORSIA**
- e. All of the above**



### 3. What types of offset projects must be registered in the MNCP Project Registry?

- a. Projects that want to participate in the VCM
- b. Projects that want to participate in A6
- c. Projects that want to participate in MNCP
- d. Projects that want to participate in CORSIA
- e. All of the above**





Q

A



# **Panel of experts: Building Trust in Carbon Markets – Governments driving private investments**

Ana Domínguez, RCC Latin America, UN Climate Change Secretariat



# **Setting the scene: Role of the Government for facilitating the private investments in carbon markets**

Ana Him, Center for Clean Air Policy (CCAP)

# Panel of experts: Building Trust in Carbon Markets: Governments Driving Private Investment



Ana Domínguez  
RCC LatAm



Alvin Chávez  
DICOMAR



Carlos Iglesias  
SNE



Ángel Ureña  
DCC

# Closing of the day



**Ángel Ureña**, Climate Change Deputy-Director  
Ministry of Environment of Panama



**Please take a few minutes to fill out our closing survey.**



# Thank you!

GOBIERNO NACIONAL  
★ CON PASO FIRME ★

MINISTERIO DE  
AMBIENTE



UN  
environment  
programme

**RCC Latin America**

*Collaboration for Climate Action*

