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Record of the facilitative sharing of views at the fifty-sixth session of the Subsidiary Body for Implementation: Panama

Note by the secretariat

Abbreviations and acronyms

BUR	biennial update report
CO ₂ eq	carbon dioxide equivalent
COP	Conference of the Parties
FSV	facilitative sharing of views
GHG	greenhouse gas
ICA	international consultation and analysis
LULUCF	land use, land-use change and forestry
NDC	nationally determined contribution
non-Annex I Party	Party not included in Annex I to the Convention
REDD+	reducing emissions from deforestation; reducing emissions from forest degradation; conservation of forest carbon stocks; sustainable management of forests; and enhancement of forest carbon stocks (decision 1/CP.16, para. 70)
SBI	Subsidiary Body for Implementation

I. Background and mandate

1. COP 16 decided to conduct, under the SBI, ICA of BURs from non-Annex I Parties, in a manner that is non-intrusive, non-punitive and respectful of national sovereignty, with the aim of increasing the transparency of the mitigation actions and their effects reported by those Parties.¹
2. COP 17 adopted the ICA modalities and guidelines,² according to which the ICA process consists of two steps: technical analysis of non-Annex I Parties' BURs by teams of technical experts, resulting in a summary report for each Party; and FSV, to which the BURs and summary reports serve as input.³
3. Pursuant to the ICA modalities and guidelines, the SBI convened on 7 and 8 June 2022 in Bonn at SBI 56 the twelfth FSV workshop, open to all Parties, for the following nine

¹ Decision 1/CP.16, para. 63.

² Decision 2/CP.17, annex IV.

³ Decision 2/CP.17, annex IV, para. 3.

non-Annex I Parties for which there was a BUR and final summary report⁴ by 21 March 2022: Chile, Cuba, Egypt, Malaysia, Namibia, Panama, Singapore, Thailand and Zambia.

4. The workshop, chaired by the SBI Vice-Chair, Juan Carlos Monterrey Gomez, comprised two two-hour sessions and one 90-minute session.

5. As one of the participating Parties, Panama received eight written questions in advance of the FSV workshop⁵ from the European Union, Mexico, New Zealand and the United States of America. This FSV record for Panama summarizes the proceedings and, together with the summary report on the technical analysis of its second BUR,⁶ constitutes the outcome of the second round of ICA for the Party.

II. Summary of proceedings

6. On 7 June 2022 Panama made a brief presentation on its second BUR. The presentation was followed by a question and answer session.

7. Panama was represented by Yoisy Belen Castillo from the Ministry of Environment.

8. Panama presented an overview of its national circumstances and institutional arrangements, national inventory of anthropogenic emissions by sources and removals by sinks of all GHGs not controlled by the Montreal Protocol, mitigation actions and their effects and support needed and received.

9. Panama also presented its updated NDC targets under the Paris Agreement, which are to reduce GHG emissions from the energy sector by 11.5 per cent by 2030 and by 24 per cent by 2050 (reduction of 60 Mt CO₂ eq between 2022 and 2050) from the ‘business as usual’ level and to restore 50,000 ha forest land throughout the country, resulting in emission removals of approximately 2.6 Mt CO₂ eq by 2050.

10. Panama highlighted that its total GHG emissions in 2017 were 17,871.44 Gg CO₂ eq excluding LULUCF and –9,758.3 Gg CO₂ eq including LULUCF and they increased between 1994 and 2017 by 110.7 per cent without emissions and removals from LULUCF and decreased by 35.2 per cent with emissions and removals from LULUCF, owing mainly to the energy sector. The Party explained that increased removals from the forest sector (average carbon sequestration between 1994 and 2017 is 26,272.20 Gg CO₂ eq) is the main driver of emission trend.

11. Panama presented key policies and measures for achieving its targets, including its 23 ongoing clean development mechanism project activities related to methane capture, use of alternative fuels in cement industry and the generation of energy from hydropower, wind and biomass with an annual emission reduction potential of 2.6 Mt CO₂ eq. Its participation in voluntary carbon markets, with two afforestation projects registered under the Gold Standard, is expected to reduce emissions by 518,380 t CO₂ eq (194,956 t CO₂ eq during 1995–2024 and 323,424 t CO₂ eq during 2014–2019), and another under the Verified Carbon Standard with an annual emission reduction potential of 14,126,091 t CO₂ eq during 2016–2046 from avoidance of deforestation. The Party also highlighted one of its key mitigation actions related to maritime transport, which is the widening of the Panama Canal for efficient operation of the canal with an anticipated minimum reduction in emissions of 160 Mt CO₂ eq in by 2016–2025.

12. Furthermore, Panama provided information on support received and needed and capacity-building needs, such as strengthening national capacity for compliance with requirements under the enhanced transparency framework under the Paris Agreement and for designing and monitoring mitigation actions, including on the development of projections and mitigation scenarios. It also presented support received in the preparation of four national

⁴ The BURs and summary reports for each ICA cycle are available at <https://unfccc.int/BURs> and <https://unfccc.int/ICA-reports>, respectively.

⁵ As per decision 2/CP.17, annex IV, para. 6.

⁶ FCCC/SBI/ICA/2021/TASR.2/PAN.

communications and two BURs, the establishment of the national platform for climate transparency and the development of the national GHG inventory.

13. Following the presentation, the following Parties made interventions commending Panama on its efforts and asked questions seeking further clarification: China, Czechia, European Union, India, Sweden, United Kingdom of Great Britain and Northern Ireland and United States of America.

14. Questions on the GHG inventory related to the factors that allowed Panama to improve the completeness of its GHG inventory and provide a complete time series for 1994–2017; and the reasons behind the increase in emissions from the energy and industrial processes and product use sectors since 2005.

15. In response, Panama explained that strengthening the capacity of the national experts, setting up arrangements with the information providers for each sector are the main factors that allowed it to improve the completeness of its GHG inventory. In addition, the increase in emissions from the energy sector is caused by the increase in consumption of liquid fuels in the transportation subsector brought about by the increase in the use of vehicles in the country. In addition, the Party clarified that it was not possible to disaggregate the fuel consumed for domestic navigation from that used for international navigation, and this has resulted in an overestimation of emissions. Emissions from the industrial processes and product use sector increased owing to increased cement production, following the increased demand arising from the implementation of large projects, notably the expansion of the Panama Canal, and to the inclusion of fluorinated gas in the inventory.

16. Questions on the mitigation actions and their effect related to the experiences related to reconciling renewable energy development and biodiversity; examples of mitigation actions in the energy sector; sustainable forest management programmes that help to ensure that the country remains a net carbon sink; and the development of the National REDD+ Strategy and how the LULUCF sector will contribute to the country's NDC.

17. In response, Panama explained that it included biodiversity conservation in its NDC update, with a focus on both adaptation and mitigation, reducing climate change vulnerability and increasing resilience to extreme climate events. There are several instruments related to protecting biodiversity in the country, one example of which is the National Biodiversity Strategy and Action Plan 2018–2050. One of the examples of mitigation actions in the energy sector is the promotion of electric mobility with the goal of increasing the penetration rate of electric vehicles in the country, in particular in the public sector. There are several ongoing programmes related to sustainable forest management, including the National Forest Restoration Program 2020–2025 and the National REDD+ Strategy. In addition, Panama has recently submitted its updated REDD+ forest reference level, which is undergoing technical assessment, and is also working on its National REDD+ Strategy, which is expected to be finalized by the end of 2022, with identification of specific policies and measures in the LULUCF sector to meet the NDC target.

18. Other questions related to the lessons learned from collaborating internationally to support the preparation of the BUR; and the institutional arrangements that allowed national experts to take over the task of compiling the GHG inventory from external consultants. In response, Panama explained that South–South cooperation helped it to establish a sustainable GHG inventory system and address technical challenges that arose during the inventory compilation. In addition, at the end of 2020 it established, through a national executive decree, the institutional arrangement for the national GHG inventory system, with the aim of ensuring the sustainability of this system. The Party also clarified that external consultants are still part of the process, but they are working in close collaboration with the national team in charge of the inventory compilation.

19. The presentation and subsequent interventions are accessible via the webcast of the workshop.⁷

20. In closing the workshop, the SBI Vice-Chair congratulated Panama for successfully undergoing FSV and completing the second round of its ICA process. He thanked Panama

⁷ Available at <https://unfccc.int/event/12th-workshop-for-the-facilitative-sharing-of-views/part-2>.

and all other participating Parties for engaging in the workshop in a facilitative manner. He also thanked the secretariat for its support.
