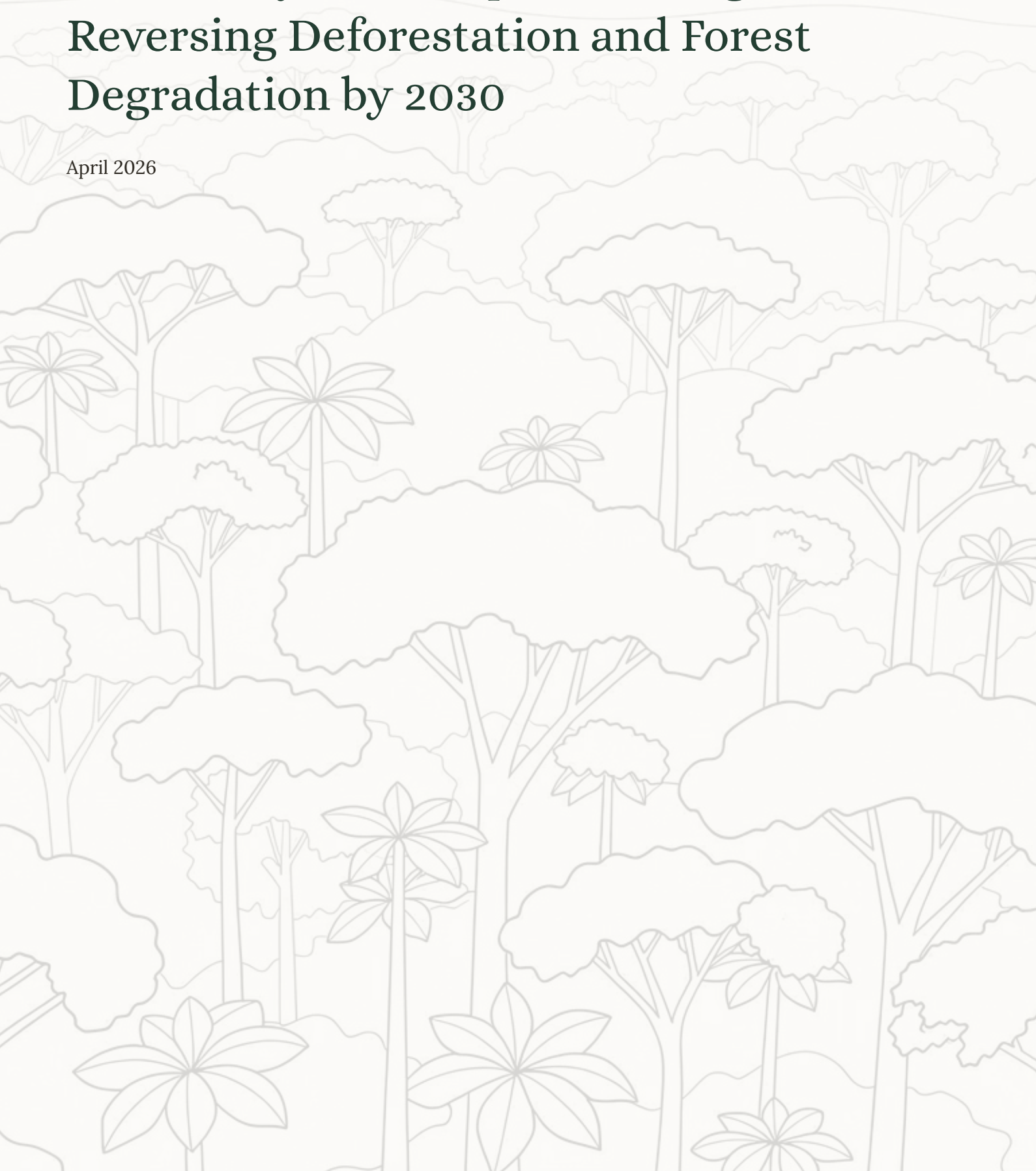


# Submission by Panama on the COP 30 Presidency Roadmap on Halting and Reversing Deforestation and Forest Degradation by 2030

April 2026



# Panama's Domestic Action: Leading by Example

Panama's domestic commitments and actions demonstrate the integrated, rights-based, and science-informed approach that we advocate for in the Roadmap. The following highlights illustrate Panama's leadership:



## Ley 287 – Rights of Nature

Enacted in 2023, making Panama one of the first countries in the region to recognize nature as a subject of rights in its domestic legal order, establishing that ecosystems, rivers, and forests hold intrinsic value.



## National Forest Monitoring System

A low-cost, high-resolution land-cover surveillance system conducting a biennial geospatial census across over 33,000 sampling points, supporting change-detection algorithms that flag deforestation hot-spots for rapid intervention.



## Panama Canal Watershed PES

Panama's Canal Watershed conservation is largely financed through performance-based payment for ecosystem services mechanisms, demonstrating a replicable model for sustained forest finance.



## Panama Nature Pledge

Integrates national climate (NDC), biodiversity (NBSAP) and land (LDN) planning with a clear pathway of implementation, combining a 100,000-hectare forest restoration target with sustainable agriculture and livestock transformation.



## FSC Comarca Agreement (2024)

Agreement for the Conservation, Protection and Collaborative Enhancement of Forests in the Lands of the Emberá Wounaan, Madungandí and Wargandí Comarcas, requiring FSC certification standards for all forest-related activities.



## Azuero Verde Program

Demonstrates how integrated landscape management reduces deforestation pressures by combining restoration, sustainable production, and local governance, including agroforestry models combining timber, fruit trees, and crops.

# Key Messages

## Mobilize Momentum and Provide Strategic Direction

- 1 Serve as an action-oriented compass to demonstrate ambition and leadership, ensure continuity, and utilize upcoming key events in the lead up to the second global stocktake and 2030.

## Strengthen Synergies and Align Initiatives

- 2 Foster convergence among initiatives, as well as strengthen synergies across the Rio Conventions and multilateral processes, national planning, and implementation on climate, biodiversity, land and food systems, as demonstrated through the Panama Nature Pledge.

## Scale Up Payment for Ecosystem Services

- 3 Drastically scale up forest financing whilst eliminating harmful incentives, synergize funding towards performance-based payment for ecosystem services, strengthen capacity-building and technology transfer to match the shared ambition.

## Drive Whole-of-Society System Change

- 4 Shift the global reliance and financing from favoring deforestation towards keeping forests standing and ecosystems thriving, through multistakeholder cooperation across governments, financial institutions, civil society stakeholders, the private sector, and intergovernmental organizations.

## Uphold Equity, Rights, and Justice

- 5 Ensure people-centered forest action rooted in science and traditional knowledge, through empowering, financing, and recognizing the leadership of Indigenous Peoples, local communities, youth, women and gender.

## Embed Gender Equity as a Cross-Cutting Principle

- 6 Ensure that gender equity is not treated as a sectoral concern limited to social chapters, but as a foundational principle embedded across all pillars of the Roadmap: from finance and monitoring to governance and land rights. The labor and knowledge of Indigenous women and women forest guardians must be recognized, remunerated, and protected. Funding modalities must guarantee direct access, social protection, and economic autonomy for women as primary custodians of forests and biocultural heritage, in line with the UNFCCC Gender Action Plan and Panama's Climate Change Gender Action Plan.

# Introduction

Recognizing the crucial role of forest action in achieving global goals on climate mitigation and adaptation, as well as biodiversity, land, food, and sustainable development, COP30 witnessed significant momentum on halting and reversing deforestation and forest degradation. Panama thanks the COP30 Presidency, as well as countless governments and non-state actors, for their efforts within and beyond the Convention over the years, including paragraphs 33 and 34 of the first global stocktake of the Paris Agreement.

Many member States of the Independent Association of Latin America and the Caribbean (AILAC) are rich in forests. Around **60% (5 million hectares)** of Panama is covered by forest. Of which, approximately **60% (3 million hectares)** is primary forests. Since 2012, Panama has experienced a **4% net loss (over 200,000 hectares)** and **1.3% gain (around 63,000 hectares)** of its forest cover. The losses are primarily driven by conversion to pasture and agricultural land, and the gains reflect efforts of natural regeneration and secondary forest recovery. Approximately **24% (1.2 million hectares)** of the nation's forests are located within Indigenous territories (comarcas). Over 1 million hectares of which are primary forests, representing some of the highest levels of forest conservation in the country.

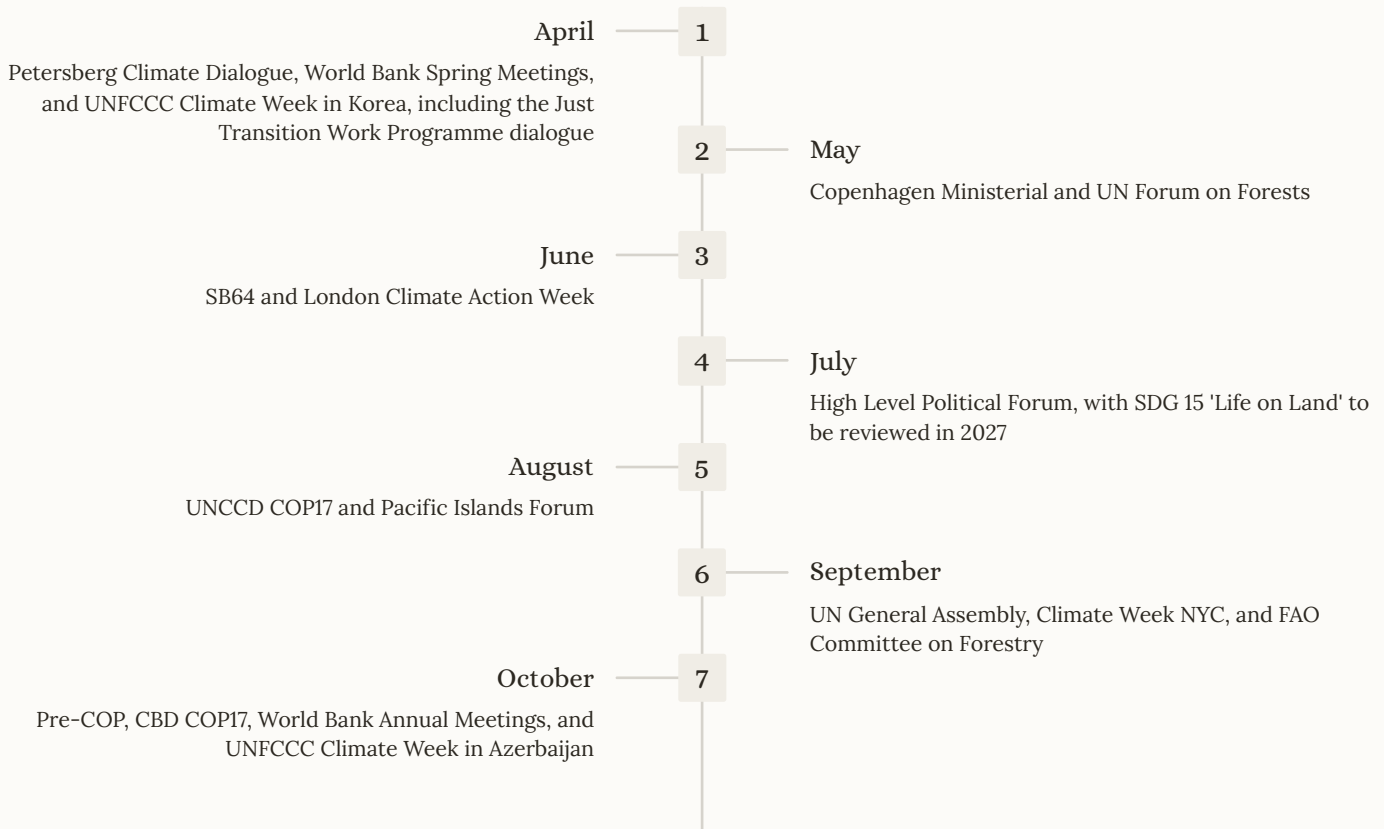
Panama's submission aims to outline our preliminary views, challenges and opportunities for the development and implementation of the Roadmap. We look forward to engaging with and supporting the COP30 Presidency and a diverse range of stakeholders in the development, amplification and implementation of the Roadmap, to reach our shared 2030 goals in a swift, just, and equitable manner.

Panama approaches this Roadmap against the backdrop of a **triple planetary crisis**, the simultaneous and mutually reinforcing threats of climate change, biodiversity loss, and land degradation, none of which can be resolved in isolation. Forests are central to addressing all three. Panama's domestic legal architecture reflects this integrated understanding: in 2023, Panama enacted **Ley 287**, becoming one of the first countries in the region to recognize nature as a subject of rights in its domestic legal order. Under this paradigm, ecosystems, rivers, and forests hold intrinsic value beyond their utility to human societies. This submission is informed by that legal and ethical foundation, and Panama encourages the Roadmap to recognize the intrinsic value of forests, not only as carbon sinks or economic assets, but as living systems with their own right to exist, regenerate, and flourish.

## Milestones and Key Events

Recognizing the momentum behind the Roadmap for Transitioning Away from Fossil Fuels, amplified by political events such as the International Conference on Transitioning Away from Fossil Fuels, Panama encourages the forest Roadmap to outline key milestones and activities with a 2030 timeline, such as enabling a series of ministerials. As the host of the 2027 IUCN Protected Areas Congress, among other key events, Panama stands ready to support the amplification and implementation of the Roadmap.

In 2026, Panama encourages the COP30 Presidency and stakeholders to utilize key opportunities to convene both political and technical exchanges, including to mobilize the leadership of champion countries:



At COP31, Panama envisions:

1. A high level launch with Heads of State and leaders of the Roadmap and its monitoring framework
2. The Roadmap being recognized and welcomed by the COP; and
3. A set of high level and implementation-oriented events and dialogues jointly led by the COP30-COP32 troika and champion countries.

## Engagement and Institutional Arrangement

Panama encourages the COP30 Presidency to actively engage civil society stakeholders and rights-holders in an inclusive, just and meaningful manner throughout the development and implementation of the Roadmap, recognizing the leadership of youth, Indigenous Peoples, local communities, women and gender, in line with the UNFCCC Gender Action Plan, in particular, activities C.4 and D.2. Panama envisions the Roadmap to foster dialogues across these civil society stakeholders, business and finance, as well as Heads of State and ministers, climate and forest negotiators, ministries and sub-national governments.

Panama thanks the efforts by various multilateral bodies on forests, such as the UN Forum on Forests, FAO, UNFCCC, CBD, UNEP and UNDP. Recognizing the importance of securing continuity in this effort, Panama encourages the implementation and follow-up of the Roadmap to be institutionally hosted by an intergovernmental body such as the UN Forum on Forests or FAO. We believe this would be critical in fostering strengthened collaboration and scaling up progress, whilst avoiding duplication of efforts and siloed negotiation tracks, by serving as the primary ministerial convening on the forest and climate nexus.

Panama also encourages the Roadmap to engage with and reference emerging international legal frameworks that recognize the intrinsic value of nature. Building on the foundations established by Ecuador, Bolivia, and New Zealand at the national level, and consistent with Panama's own Ley 287, Panama is actively supporting efforts toward a **Universal Declaration of the Rights of Nature** at the United Nations General Assembly – in partnership with allies such as For Nature Foundation. The Roadmap represents an opportunity to align UNFCCC forest action with this broader international trajectory: a legal architecture in which forests are not merely managed, but recognized and protected as rights-holding entities in their own right.

# Part I – Why Halting and Reversing Deforestation Is Central to the Paris Agreement

## CHAPTER 1

### Paris Agreement, UNFCCC and other International Commitments

Panama calls on the Roadmap to build upon and collaborate with both negotiated and non-negotiated progress within the UNFCCC, as well as a wide range of multilateral efforts, such as the UN Decade for Ecosystem Restoration, Bonn Challenge, Pact for the Future, and the New York Declaration on Forests, endorsed by Panama and AILAC members Colombia, Chile, Peru, and Costa Rica.

Within the Convention and the Paris Agreement, as the first global stocktake cycle concludes and the second cycle kicks off in 2027, Panama sees the crucial value of the Roadmap in informing the second cycle, as well as enabling the full and equitable implementation of the first cycle, drawing on paragraphs 33 and 34 of Decision 4/CMA.5, also considering paragraph 55. Panama encourages the Roadmap to also build on:

- The COP26 Glasgow Leaders' Declaration on Forests and Land Use, signed by Panama and all AILAC members;
- Relevant decisions associated with the Paris Agreement Article 5 and on Land Use, Land-Use Change and Forestry (LULUCF);
- The fifth mandated global dialogue and investment-focused event under the Sharm el-Sheikh Mitigation Ambition and Implementation Work Programme, which took place in Panama during UNFCCC Climate Week in May 2025, under the theme 'enabling mitigation solutions in the forest sector, drawing on national and regional experience';
- The Global Goal on Adaptation process, including on its target 'reducing climate impacts on ecosystems and biodiversity, and accelerating the use of ecosystem-based adaptation and nature-based solutions, including through their management, enhancement, restoration and conservation and the protection of terrestrial, inland water, mountain, marine and coastal ecosystems'; and
- The Global Climate Action Agenda 2026-2030, launched by the Climate High-Level Champions, with "stewarding forests, oceans, and biodiversity" as one of the six priority areas.

# Alignment Across Initiatives

Rather than simply a synthesis of research papers, the Roadmap should focus on scaling up efforts and efficiency towards achieving our shared 2030 goals, including through fostering collaboration and coherence across existing coalitions such as:

- The Forest & Climate Leaders' Partnership (FCLP), which include AILAC members Colombia, Peru, and Costa Rica. In particular, we encourage the COP30 Presidency to utilize the FCLP Forest Finance Roadmap for Action;
- Various coalitions with membership across AILAC countries, such as the High Ambition Coalition for Nature and People, United for Our Forests coalition, Coalition for Rainforest Nations, Forest Carbon Partnership Facility, BioCarbon Fund Initiative for Sustainable Forest Landscapes, and Lowering Emissions through Advancing Forest Finance (LEAF) Coalition; and
- Sub-national mechanisms such as the Governors' Climate and Forests Task Force, with member States and provinces in AILAC members Colombia and Peru.

Panama acknowledges the context and value of a diverse set of initiatives and coalitions with a focus on forest and climate, whilst noting that new initiatives emerge regularly, often with quickly diminishing political momentum and follow-through actions. Recognizing the fragmentation across efforts of initiatives and coalitions, governments, and multilateral organizations, also with an aim of maximizing the efficiency and effectiveness of resources and capacity, we call on the Roadmap to prioritize fostering convergence and simplification, bridging silos, and enabling synergistic efforts. We recommend the Roadmap to provide an overview of key existing initiatives, and collectively with stakeholders, explore options to align, consolidate and evolve existing initiatives and coalitions.

## Synergies

Forests play a key role in achieving the goals of the Rio Conventions and 2030 Agenda for Sustainable Development, which will not be in reach through siloed policy and action. Synergies across climate, biodiversity, land and forest agendas are critical at all levels – across the Rio Conventions and multilateral environmental agreements, national planning (such as Nationally Determined Contributions (NDCs), National Adaptation Plans (NAPs), National Biodiversity Strategies and Action Plans (NBSAPs), Land Degradation Neutrality targets (LDNs)) and reporting, as well as implementation.

Our commitment to synergies is demonstrated through **Panama's Nature Pledge**, which integrates our national climate (NDC), biodiversity (NBSAP) and land (LDN) planning with a clear pathway of implementation. The Nature Pledge is addressing deforestation through its restoration and sustainable production components, combining a **100,000-hectare forest restoration target** with sustainable agriculture and livestock transformation to tackle key drivers. To galvanize momentum and action, we were proud to have hosted three Nature Summits, UNCCD CRIC23 and CBD SBSTTA27 in 2025.

As a country of ocean vocation, Panama sees clearly that forest, climate, biodiversity, land and marine agendas cannot be pursued in silos. Forest-linked marine ecosystems, particularly mangroves, demonstrate this interdependence: they connect land and sea, capture and store carbon, protect biodiversity, strengthen resilience and support communities. From that same understanding, Panama advances ocean action that complements the objectives of the Rio Conventions, including protection of ecologically connected marine corridors and migratory species, reduction of underwater noise, precaution against deep-sea mining, and support for an equitable implementation of the BBNJ Agreement. This is the kind of coherence we need: action across terrestrial, coastal and marine ecosystems that delivers across conventions, not one by one.

We are fully committed to securing ambitious decisions on synergies at each of the Rio Convention COPs this year, as well as working hand in hand with Parties and non-state actors to translate them into implementation.

CHAPTER 2

# Environmental and Scientific Aspects

## Science and Research

The global stocktake highlighted the importance of ecosystem integrity for forest action. We encourage the Presidency to consider key publications in forming the Roadmap, including but not limited to reports of the IPCC and IPBES, UNCCD's Global Land Outlook, New York Declaration on Forests Progress Reports, FAO Forestry Roadmap, Climate Technology Progress Report 2025 (with a focus on bioeconomy), UNEP Emissions Gap Report, UNEP Adaptation Gap Report, The World's Forests 2024, and the CBD Study on the Relationship Between Biodiversity and Climate Finance.

As highlighted in the 6th Assessment Report of the IPCC, if not successfully addressed, the combined and interactive effects of climate change, deforestation, forest degradation and forest fires are projected to lead to a **reduction of over 60% of the area covered by forest**, as a result of a 2.5°C global warming level.

## Ocean and Water

As a country with almost **3,000 km of coastline and over 1,500 islands**, Panama encourages the Roadmap to take into consideration blue carbon and coastal forests such as mangroves and kelps, highlighted by IPCC as key solutions. The IPCC also finds that deforestation is projected to increase the threat to terrestrial ecosystems, as is the increase in the use of hard coastal protection of cities and settlements by the sea for coastal ecosystems. For example, mangrove forests and coral reefs act as natural barriers, protecting coastal communities from the destructive forces of storm surges and tsunamis. The loss of biodiversity, in particular in those ecosystems, makes vulnerable communities even more exposed to climate-related hazards.

Panama thanks the leadership of AOSIS and many for the increasing awareness and action across the multilateral system, such as under the Ramsar Convention on Wetlands and the UN Ocean Decade. Within the Convention, water is a 2026-2027 priority thematic area of the Nairobi Work Programme, and the 2026 Climate Technology Progress Report focuses on the ocean, developed by the UNFCCC and UNEP.

We encourage the COP30 Presidency and stakeholders to utilize key moments in the coming months to amplify the Roadmap, such as:

### June

UNFCCC's annual Ocean and Climate Change Dialogue

### September

Forum of the UNFCCC Standing Committee on Finance on 'Financing Climate Action in Water Systems and the Ocean'

### December

UN Water Conference

### January

High Seas Treaty (BBNJ) COP1

CHAPTER 3

# Socioeconomic Aspects: Rights, Equity, and Just Transition

## Rights and Equity

Panama envisions the Roadmap to be "**people-centric**", in line with Decision 5/CMA.7 on just transition. Forest protection transcends immediate mitigation, it safeguards territorial memory – ancestral knowledge of biophysical and climatic cycles. We believe in a paradigmatic transition from isolated conservation toward biocultural and territorial integrity, with Indigenous Peoples recognized as architects of global climate resilience.

In strict compliance with Decision 5/CMA.7, forest actions must respect **Free, Prior, and Informed Consent (FPIC)**. Secure collective land tenure is not merely a right, it plays a key role in ensuring carbon permanence and the integrity of carbon sinks. We encourage the Roadmap to highlight the importance of safeguards, rights, as well as funding for participatory delimitation, independent verification, and accessible grievance mechanisms.

The Panama Nature Pledge outlines our technical compliance with Article 5 of the Paris Agreement and demonstrates sustained net carbon sink provision with Indigenous stewardship. Panama is also advancing the operational concept of '**climate creditors**' – custodial states and communities that supply measurable climate services.

Considering Panama's Climate Change Gender Action Plan, we call on the Roadmap to recognize the need to institutionalize the economy of territorial care. The labor of Indigenous women in biodiversity protection and food sovereignty should be recognized and remunerated as essential public functions. Funding modalities should guarantee direct access, social protections, and measures to secure economic autonomy for women guardians of biocultural knowledge and health resources.

In addition, the Roadmap should be informed by the Inter-American Human Rights Court Advisory Opinion 32/25 and International Court of Justice's Advisory Opinion on the Obligations of States in respect of Climate Change, which acknowledged the duties of States on due diligence and non-regression to preserve the rights for future generations. Panama considers the integrity of its Indigenous territories as fundamental to intergenerational equity and the right to a healthy environment.

Panama was delighted to host the 2025 Forest Stewardship Council (FSC) General Assembly. Panama's Ministry of Environment, alongside Indigenous authorities and communities, signed the '**Agreement for the Conservation, Protection and Collaborative Enhancement of Forests in the Lands of the Emberá Wounaan, Madungandí and Wargandí Comarcas**' in 2024. Under this agreement, all forest-related activities, including those carried out by the private sector, must comply with the FSC certification standards. The ministry commits to financing the pre-audit process and initial certification audit, in addition to providing technical assistance, to strengthen local capacities and support sustainable and diversified production systems, including agroforestry and community-based initiatives. The agreement further promotes the update of forest management plans, integration of biodiversity considerations, and establishment of community-based forest monitoring systems.

# Just Transition and Food Systems

## Just Transition

Deforestation has a profound impact on undermining climate action and threatening the livelihoods of forest-dwelling communities. The conservation of critical ecosystems, social safeguards and economic development can and must go hand in hand, whilst recognizing different realities and relationships between people's livelihoods and forests. The Roadmap should reflect common but differentiated responsibilities and respective capabilities, noting the diverse realities, stages of development, and degrees of forest contexts among countries.

Panama welcomes the focus of the 5th dialogue of the Just Transition Work Programme on 'just transition pathways for holistic approaches to food security, including with a focus on agriculture and oceans', which is set to take place during the UNFCCC Climate Week in April 2026. For ease of reference, AILAC and Panama's key messages are:

### → Rights-based approach and climate justice

Transition measures must respect the human right to a healthy environment and intergenerational climate justice standards affirmed in 2025.

### → Food sovereignty vs. marketization

We reject industrial land fragmentation. Panama is demonstrating our action through the Panama Nature Pledge, which elevates Indigenous agroforestry systems as resilient production models that maintain connectivity and community food security.

### → Marine biocultural infrastructure

Mangroves are critical biocultural infrastructure. Under Panama's Climate Change Gender Action Plan, coastal women are recognized as primary custodians. Their leadership in restoration and protection should be recognized as specialized green employment integrated into health systems and disaster risk management.

### ⇒ Professionalization of territorial stewardship

Community environmental surveillance must be recognized as decent work, with formal training, remuneration, and social protections to sustain long-term monitoring and stewardship.

### ↘ Operationalization of the Just Transition Mechanism

Panama demands that the mechanism channels direct, non-reimbursable grants to Indigenous governance structures with majority representation of rights-holders, independent fiduciary and social audits, and clear benefit-sharing and accountability arrangements to ensure effective climate reparation.

## Agriculture and Food Systems

Agricultural expansion drives almost **90% of global deforestation**. Between 90% and 99% of all deforestation in the tropics is driven directly or indirectly by agriculture. Recognizing existing silos and the opportunities missed as a result, Panama envisions the Roadmap as a key opportunity to accelerate collaboration and foster synergies across climate and food negotiations in the UNFCCC and other multilateral processes, such as those under FAO. We encourage the COP30 Presidency to engage food stakeholders closely throughout the Roadmap process.

CHAPTER 4

# Part II – What Countries Can and Should Do

## Deforestation: Drivers and Solutions

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### Diagnosis & Barriers

Deforestation in Panama is primarily driven by agricultural expansion (subsistence and commercial), extensive cattle ranching, and land-use change associated with low-productivity systems. In regions such as Azuero, these dynamics are linked to historical land-use practices, soil degradation, and limited access to sustainable production alternatives. While illegal logging exists, it is not the dominant driver. Key barriers include deficient land-use planning, limited local enforcement, and insufficient integration between environmental and agricultural data systems.

### Policy & Financial Instruments

Panama has a solid regulatory framework for forest protection, complemented by incentives for reforestation and emerging mechanisms such as REDD+. However, implementation gaps persist due to limited institutional coordination and access to financing at the local level. The **Panama Natural Fund**, as a permanent multistakeholder financing mechanism, represents a key instrument to scale restoration and reduce deforestation pressures by supporting sustainable land-use transitions.

### Tracking Progress

The National Forest Monitoring System provides a strong basis for tracking forest cover change, but improvements are needed in integrating land-use data and identifying drivers of change at finer scales. Strengthening local-level monitoring and feedback mechanisms would enhance adaptive management.

### Illustrative Cases

The **Azuero Verde program** demonstrates how integrated landscape management reduces deforestation pressures by combining restoration, sustainable production, and local governance. Financing mechanisms such as the Panama Natural Fund offer a replicable model to sustain long-term interventions.

# Forest Degradation, Restoration, Reforestation and Afforestation

## Degradation

### Diagnosis & Barriers

Forest degradation in Panama is mainly driven by selective extraction, overgrazing, and fragmentation, particularly in dry forest regions. These processes reduce forest quality, carbon stocks, and ecosystem resilience. Degradation remains underreported due to limited data on forest conditions beyond canopy cover.

### Policy & Financial Instruments

Existing frameworks focus more on preventing deforestation than addressing degradation. There is a need to strengthen policies that promote sustainable forest management and the restoration of degraded lands. Financial mechanisms for assisted natural regeneration and landscape restoration are still limited but evolving, including through initiatives supported by the Panama Natural Fund.

### Tracking Progress

Current monitoring systems emphasize forest extent rather than forest condition. Incorporating indicators such as biomass, forest structure, and ecosystem functionality would improve reporting and decision-making.

### Illustrative Cases

Experiences in assisted natural regeneration and silvopastoral systems in Azuero highlight cost-effective approaches to restoring degraded lands. These models, implemented under programs like Azuero Verde, are scalable and adaptable to similar landscapes.

## Restoration, Reforestation and Afforestation

### Diagnosis & Barriers

Panama has high potential for restoration, especially in degraded agricultural lands. However, barriers include limited technical capacity, insufficient long-term financing, and a historical focus on tree planting over ecosystem restoration approaches.

### Policy & Financial Instruments

National initiatives such as **Panamá Natural**, supported by international climate finance, provide a framework for scaling restoration. The Panama Natural Fund plays a central role in channeling resources toward restoration efforts, ensuring continuity and long-term impact. There is also a growing emphasis on native species and landscape-level approaches.

### Tracking Progress

Monitoring efforts often focus on hectares restored rather than ecological outcomes. Strengthening indicators related to survival rates, biodiversity recovery, and carbon sequestration is essential.

### Illustrative Cases

The mangrove restoration efforts under the blue carbon initiatives demonstrate integrated benefits for climate mitigation, biodiversity, and communities. In addition, landscape restoration models under Azuero Verde highlight the role of assisted natural regeneration and tree-based systems.

# Sustainable Forest Management, Bioeconomy, Agroforestry, and Forest Conservation



## Sustainable Forest Management & Agroforestry

Adoption remains limited due to gaps in technical support, market access, and incentives. Stronger financing mechanisms, including the Panama Natural Fund, are needed to promote agroforestry and bioeconomy approaches linked to restoration goals.



## Tracking Progress

Panama operates a low-cost, high-resolution land-cover surveillance system conducting a biennial geospatial census across 33,000+ sampling points, flagging deforestation and degradation hot-spots for rapid intervention and spatial planning.

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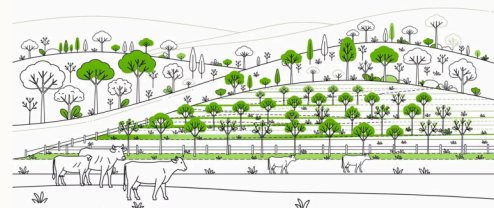


## Forest Conservation & Indigenous Governance

Panama maintains significant forest cover and a strong protected area system. The country's robust legal framework increasingly recognizes community and Indigenous governance, with the Panama Natural Fund providing sustained financing for conservation beyond protected areas.

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## Illustrative Cases: Azuero Verde

Agroforestry models combining timber, fruit trees, and crops demonstrate improved productivity and resilience. Collaborative agreements with Indigenous comarcas and integrated landscape approaches offer scalable pathways for conservation and restoration.

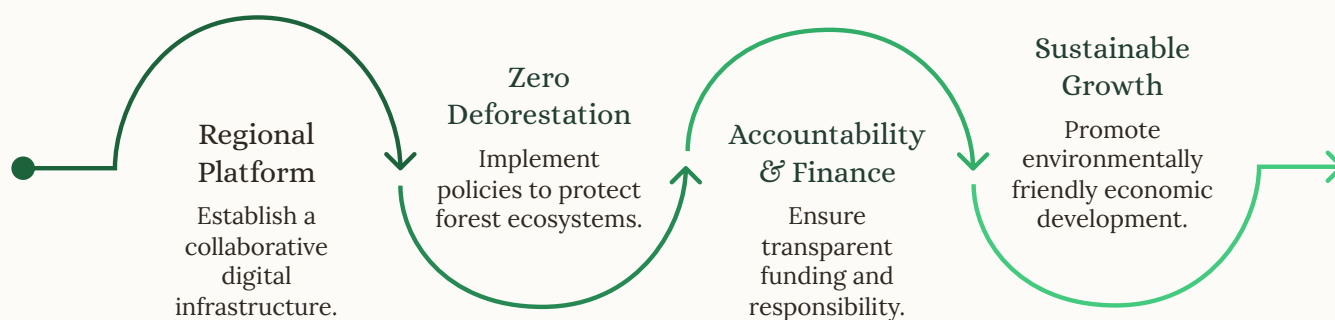
# Part III – Fostering International Cooperation and Addressing Regulatory Bottlenecks

## CHAPTER 9

### Technical Cooperation, Capacity Building, Institutional Strengthening

Panama calls for the Roadmap to be anchored in strengthened accountability and equitable means of implementation, as highlighted by para 34 of the global stocktake, to bridge the implementation gap towards achieving our 2030 goals.

Panama also draws attention to ongoing regional cooperation under the **Forum of Ministers of Environment of Latin America and the Caribbean**, which Panama currently presides (2025–2027). Among the priorities of the Panamanian Presidency is the development of a regional assistance platform to support national integration and monitoring of commitments under the climate, biodiversity, and desertification conventions, in pursuit of the shared goal of **zero deforestation by 2030**. Panama encourages the Roadmap to recognize and connect with such regional coordination mechanisms, which can serve as important vehicles for scaling up implementation, avoiding duplication, and strengthening accountability at the sub-global level.



This regional cooperation framework, anchored in Panama's Presidency of the Forum of Ministers of Environment of Latin America and the Caribbean, represents a critical vehicle for scaling up implementation and avoiding duplication of efforts across the sub-global level.

CHAPTER 10

# Finance, Markets, and Partnerships

- Scaling up forest action is not only vital for the environment, it is economically smart. At a definitive moment for multilateralism, we must avoid the tragedy of the commons and scale up collective efforts to make economically rational forest action economically viable.

Scaling up forest financing whilst eliminating negative financing is therefore central to achieving climate and forest goals. Efforts on international financial system reform are critical to dismantling the economic barriers of misaligned subsidies, realign economic and financial incentives at national and sub-national levels, and reduce countries' reliance on extractive and forest-destroying sectors for short-term profits, such as through debt relief and swaps, as well as tax considerations.

**\$30B**

### Investment Needed

Investing \$30 billion in fighting deforestation can generate a return of \$2.5 trillion, according to UNEP.

**\$2.5T**

### Potential Return

The economic return from fighting deforestation, demonstrating that forest action is economically smart.

**5:1**

### Harmful Subsidy Ratio

For every \$1 invested in forest nature-based solutions, \$5 is currently spent on subsidies that exacerbate deforestation.

Panama encourages private and international financial institutions, including multilateral funds and development banks, to actively engage with and contribute to the development and implementation of the Roadmap. As the host of offices of major financial institutions such as the GCF and CAF – Development Bank of Latin America and the Caribbean, Panama stands ready to support this effort.

Over the past three decades, the international community has established a growing range of complementary mechanisms to mobilize forest finance: from the Kyoto Protocol's clean development mechanism and REDD+ to Paris Agreement Article 6, voluntary carbon markets, biodiversity credits, and country packages for forests and nature. Panama acknowledges progress under the Baku to Belém Roadmap to 1.3T and welcomes the launch of the **Tropical Forest Forever Facility**, with eligible countries including AILAC members Panama, Costa Rica, Colombia, Guatemala, Honduras, and Peru.

Yet the proliferation of instruments has come at a cost. Varied strategies, benefit-sharing arrangements, safeguards, registries, and administrative requirements across bilateral and multilateral funds create significant capacity burdens, without consistently delivering benefits to the Indigenous Peoples, local communities, and smallholder farmers who are the primary drivers of forest action on the ground. Without coherent governance frameworks, market mechanisms risk fragmentation, integrity failures, and inequitable outcomes.

CHAPTER 10 (CONT.)

# Finance, Markets, and Partnerships

## Towards Coherent and Equitable Forest Finance

### Performance-Based Finance & Direct Access

Panama encourages countries and financial institutions to orient efforts toward performance-based payment for ecosystem services (PES), underpinned by simplified, transparent, and harmonized reporting frameworks and direct access modalities for Indigenous Peoples and local communities.

We further encourage harmonization of access requirements across climate, nature, forest, food, and land-use funds to minimize redundant application processes and transaction costs.

AILAC members are already demonstrating what this looks like: Panama's Canal Watershed conservation is largely financed through PES mechanisms, and Costa Rica channels carbon-credit revenues directly into conservation and Indigenous community support.

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### Regional Governance Framework

To address the broader governance gap, Panama and its LAC partners in the Forum of Ministers of Environment are exploring a Regional Framework of Principles on carbon markets, biodiversity credits, and related instruments, covering environmental integrity, social and environmental safeguards, accountability, and direct access for rights-holders. Panama encourages the roadmap to recognize and elevate this regional effort, and to support the development of analogous multilateral governance principles that ensure market instruments serve forest protection and the communities sustaining it, rather than adding to their burden.

# International Regulatory and Institutional Adjustments and Improvements

- ❑ Panama encourages the Roadmap to identify trade opportunities and barriers towards transparent and just supply chains free from deforestation, conversion and degradation, on both the demand and supply sides, ensuring an equitable and rights-based transition that protects vulnerable communities, including smallholder farmers and Indigenous Peoples.

The Roadmap could promote inter-ministerial coordination as a structural requirement for sustained forest action. Forest loss is driven by decisions made outside environment ministries: in agriculture, infrastructure, finance, and trade. Effective implementation requires integrated governance.

Under Panama's Presidency of the Forum of Ministers of Environment of Latin America and the Caribbean (2025–2027), Panama has proposed structured linkages between the Forum of Environment Ministers and parallel forums for Economic and Agriculture Ministers, creating an integrated regional roadmap across sectors.

Panama recommends the COP30 Roadmap encourage Parties to adopt analogous coordination frameworks at the national level, ensuring that forest commitments are embedded in economic planning, agricultural policy, and public investment decisions, not siloed in environmental agencies.

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Finally, Panama encourages the Roadmap to recognize community-based ecotourism as an underutilized but powerful instrument for forest conservation and sustainable livelihoods. Where well-governed, ecotourism creates direct economic incentives for forest-dwelling communities to maintain standing forests, strengthens local stewardship, and builds constituencies for conservation in productive landscapes. Panama, a biodiversity hotspot and biogeographic hub, will host the IUCN World Commission on Protected Areas Congress in 2027, an occasion Panama sees as an opportunity to amplify this agenda. The Roadmap should encourage Parties and partners to invest in community-based ecotourism infrastructure as part of the diversified portfolio of forest finance and conservation solutions.

# Conclusion: Panama's Vision for the Roadmap

Panama's submission aims to outline our preliminary views, challenges and opportunities for the development and implementation of the Roadmap. We look forward to engaging with and supporting the COP30 Presidency and a diverse range of stakeholders in the development, amplification and implementation of the Roadmap, to reach our shared 2030 goals in a swift, just, and equitable manner.

## Intrinsic Value of Forests

Recognize forests not only as carbon sinks or economic assets, but as living systems with their own right to exist, regenerate, and flourish – consistent with Panama's Ley 287 and the Universal Declaration of the Rights of Nature.

## People-Centric Action

Ensure forest action is rooted in science and traditional knowledge, empowering and financing the leadership of Indigenous Peoples, local communities, youth, women and gender, with FPIC as a non-negotiable standard.

## Convergence Over Fragmentation

Prioritize fostering convergence and simplification, bridging silos, and enabling synergistic efforts across the Rio Conventions, multilateral processes, national planning, and implementation.

## Scaled and Equitable Finance

Drastically scale up forest financing whilst eliminating harmful incentives, orient efforts toward performance-based payment for ecosystem services, and ensure direct access modalities for Indigenous Peoples and local communities.

**"We believe in a paradigmatic transition from isolated conservation toward biocultural and territorial integrity"**

– Panama's Submission to the COP30 Presidency Roadmap, April 2026

- Panama stands ready to support the amplification and implementation of the Roadmap, including as host of the 2027 IUCN Protected Areas Congress and as current Presidency of the Forum of Ministers of Environment of Latin America and the Caribbean (2025–2027).