

 **ENGAGEMENT FACILITY PROGRAM**

**Concept Note**

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| Country  | Panamá |
| Title: | **Panama ‘Cyan[[1]](#footnote-1) Economy’** |
| Project number: | 00124267 |
| Output number: | 00119274 |
| Implementing Partner | United Nations Development Programme |
| Strategic Partners: | Ministry of Environment, Ministry of Economy and Finance |
| Budget: | USD 150,000.00 |

### I. PURPOSE OF THE INITIATIVE

* 1. Provide the main objective of the initiative.

### Expected Results:

**The eventual result** will be the integration of the blue economy with the green economy, thereby creating a ‘cyan’ mixture unique to Panama and raising its global profile as a leader in sustainable development. This would lead to integrated policy making that ensures positive interaction between economic activity (which is today largely based on the Panama Canal and its environs) on the one hand, and efforts to protect Panama’s environment and grow the green economy, on the other. It is also hoped to lead to greater climate-related resource flows to Panama.

**Specific results** include the formulation of a blue green agenda for the country; creation of a blue green platform that includes public and private sectors; and identification of innovative financing opportunities. By the end of 2020, the project will also create a ‘blue green process’ through which all actors developing activities that affect the marine and coastal ecosystems of the country will take into account the concepts of sustainable development; sustainable production; conservation; research; capacity building; blue economy; and job creation.

The initiative is expected to build on UNDP’s existing relationships with the institutions that are part of the blue green economy and expand on its relationship with the MEF. For example, with financing from Germany, UNDP did an analysis of economic flows generated by the mangroves in several districts of Chiriquí, based on the goods and services they provide, and valued this at more than US$27 million per year. These types of valuation studies and economic flows will be key for the blue green economy and require the involvement of the MEF. The initiative will also incorporate finance challenges using the BIOFIN approach which incorporates biodiversity/climate change expenditure review, financial needs assessment and the blue green economy finance plan and finance solutions. Part of the blue green economy will also entail engagement with women, youth and vulnerable communities (including indigenous and afro descendants) to promote innovative financing instruments such as blue bonds and revenue guarantees. The initiative will have policy impact via the formulation of a Blue Green Economy Strategy as part of the national policy on oceans.

**A major expected result** is UNDP’s positioning and leadership in the sector, particularly at a time when the UN system is designing its new Cooperation Framework. Other expected results that will impact on UNDP’s revenue stream include: 1) the creation of a compensation scheme (using funding from the

Panama Canal, the maritime sector, mining, etc.) that could generate financing for entrepreneurship in micro, small and medium enterprises and community-based organizations; 2) greater possibility of accessing vertical funds from Climate Change Adaptation, Euroclima+, Green Readiness or bilateral and multilateral banks; and/or 3) the PROBLUE multi-donor trust fund of the World Bank, accessed through the MEF.

### 2. FINANCIAL RESOURCES

* 1. The Engagement Facility a budget for **2020** of USD **150,000.**

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| Activities and Indicative Budget: |
| Activities | Cost | Inputs/Indicators |
| 1. Co-design among actors a Blue Green Economy Agenda to engage stakeholders for 2020
 | 30,000 | Stakeholders from private sector, academia, civil society, local communities (SESP, and public participation plan): 1. At least 4 exchanges in 2020 (including validation sessions);
2. At least 2 workshops
 |
| 1. Establish a Blue Green Economy Platform with stakeholders (private and public sector)
 | 30,000 |
|  | 9,500 | 1. Travels
 |
| 1. Identify a repository of marine knowledge and make information available for blue green economy stakeholders
 | 60,000 | Consultant |
| 1. Prioritize blue green growth in the marine and maritime sectors and incorporate innovation
 |
| 1. Identify priorities for innovative financing instruments for blue green economy, including aspects for bankability
 |
| 1. Co-design with the actors a ‘Blue Green Process’ based on above steps
 |
| 1. Co-design with the actors and support the government to include within the Oceans National Policy a Blue Green Economy Strategy for Panama that considers national and local levels
 |
| 1. Communication strategy implementation for public advocacy, thematic positioning
 | 20,000 | Consultancy firm |
| 1. Monitoring
 | 500.00 | Supplies and M&E miscellaneous |
| Sub-total | 150,000 |  |
| Total |  150,000 |  |

\*Reviewed budget total based on the initiative approval received.

# Multi-Year Work Plan [[2]](#footnote-2)[[3]](#footnote-3)

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| **EXPECTED OUTPUTS** | **PLANNED ACTIVITIES** | **Planned Budget by Year** | **RESPONSIBLE PARTY****/Donor** | **PLANNED BUDGET** |
| Y12020 | Y2 | Y3 | Y4 | Funding Source | Budget Description | Amount |
| **Output 1:** A blue green agenda with a platform that includes public and private sectors for the country developed and established which support the identification of innovative financing opportunities*Gender marker: 2* | * 1. Activity Co-design among actors a Blue Green Economy Agenda to engage stakeholders for 2020
 | X |  |  |  | 001981/00012 |  |  |   |
| Fund Code **11426** | 71400 | 30,000 |
| 1.2 Activity Establish a Blue Green Economy Platform with stakeholders (private and public sector) | X |  |  |  | 001981/00012 |  |  |  |
| Fund Code **11426** | 75700 | 30,000 |
| Fund Code **11426** | 71600 | 9,500 |
| 1.3 Activity Identify a repository of marine knowledge and make information available for blue green economy stakeholders | X |  |  |  | 001981/00012 | Fund Code **11426** | 71300 | 12,000.00 |
| 1.4 Prioritize blue green growth in the marine and maritime sectors and incorporate innovation | X |  |  |  | 001981/00012 | Fund Code **11426** | 71300 | 12,000.00 |
| 1.5 Identify priorities for innovative financing instruments for blue green economy, including aspects for bankability | X |  |  |  | 001981/00012 | Fund Code **11426** | 71300 | 12,000.00 |
| 1.6 Co-design with the actors a ‘Blue Green Process’ based on above steps  | X |  |  |  | 001981/00012 | Fund Code **11426** | 71300 | 12,000.00 |
| 1.7 Co-design with the actors and support the government to include within the Oceans National Policy a Blue Green Economy Strategy for Panama that considers national and local levels | X |  |  |  | 001981/00012 | Fund Code **11426** | 71300 | 12,000.00 |
| 1.8 Communication strategy implementation for public advocacy, thematic positioning | X |  |  |  | 001981/00012 | Fund Code **11426** | 72100 | 20,000.00 |
| MONITORING | X |  |  |  | 001981/00012 | Fund Code **11426** | 7250074500 | 250.00250.00 |
| **Sub-Total for Output 1** | **150,000.00** |
| **TOTAL** |  |  |  |  |  |  |  |  | **150,000.00** |

1. Color that results from the combination of blue and green. Short for the ‘blue green economy’. [↑](#footnote-ref-1)
2. Cost definitions and classifications for programme and development effectiveness costs to be charged to the project are defined in the Executive Board decision DP/2010/32 [↑](#footnote-ref-2)
3. Changes to a project budget affecting the scope (outputs), completion date, or total estimated project costs require a formal budget revision that must be signed by the project board. In other cases, the UNDP programme manager alone may sign the revision provided the other signatories have no objection. This procedure may be applied for example when the purpose of the revision is only to re-phase activities among years. [↑](#footnote-ref-3)