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Country programmes and related matters

Draft country programme document for Panama (2012-2015)

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I. Situation analysis

1. Panama is a multi-ethnic, upper-middle-income country and its main development challenge is the very high level of inequality, which primarily affects rural and indigenous populations and women. The country’s human development index 2010 rating (0.755) drops by nearly one third (0.541) when it is adjusted to account for this inequality. The Government Strategic Plan recognizes this inequality and responds in part by proposing a strong investment in social infrastructure of approximately $3.8 billion for hospitals, schools, water services and sanitation.

2. Between 2004 and 2007, the country’s poverty rate decreased from 36.8 per cent to 32.4 per cent while the extreme poverty rate fell from 16.6 per cent to 14.2 per cent. The third national follow-up report on the Millennium Development Goals (MDGs) (2009) indicated progress in the areas of nutrition, universal education and gender equity (Goals 1, 2 and 3). However, Panama continues to face major obstacles to achieving the goals on maternal mortality, infant mortality, HIV, malaria and the environment (Goals 4, 5, 6 and 7). With regard to Goal 8, Panama’s geographic location and neutral stance could serve as a catalyst for South-South cooperation and help make the country a hub for the exchange of knowledge and a headquarters location for public and private organizations and entities, as well as for United Nations entities and regional offices.

3. The common country assessment conducted by the Government and civil society organizations found weaknesses in governance with regard to State efficiency and the mechanisms for political representation and citizen participation. Only 8.5 per cent of National Assembly members are women. According to national data from the Latinobarómetro service, 3 out of 10 citizens claim to trust the political parties and 1 out of 5 citizens say they trust their local government. This situation hampers the transparency and modernization of the State, the provision of quality public services and the practical exercise of civic rights, particularly for indigenous peoples, people of African descent and people living in rural and remote areas, as well as persons with disabilities and vulnerable groups of women and young people.

4. The common country assessment found that public security is a cause for concern in the country: to date, Panama has recorded the highest increase in homicides in the Central American region, with the rate increasing from 13 per 100,000 residents (2007) to 24 per 100,000 (2009), according to data from the Integrated Criminal Statistics System (SIEC). There have also been documented increases in organized crime, drug trafficking and gang activities, as well as in cases of gender-based violence and crimes against life and personal integrity. At the same time, the judicial system has a heavy backlog. More than 50 per cent of detainees have not been convicted in court, with the period of preventive detention averaging at 36 months, according to data provided by the State and international organizations.

5. The common country assessment made clear that environmental sustainability is a matter of priority. The increasing frequency and intensity of extreme climate events combined with accelerated and sprawling growth has rendered Panama highly vulnerable to the effects of climate change. The country lacks an environmental policy with an adequate focus on gender to reduce women’s vulnerability during disasters.
II. Past cooperation and lessons learned

6. From 2007 to 2011, the programme implemented by the United Nations Development Programme (UNDP) focused on the three areas of the United Nations Development Assistance Framework (UNDAF): poverty reduction, basic social guarantees and modernization of the State. As an assessment of development results was not conducted, the analysis of lessons learned for this period is based on the impact assessment on governance, the UNDAF Assessment Report, the follow-up missions and the evaluations of joint programmes and projects.

7. An independent outcome evaluation (2009) highlighted the important role played by UNDP during the National Consultations for Development. UNDP contributed studies and proposals which led to the regulation of the financial resources derived from the Panama Canal and the drafting of the Act on Citizen Participation and State Decentralization.

8. The evaluation also highlighted UNDP contributions, in the form of technical assistance and support from experts, to the conclusion of the State Covenant for Justice, as part of the Comprehensive Reform of the Criminal Justice System and the Judiciary. Furthermore, UNDP supported the establishment of the National Institute of Vocational Education and Training for Human Development (INADEH), which consolidated under a single specialized structure all of the resources for vocational training that had been scattered throughout the public sector.

9. The national human development report (INDH) has served as an instrument to direct the allocation of social spending. With a view to advancing social policies, UNDP led a collaborative effort among various entities to draft the Strategy to Accelerate Progress towards the MDGs and to create the Atlas of Human Development and the MDGs, which will serve as the baseline and guide for the new programme cycle.

10. Within the framework of the harmonization of the United Nations system, UNDP led the implementation of four joint programmes. An independent midpoint evaluation drew attention to the various lessons learned concerning programmatic and operational aspects of the programmes, particularly in terms of the importance of maintaining strong coordination that establishes effective links among United Nations agencies, other stakeholders and the national counterpart agencies.

11. With regard to lessons learned, the outcome evaluation highlighted the need to strengthen the sharing of knowledge and best practices among countries, resulting in a recommendation to increase South-South cooperation in order to expand and foster the systematic sharing of experiences among countries, thus enabling greater access to high-quality technical resources.

III. Proposed programme

12. The programme was prepared in parallel with the consultations for the preparation of the new UNDAF. The process took into account the stumbling blocks faced by the country as an emerging economy with an upper middle income and the perceived need to adapt UNDP cooperation to this new reality. UNDP needs to focus its activities on areas critical to development in which it can provide a clear comparative advantage and play a pertinent role. The primary challenge is how to
advocate for those who have been excluded from the benefits of economic growth in order to ensure that development gains reach all population groups.

13. The cooperation programme will support the country’s response to the challenges defined in the Government Strategic Plan and other sectoral plans, thus helping to strengthen national capacity. Innovative initiatives will be aimed at: strengthening human capital; improving the quality of basic services; institutional modernization and coordination; promoting a gender perspective and the indigenous inclusion programme; fostering South-South cooperation; and increasing participation by the private sector as a catalyst for development. These activities will all redefine UNDP cooperation in Panama through 2015 and beyond. The programme will cover the following areas:

Achieving the Millennium Development Goals

14. UNDP will work within the framework of the Strategy to Accelerate Progress towards the MDGs and in close collaboration with the United Nations Population Fund (UNFPA) and the United Nations Children’s Fund (UNICEF) to support national agencies in generating, analysing and using strategic information. It will strengthen the capacity of national partners to design monitoring and evaluation instruments; implement local mechanisms to coordinate public policies; compile disaggregated statistics; and create public policies based on National Human Development Reports and thematic studies on development issues. UNDP will also promote the use of the MDG Atlas.

15. UNDP will contribute to reducing poverty and inequity by helping to create opportunities for decent employment in rural areas, placing a priority on small-scale producers, women and youth, and by strengthening the development of local capacity and the establishment of local development plans that focus on advancing the MDGs, microenterprises, credit mechanisms, vocational training, professional development and the consolidation of South-South cooperation mechanisms.

Consolidating democracy

16. UNDP will support the Government in improving its efficiency and transparency through administrative modernization, institutional strengthening, results-based planning, effective cooperation and management of legislative mechanisms.

17. Political citizenship will be supported through civic training, with a view to increasing equity in political contests and fostering women’s participation in political activities. The establishment of forums and opportunities for dialogue with vulnerable groups, in particular indigenous peoples, will be promoted.

Public security

18. UNDP, in close collaboration with UNFPA and UNICEF, will promote the implementation of comprehensive public security policies, placing a special emphasis on preventing and punishing crime. Joint strategies will be advanced in order to make femicide a criminal offence and to foster the work of local governments on youth issues and security plans. UNDP will support the establishment of observatories to orient the development of public policy.
19. UNDP will seek to establish strategic partnerships and improve professional development by using strategies developed collectively with the stakeholders, creating opportunities for discussion and strengthening South-South cooperation mechanisms.

The environment and climate change

20. UNDP will support environmental sustainability by collaborating, on the one hand, with the Regional Service Centre in Panama on strengthening the country’s efforts to reduce its vulnerability to the effects of climate change, and, on the other hand, with UNFPA and UNICEF on issues concerning young people, children and women, placing a special emphasis on women’s leadership in the sustainable management of natural resources and taking into account the country’s multicultural characteristics. UNDP will design projects to support the country in fulfilling its international commitments and reducing carbon emissions by adopting practices that respect the environment.

21. UNDP will increase its activities that seek to foster the use of clean energy sources, placing a special emphasis on rural communities. UNDP will also support the development of disaster prevention and relief strategies and strategies for territorial management, emphasizing gender issues. UNDP will promote initiatives that create viable economic alternatives for generating income in vulnerable communities and foster the conduct of activities with a small carbon footprint.

IV. Programme management, monitoring and evaluation

22. The programme will employ the national execution modality with the Ministry of Economic and Financial Affairs as the primary partner. With the consent of the Government, the programme may be executed directly by UNDP, other United Nations entities or non-governmental organizations. The Government may request UNDP to take a “fast track” approach, should an immediate response to a crisis be required. In terms of UNDAF, joint planning and follow-up meetings are held with other United Nations agencies, and annual reviews are conducted together with the Ministry of Economic and Financial Affairs and other partners. A Strategic Evaluation Plan will be adopted that will include the joint impact assessments and evaluations of projects and issues. In addition, gender will be incorporated as an indicator in order to measure the effects of the programme’s investment in fostering equal opportunity. With regard to management and oversight of activities and results, both at the programme and project level, UNDP policies, regulations and procedures will be applied. Financial activities and project procedures conducted at the national level or by non-governmental organizations will undergo an independent audit every year and the auditors’ recommendations will be subject to verification.

23. An allocation of $1,673,000 to the project from UNDP regular resources is planned; this sum will serve as the basis for raising additional funds from international donors, international financial institutions, the private sector and implementing agencies that direct funds to the issues detailed in the present document. It is estimated that an additional $100,000,000 could be mobilized from other resources.
Annex

Results and resources framework for Panama (2012-2015)

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**National priority**: Accelerate progress with the Millennium Development Goals; reduce poverty; improve the distribution and efficiency of social spending.

**UNDAF outcome**: 1.1: Panama will have achieved the MDGs, with a special effort for the most difficult Goals, by capacity-building for management and coordination of Government entities and civil society, and by giving priority to regions and the most vulnerable groups; 1.2 Panama will have made progress in reducing poverty and inequality through measures coordinated between the Government, the private sector and civil society to create productive jobs and income, in order to strengthen national development and support vulnerable groups — Impact indicator: % of implementation of the MDG acceleration framework for Goals 4, 5 and 6 —

Baseline: 0% — Target: 100% ; Gender inequality index — Baseline: 0.634 (2009) — Target: 0.660 (2014); Poverty gap — Baseline: 40.6% — Target: 36% —

**Related area of the Strategic Plan**: Poverty and the MDGs.

The Social Affairs Cabinet, the Ministry of Economic and Financial Affairs and the Office of the Comptroller will have provided information for the national human development reports (NHDRs) and on progress towards the MDGs. The Government will implement the provisions of the investment plan for human capital development and the extension of quality public services. Vulnerable groups will participate in human capital formation and in programmes to support initiatives and enterprises. Private-sector unions will advocate among their members for use of the gender marker. United Nations organizations will support analysis and use of the information (UNFPA, UNICEF).

UNDP will build capacity to monitor progress towards the MDGs, contribute to making social policies for human development and support the implementation of strategic projects for basic services and South-South cooperation, in the context of the MDG acceleration framework. UNDP will enhance national capacity for vocational training and business initiatives for persons in vulnerable situations.

1.1 Number of MDG monitoring reports — Baseline: 3 (MDG) and 3 (NHDR); Target: 5 (MDG) and 4 (NHDR)

1.2 % of municipalities with local development programmes to support microenterprises — Baseline: 0%; Target: 10%

1.3 Private sector unions use gender indicators in their work; Baseline: to be defined; Target: 3.

Reports on progress towards the MDGs prepared and disseminated; NHDRs prepared and disseminated; the international centre for South-South cooperation functioning; private companies have mechanisms to strengthen gender equity; high-priority municipalities support business initiatives of poor families for local development.

National priority: Improve public planning and management; increase the efficiency and effectiveness of the public sector and public spending; reduce red tape; support the integral development of the indigenous regions.

**UNDAF outcome**: 2.1: Panama will have increased its national and local government capacities for formulating, managing and evaluating public policies for human development with efficiency, transparency and integrity; 2.2 At the national and local levels, Panama will have strengthened civil and electoral forums and mechanisms for equitable participation in decision-making. **Impact indicator**: % of the public budget managed by municipalities — Baseline: 1.24% — Target: 1.4%; Per capita public budget allocated to basic social services — Baseline: 506 dollars (July 2008) — Target: 556 dollars (2014) — **Related area of the Strategic Plan**: Democratic governance.
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| Implementation of the provisions of the Government Plan 2010-2014 for the cross-cutting areas of improvement of social sector institutions; and efficiency and transparency of spending. The creation of forums for civic participation is encouraged. | Organized civil society plays a constructive role in the forums for dialogue and the opportunities for capacity-building. | UNDP will support public-sector modernization and innovation at both the central and local levels, the creation of forums for participation and dialogue for civil society, and equitable participation of civil society in the political system. | I.1 Number of forums for participation facilitated by UNDP; **Target:** 2  
I.2 % of the public budget administered by local governments;  
**Baseline:** 1.24% (2009);  
**Target:** 1.40% (2015)  
I.3 % of parliamentarians who are women;  
**Baseline:** 8.6%;  
**Target:** 30%  
I.4 Gender inequality index; **Baseline:** 0.634;  
**Target:** 0.47. | The planning capacities of the National Assembly, the Ministry of Social Development, the Ministry of Commerce and Industry, the international cooperation strategy of the Ministry of Economic and Financial Affairs have been launched; forums for dialogue have been created and are operational; increased participation of women has made the national political system more representative; the Institute for Electoral Training has been established and is functioning. | **Regular resources:** 400 000  
**Other resources:** 32 000 000 |

**National priority:** Improve citizens’ security through actions to prevent, control and penalize crime.

**Impact of UNDAF:** 3.1: Panama will have applied comprehensive national and local policies and strategies for citizens’ security to prevent the various forms of violence and to respond to and redress their manifestations; 3.2 Panama will have strengthened the institutions and procedures of the justice administration system in order to reduce impunity and guarantee the protection of human rights, giving special attention to vulnerable groups. **Impact indicator:** homicide rate —  
**Baseline:** 24/100.000 (2009) — **Target:** 10/100.000 (2015); proportion of cases resolved through alternative means — **Baseline/Target:** to be defined — **Related area of the Strategic Plan:** Democratic governance.

The Government Plan for 2010-2014 includes provisions for citizens’ security, including the National Strategy, and the criminal justice reform is under way.

Civil society, private sector and local government bodies, and United Nations specialized agencies are supporting initiatives to enhance citizens’ security.

UNDP will support the National Strategy for Citizen Security, giving emphasis to prevention, information management, preparation of local plans, strengthening of key institutions for citizen security and support for the penitentiary and justice administration system.

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| **Regular resources:** 300 000  
**Other resources:** 4 000 000 |
**National priority**: Make environmental conservation an element of State policy in order to strengthen economic growth, tourism development and general well-being.

**UNDAF outcome**: 4.1 Panama will have implemented development policies that promote the sustainable use of natural resources and that recognize the economic and social value of environmental services and biodiversity conservation; 4.2 Panama will have implemented, with participation from the private sector and civil society, policies and programmes that promote sustainable consumption and production, by encouraging cleaner production, the use of renewable energy sources and reduction of waste and pollutants; 4.3 Panama will have reduced vulnerability to climate change, emergencies and natural disasters, and will move towards an economy with low greenhouse gas emissions, taking intersectoral action at the national and local levels to ensure the efficient and sustainable use of natural resources. **Impact indicator**: % of coverage of: (a) potable water and (b) basic sanitation — **Baseline**: (a) 91.8%; rural 83.6%; indigenous areas 43.1%; (b) 94.5%; rural 82.9%; indigenous areas 66.2%; % of basins with management plans in operation — **Baseline**: 10% — **Target**: 36%; Number of enterprises with proven systems for cleaner production — **Baseline**: 231 (2010) — **Target**: 300 (2015); Status of the cooperation programme for reducing emissions from deforestation and forest degradation in developing countries — **Related area of the Strategic Plan**: Environment and energy.

The Government is implementing the provisions of the Government Plan for 2010-2014 on the environment; sectoral institutions play an active role. NGOs, academic entities, the private sector and other United Nations organizations (UNEP and FAO) provide knowledge and good practices which contribute to environmental sustainability.

- **UNDP will support management for the conservation of biodiversity, the transition to cleaner production, climate change adaptation and institution-building in the environmental sector.**

**I.1 Import/Use of hydrochlorofluorocarbons (HCFCs)** — **Baseline**: 428 TM (2009); **Target**: 86 TM (2015) (Reduction to 20% of the baseline)

**I.2 Strategy for disaster risk reduction has a gender perspective;** **Baseline**: Does not exist; **Target**: Has been prepared and implemented

**I.3 Number of public environmental institutions that have strategic planning tools;** **Baseline**: 0; **Target**: 3.

**Biodiversity conservation is integrated into production activities in the Panama Archipelago; the Water Resources Authority of Panama and the National Environmental Authority (ANAM) are building their planning and management capacities;** The Tourism Master Plan includes an ecotourism component; ANAM and the National System for Civil Protection are building their capacity for management of risk and climate change and apply a gender perspective.

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<tbody>
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<td>Experts are trained through the Academic Programme for Citizen Security.</td>
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