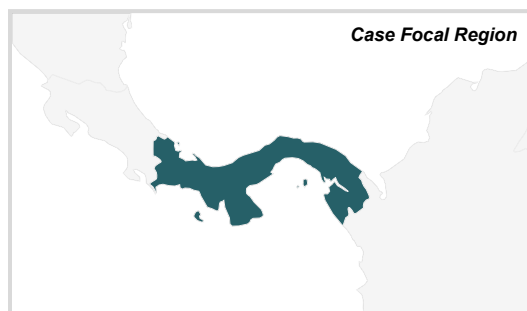


The National Coordinating Body of Indigenous Peoples in Panama and The Program for Social Promotion and Development (COONAPIP / PRODESO)

Type: COONAPIP - Indigenous Peoples Organization and Regional Fund

PRODESO - NGO and Non-Indigenous Organization



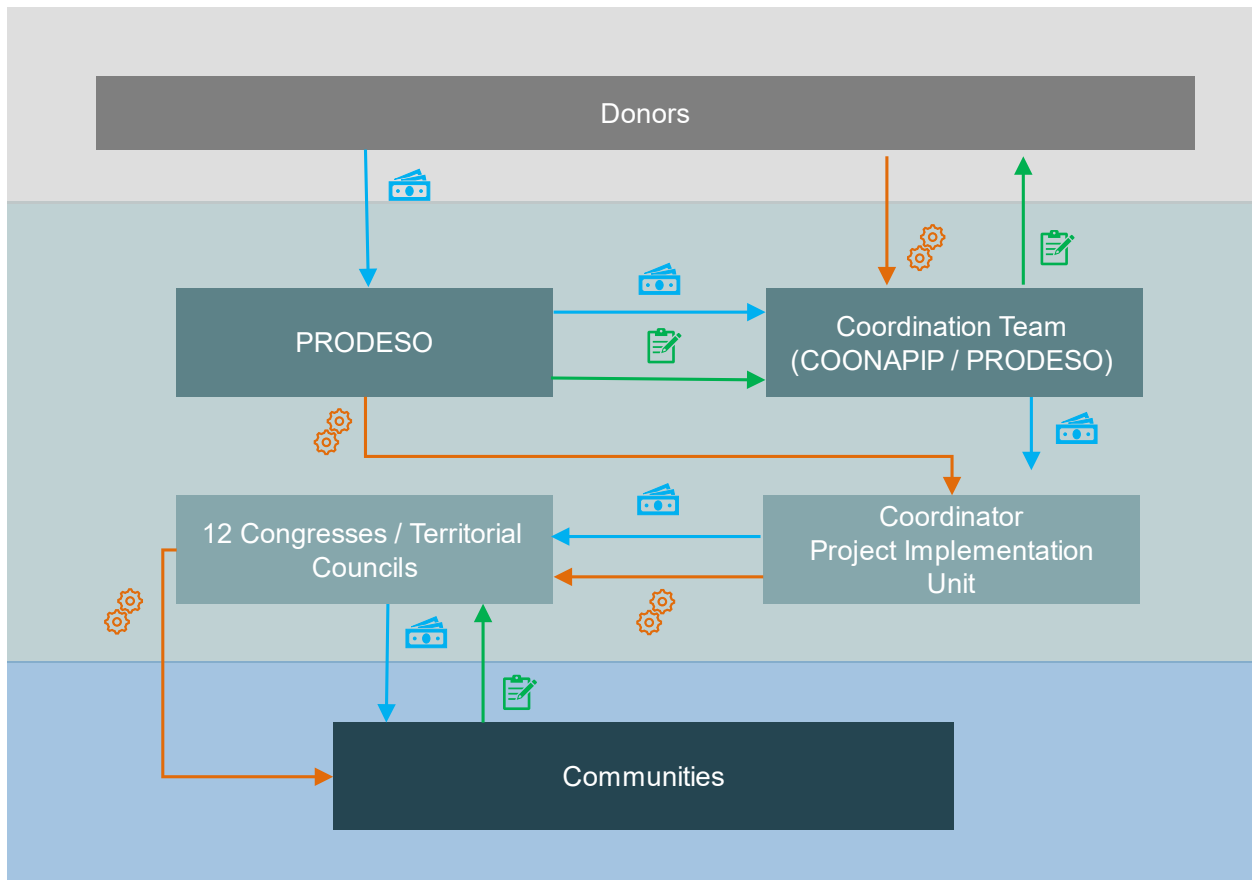
Global Objective: COONAPIP - Defense, exercise, and advancement of the rights of Indigenous Peoples. PRODESO - Sustainable rural development.



COONAPIP is a national-level, Indigenous organization. Its members comprise all seven of Panama's Indigenous groups and the traditional governing bodies – Congresses and Councils – of all twelve Indigenous territories in Panama. It was created in 1991. It has no legal status.

PRODESO - is a registered non-profit organization (NGO) that was established in 1986 and attained legal status in 1992. It is a non-indigenous organization that provides legal status and manages project finances for COONAPIP.

Current Funding sources	<ul style="list-style-type: none"> • <i>Private Donors:</i> The Tenure Facility, IUCN, CICA-Sotz'il, and FILAC
Annual Turnover	<ul style="list-style-type: none"> • USD 1 million
Management/Administration – % of total funds	<ul style="list-style-type: none"> • 25%, direct costs associated with the establishment of the COONAPIP PCU and for the services provided by PRODESO
Scale of Representation	<ul style="list-style-type: none"> • Current: High – 100% of Panama's 0.42 million Indigenous Peoples
Replicability potential	<ul style="list-style-type: none"> • High potential both nationally and globally, assuming availability of trusted partners with requisite experience/track record in financial management
Absorption capacity	<ul style="list-style-type: none"> • Current: High in relative and medium in absolute terms
Expansion potential	<ul style="list-style-type: none"> • High in medium-to-long term

COONAPIP/PRODESO Fund Flow Diagram



 Flow of Funds
  Technical Support
  Reporting

COONAPIP / PRODESO

What is COONAPIP / PRODESO? The National Coordinating Body of Indigenous Peoples in Panama or “COONAPIP” (*Coordinadora Nacional de Pueblos Indígenas de Panamá*) is a national-level, Indigenous organization. Its members comprise all seven of Panama’s Indigenous groups and the traditional governing bodies – Congresses and Councils – of all twelve Indigenous territories in Panama. It was created in 1991. It has no legal status.

The Program for Social Promotion and Development or “PRODESO” (*Programa de Promoción y Desarrollo Social*) is a registered non-profit organization (NGO) that was established in 1986 and attained legal status in 1992. It is a non-indigenous organization.

Global objective (-s): COONAPIP – Defense, exercise, and advancement of the rights of Indigenous Peoples. PRODESO – Sustainable rural development.

Organizational objective (-s): COONAPIP aims to promote, strengthen, and organize Indigenous peoples to assume control of their own institutions and ways of life, their economic development, maintain and strengthen their identities, languages, and the worldview of indigenous peoples within the multicultural framework of the Panamanian State. PRODESO is a solidarity organization, committed to the integral transformation of peasant and indigenous men and women through the strengthening of their local capacities with equity and the care of nature.

Typology: Accountability – IP & LC owned. Scale of target outcome – Coordination among multiple entities to implement existing systems.

Focal region: Panama

Operational context: Panama is one of three countries in the world that is carbon negative, largely due to its high percentage of forest coverⁱ, the majority of which are located on Indigenous territories^{1,ii}. While Panama’s legal framework for protecting the land rights of Indigenous peoples is one of the world’s most progressiveⁱⁱⁱ, there are some twenty-eight Indigenous communities that have yet to secure their collective titles^{2,iv}. Many of these overlap with the National Protected Area System (SINAP). Threats to the land and resource rights of Indigenous Peoples, both those lands formally recognized and where collective lands are pending title, are constant and include increasing pressure and competition from private sector, ranching, illegal logging, land invasions, government infrastructure projects and protected areas claims.

How it works: As an organization, COONAPIP is a voluntary association of the traditional Congresses and Councils of Panama’s Indigenous territories. It has no stable sources of financing to cover either its indirect costs or its activities. As such, its basic functioning is reliant upon the in-kind contributions of the indigenous authorities who comprise its elected Executive Board and a group of technical staff who, in the absence of grant or project funding, provide their services *ad honorem*^v.

Beyond its basic functioning – which primarily comprises national-level advocacy and representation to advance and defend the rights of Indigenous peoples – it is reliant upon the support it receives through technical cooperation and partnerships (e.g., with FAO and Rainforest US) and through project finance (e.g., Tenure Facility and Rainforest US) to expand the scope of its work at both national-and territorial-levels. When project finance is obtained, COONAPIP does not directly manage the funds as it neither has the legal status to enter into contracts, nor does it have in-house capacity to administer financial resources.

COONAPIP, through its team and network of indigenous professionals (including experienced legal assistance from indigenous professionals), does have the capacity to lead technical aspects of project design and implementation. It can draw upon indigenous professionals with a wide range of relevant experience. It also has some twenty collaborators and more than fifty volunteers who support community-level work^{vi}.

¹ 67%, by one estimate.

² Approximately 1.8 million ha of Indigenous lands are formally recognized, representing about 24% of Panama’s land area. An estimated 0.63 million ha remain to be titled.

PRODESO is an organization with more than twenty-five years of experience working with and in peasant and indigenous communities of Panama. It is financed through its work with national and international donors in projects and programs aimed at strengthening local peasant and indigenous capacities, as well as broader aspects rural development and sustainable natural resources management. PRODESO has permanent executive, administrative, and technical staff, and its administration and accounting department has extensive experience in managing financial resources from national and international donors.

Governance: COONAPIP's highest authority is its General Assembly, comprising fifteen individuals representing Panama's seven Indigenous groups, and twelve territorial Congresses and Councils. These are all elected, traditional authorities selected by their respective Congresses and Councils to assume a seat in the General Assembly. Amongst others, the General Assembly approves policies, priorities, strategies, work plans, projects, grants, and technical staffing of COONAPIP's Secretariat; provides oversight of all partnerships, programs, projects, and activities; and elects the members of the Executive Board of COONAPIP to a term of three years. The Executive Board is responsible for management, supervision, planning, organization, and administration of COONAPIP in order to carry out the decisions and directions provided by the General Assembly^{vii}^{viii}.

PRODESO's General Assembly is its highest authority, which appoints the Executive Board members. Their main functions include appointing and removing the Executive Director, compliance with institutional objectives, and transparent management of resources.^{ix}

Priorities: COONAPIP maintains a permanent dialogue and exchange of information and learning with its members, the traditional authorities of the twelve Congresses and Councils. It is through this ongoing dialogue, as well as more formal consultations and meetings (e.g., in COONAPIP's General Assembly) that COONAPIP's general priorities and specific work plans are established and updated. COONAPIP's national-level objectives and goals are formalized in its Policy Action Plan, and its (under development) COONAPIP 2030 Program^x.

Any and all priorities and work plans that are specific to a territory are established by that territory's traditional authorities.

Primary Outputs/Outcomes: Beginning in 2015, COONAPIP began to directly access significant donor resources (from the Tenure Facility), through the COONAPIP/PRODESO partnership. Some of the main achievements this has enabled include:

- Unity – The unity fostered amongst Panama's Indigenous peoples is seen as perhaps COONAPIP's greatest achievement in recent years. Achieving this unity was greatly facilitated by having successfully obtained, and transparently implemented, donor financing at a scale that allowed significant progress to be achieved in enhancing the tenure and territorial security of its members.
- Political positioning – Donor financing allowed COONAPIP and the territorial authorities and communities whom they represent to raise their profile with government and civil society. This significantly improved Indigenous peoples leverage and negotiating capacity with government and allowed for dialogue with the government on more equal terms.
- Advancing land rights and tenure security – The creation of the Naso Tjër Di Comarca in 2020 legally secured the rights of the Naso peoples to 1,606 km² of lands and forests. That these lands include a sizable portion of an International Peace Park (Parque Internacional La Amistad or "PILA") makes this a landmark achievement. Additionally, twelve of twenty-eight existing collective land claims have been successfully processed since 2018 and await the government's final approvals.
- Advances in forest monitoring and territorial defense committees – Four territories have created and are maintaining bodies for territorial surveillance and defense; including taking steps towards development and training of teams of youths to participate.
- Trust – The continuity of donor financing over the last seven years, the achievements that it has allowed, and the transparent and accountable application of those funds through the COONAPIP/PRODESO partnership, has built trust not only with donors but also with other relevant, and important national and international allied organizations. Among others, this has allowed COONAPIP to successfully propose a GCF-financed project to the government, which will be prepared by FAO. In addition, joint work

agreements have been reached with the Central American Bank for Economic Integration (CABEI), the Inter-American Foundation (FIA), the Green Climate Fund (GCF), and the Indigenous Fund for Latin America and the Caribbean (FILAC).

Funding sources: Since 2018, COONAPIP's has received (in order of amounts) financing through The Tenure Facility, IUCN, CICA-Sotz'il, and FILAC. Tenure Facility financing represented about 98% of overall funding.

Financial mechanism^{xi,xii}: The relationship between COONAPIP and PRODESO is clearly defined in a Memorandum of Understanding (MOU). PRODESO is a trusted financial manager, whose legal status and proven capacity in financial management allowed it to take on the role of fiduciary and financial manager. Projects are designed and implemented by COONAPIP and its team of technical professionals. PRODESO signs the grant agreements, taking responsibility for the grant being utilized consistent with the grant agreement, for financial management and reporting, and capacity building in basic funds' administration and financial management for COONAPIP and the participating Congresses and Councils.

Funds are tranced by the donor based upon advances in the implementation, generally on a six-monthly projection as detailed in the annual work plan and budget. The funds are managed, and their utilization supervised by COONAPIP's technical team, which comprises a Project Coordination/Implementation Unit (PCU). Implementation activities within individual Indigenous territories are carried out by the territories Congresses' and Councils' local technical teams, for which funds are programmed and requested by the PCU and disbursed directly to the local authorities for implementation of the specified activities and outputs, with any needed support provided by the PCU. Prior agreements are signed between PRODESO, COONAPIP, and the local authorities that set out the norms and requirements for the transfer and use of these funds.

PRODESO, at the outset of the project and throughout the implementation, conducts training for the PCU staff, and for the local authorities and technical staff in administrative and accounting procedures. PRODESO is involved in all planning processes to ensure that the financial flows and procurement processes are in accordance with eligible expenditure. A procurement and selection committee – comprised of PRODESO, members of COONAPIP's Board – is set up to ensure transparency in procurement processes.

The direct costs associated with the establishment of the COONAPIP PCU and for the services provided by PRODESO amount to about 25% of total project cost. Annex 1 provides an overview of the financial flows and implementation arrangements.

Annual turnover: During the three period prior to 2022, annual turnover averaged about US\$0.4 million/yr. The planned turnover had been US\$0.6 million/yr. but limitations imposed by Covid had a significant impact on the implementation. The recently approved Tenure Facility projects an average annual turnover capacity of about US\$ 1 million/yr.

Absorption capacity: High, and unmet, in both relative and absolute terms. In the specific case of Panama, the recent, direct funding to Indigenous peoples has been restricted to a fairly limited set of objectives associated with demarcation and adjudication of Indigenous territories that are in the process of seeking collective titles to their lands, and the set of investments in capacity building, communications, and inter-institutional coordination and other national-level efforts that are closely aligned with goals of securing tenure rights. Large (for Panama), systematic investments are needed yet in the territories themselves if climate change and biodiversity goals are to be met in Panama's Indigenous territories³.

What works:

- Project design – Project formulation is led by the local organization with qualified technical personnel and allied NGOs and professionals. Final approval is by the General Assembly. Decisions and input are made at all stages such that this approach is considered to meet FPIC principles.

³ As a high-income country, international development assistance to government in the form of grants for these ends is not an option and government is unlikely to take out non-concessional development loans of the magnitude required for these purposes.

- Consultation, consensus, conflict avoidance, and its costs – As decision-making functions largely around a consensus model, processes for building consensus and arriving at final decisions require time and resources to cover the logistical expenses associated with travel and organizing meetings. In the absence of adequate funding for transparent discussion and consensus-building, decisions may not be made in a timely fashion or result in a durable consensus. Such resources are provided for key actors to participate in meetings or events convened by COONAPIP or events of importance to achieving common objectives (e.g., policy dialogues with high-level government officials).
- Absolute importance of clearly defined and agreed roles and responsibilities between COONAPIP and PRODESO – The successful partnership between the parties rests on an ongoing process that began with the preparation of a Memorandum of Understanding (MOU) that articulates the roles and responsibilities of each, how areas of joint responsibility and decision-making would be managed, what the accountabilities of each organization were to the other, and how any unresolved differences of opinion would be resolved. The role of the funder as a neutral entity in the process is valued by all parties.
- Simplified monitoring – Monitoring starts from the bottom up, is done collectively and systematically, and focuses on key questions of: “What has been done?” “What has been learned?” and, especially, “What has been transformed?”.
- Tenure Facility Focal Point – The Tenure Facility (TF) has created the position of a part-time focal point, who serves several functions: a bridge between the project implementing organizations and the TF; as a mediator when this role is called for; participate at the invitation of COONAPIP and accompany the implementing organizations, offering advice when requested, and assisting to articulate unresolved issues, generate consensus, and mediate contradictions and conflicts; and, to help to guide the TF’s non-monetary support.
- Capacity building:
 - Financial management and administration – This is carried out by PRODESO at project outset and throughout implementation. Manuals of administrative and accounting procedures are also tailored for the specific context and needs of the project.
 - Capacity building, other – The local technical teams working in support of the Congresses and Councils have a steady demand for additional training, including administrative and financial management aspects; monitoring and documenting territorial security concerns; Indigenous rights in respect of tenure, governance, and territorial management.
 - Capacity building, youth – Training aimed at Indigenous youth in forest monitoring and territorial mapping stands out in a special way. The capacity built up in this area⁴ has allowed the Congresses and Councils to be much more effective in defending their territories and its resources from invaders and illegal exploitation of resources. Equally importantly, this has had the added value of stimulating and involving youth in protecting their territories and rights, through the use of state-of-the-art technology.

Strategic Insights

COONAPIP/PRODESO model opens new and needed opportunities. Organizations such as COONAPIP are needed if the world of donors and international agencies is to effectively reach IP & LC communities with direct financing. Yet, their lack of experience and capacity traps them in a vicious cycle of “no significant funding because no capacity and no capacity due to lack of significant funding”. This model broke the vicious cycle. The alliance with PRODESO allowed access to funds for an organization that normally is not considered eligible by donors, especially for funding of the magnitude that it has been receiving over the last seven years. The effective and accountable use of those funds gave credibility to the organization with its Indigenous constituents and key external actors (e.g., government and donors). It created a virtuous cycle that has opened the door for significant upscaling in Panama of direct financing of Indigenous peoples.

The myth of the importance of legal status. A common assumption is that for an organization to develop, mature, and enter into binding agreements, it must eventually obtain legal status. COONAPIP does not

⁴ With support and critical contributions from several COONAPIP partners, including Rainforest US and FAO.

have legal status. COONAPIP's General Assembly does not favor COONAPIP obtaining legal status. For COONAPIP and its constituents, having legal status is not important as they operate on trust, ethical commitment, and solidarity. It would be a mistake for funders to insist that COONAPIP obtain legal status in order to access their finance or assume that along its organizational trajectory it should, or it will. Models such as the COONAPIP/PRODESO model demonstrate that legal status is not critical.

Partners and intermediaries are not necessarily the same thing. The partnership between PRODESO and COONAPIP should not be confused with the more common "financial intermediary" figure utilized in many larger-scale donor projects to meet donor/financiers' fund management requirements and finance "sub-projects" of IP & LC organizations and communities. Where the relationship between PRODESO and COONAPIP is horizontal, the financial intermediary relationship tends to be vertical or hierarchical. Where financial intermediaries channel the priorities of the donor/financier to IP & LC organizations and communities, COONAPIP channels its priorities and carries the dialogue with the donor/financier directly and PRODESO assists and supports it through providing its financial and administrative expertise to COONAPIP and carrying the fiduciary risk for both COONAPIP and the donor/financier. PRODESO was selected by COONAPIP. IP & LC organizations and communities are "selected" by financial intermediaries.

PRODESOS are trusted service providers, not consulting firms. The core of the relationship (the MOU) between COONAPIP and PRODESO are principles of good faith, trust, mutual respect, and shared objectives (solidarity) between the parties. This is essential as it requires a very delicate balance between PRODESO's role and responsibilities as the financial manager that carries the full fiduciary risk for any misuse of funds and its support to and enabling of COONAPIP to take the lead and implement the project. The potential for conflict is real and in the absence of a commitment by both parties to the principles defining their relationship, the potential for that conflict to escalate into dysfunction is also real. A functioning relationship of this type cannot simply be put out to bid or ensured through contractual arrangements. As such, where PRODESOS do not exist but must be created, they are most likely to be found amongst existing organizations with a demonstrated solidarity, mission, and horizontal relationship with IP & LC organizations and communities.

Translation of donor culture. Donors are concerned about accountability and transparent use of their funds. IP & LCs are concerned about accountability and transparent use of their funds. Yet, somehow, finding a common language and approach that aligns donor culture with indigenous culture is not trivial and should be well-considered as requiring an ongoing dialogue, not simply "capacity building for compliance". In the case of both COONAPIP and PRODESO, continuous efforts have been made to discuss with the local traditional authorities their concerns regarding what they perceive as a foreign and cumbersome process involving procurement, invoices, reports, control of assets, and limitations on the use of funds to only what is established in the project. Ultimately, as all parties can agree that transparency and accountability are important to avoiding irregularities and the distrust around the management of funds that this creates, over time systems can be put in place that are both appropriate and largely accepted. This understanding should be built in such that early on donor demands do not become a source of conflict that derails disbursements and any possibility of achieving the shared goals.

Duration of projects. As noted by one Indigenous leader: *"Territorial security projects are aimed at a confrontation with governments and powerful structures that have many ways of delaying processes that should be expeditious ... These are long-term processes that, in one or two years, there are very few possible titling results."* Systematic assistance over periods of five to ten years should be considered where issues are more political than technical.

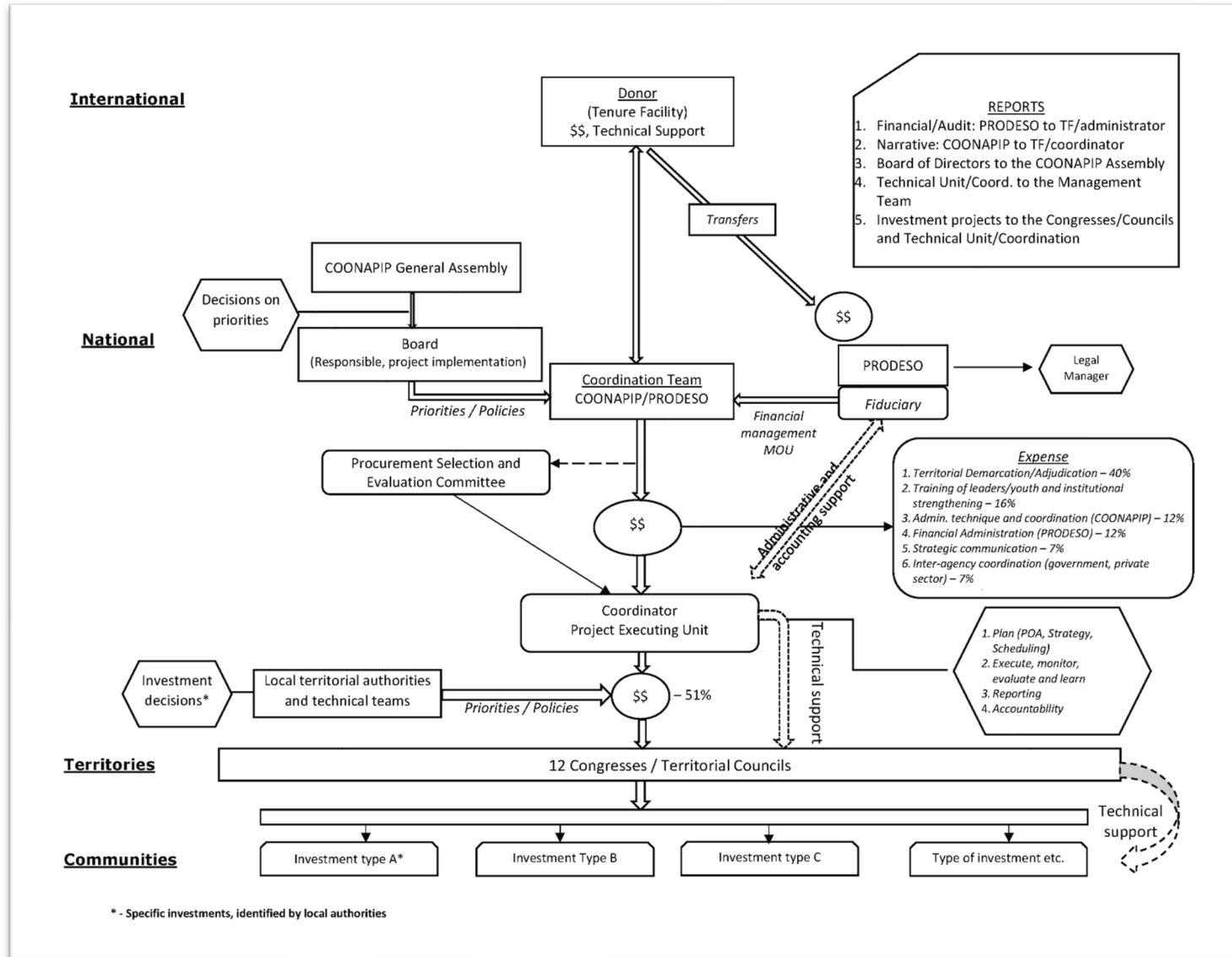
Scalability

Replicability. The potential for short-term replicability is high, assuming the availability of trusted partners (or potential partners with established reputations) with the requisite experience and track record in financial management. In Panama there are potentially several other organizations with the trust relationships necessary to replicate the PRODESO role at regional or territorial-levels. PRODESO also has the capacity to scale up its training for fund management and administration. Globally, the need and demand for this type of arrangement within the context of the Pledge – which would see significant resources being

committed to support the clear objectives of IP & LC-owned organizations that lack legal status and/or demonstrated financial management capacity – is likely to be high.

Expansion. The absorption potential, as well as the need for short-to-medium term investments, is probably about an order of magnitude larger than the currently available funding. Examples of beneficial areas for increased investment include organizational development support to the twelve Congresses and Councils in areas of governance and administration of their territories, as well the instruments for inclusive governance and administration; for physical delimitation and defense of territorial boundaries; for pushing forward field validations by government for pending collective title applications; for forest management and conservation planning, capacity building and equipping, and systematization of indigenous knowledge systems for forest management, livelihoods, conservation, and development of their self-determined, indigenous economies. Over the medium-term, these types of investments would create conditions that could allow yet another order of magnitude larger set of direct investments to be effectively deployed.

Annex 1 Financial Flows and Implementation Arrangements



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