

PANAMA



BACKGROUND

In recent years, Panama has made efforts to mainstream disaster risk management (DRM). In 2013, the country formally established the National Platform for Disaster Risk Reduction. Further, through the government's investments, Panama developed a disaster risk financing and insurance framework, and became the first country in the region to adopt the framework as an executive decree (Decree 578) in 2014.

Most of the recent disasters in Panama consisted of floods, landslides, earthquakes, windstorms, wildfires and storm surges. During the 1982–83 and 1997–98 El

Niño events, the Panama Canal watershed experienced severe droughts which resulted in a reduction in the number of vessels through the Canal. In December 2010, Panama experienced the longest three-day rainstorm in the history of the Canal and experienced a record 760 millimeters of rainfall in 24 hours. The intense rain led to 500 landslides which impacted approximately 9,000 people and caused a surge in turbidity of the water source causing the main potable water plant in Panama City to collapse. As a result, parts of Panama City were left without water for 50 days.

QUICK FACTS

COUNTRY INDICATORS¹

GDP per capita (PPP)	\$19,416
Total Population	3,864,170
Income Level	Upper middle
Poverty ²	26%
Urban Population	66%

RISK PROFILE³

Lack of coping capacity	<div style="width: 41%;"></div> 4.1
Vulnerability	<div style="width: 31%;"></div> 3.1
Hazard and exposure	<div style="width: 28%;"></div> 2.8
Overall risk	<div style="width: 32%;"></div> 3.2

KEY PRIORITIES

1. Disaster risk finance and insurance framework
2. Land use planning
3. Data sharing
4. Spatial data management platforms and risk mapping

¹ World Bank: free and open access to development data in countries around the globe. <http://data.worldbank.org/>

² Poverty rates at national poverty lines, World Bank Open Data.

³ INFORM: a global, open-source risk assessment for humanitarian crises and disasters. INFORM uses a scale from 0-10 (10 is the highest level of risk) <http://www.inform-index.org/>

A high proportion of the low-income population in Panama lives in areas most exposed to natural hazards, which feature poorly designed structures. The inefficient enforcement of national and local land use regulations,

uncertainty about compliance with building codes, rapid demographic growth, and unplanned urban and industrial expansion are key drivers contributing to the increased vulnerability of Panama.

GFDRR PROGRESS TO DATE

GFDRR support coincided with the government's pursuit of a World Bank Development Policy Loan with a Catastrophe Deferred Draw Down Option (CAT DDO), which is linked to the country's commitment to implement a national agenda for disaster risk management (DRM). Together with GFDRR support, the CAT DDO opened the dialogue to introduce the probabilistic risk assessment methodology; which enabled the government to improve its understanding of risk, consider implementation of a disaster risk financing strategy, and analyze the cost-benefit of investments in disaster risk reduction.

GFDRR also supported the government of Panama in the development of a disaster risk financing and insurance framework. Moreover, GFDRR-financed

technical assistance from the World Bank supported the government to design a five-year operational plan to facilitate the implementation of the disaster risk financing and insurance framework.

Additionally, the government is currently developing a disaster risk exposure database of selected public assets, especially in the education and health sectors, to provide the necessary data for the design of appropriate risk retention and risk transfer mechanisms. GFDRR also provided support to the government to increase capacity to address disaster risk reduction—such as disaster risk criteria incorporated in the National Public Investment System; and increased the number of provinces with updated protocols for disaster preparedness and response.

LOOKING AHEAD

Over the next three years, GFDRR intends to sustain its current focus on assisting the government in strengthening its DRM institutions so that they are able to: (i) develop and implement their disaster risk finance and insurance framework; (ii) further the incorporation of disaster risk reduction criteria in the elaboration of metropolitan and local land use plans; and (iii) promote and strengthen data sharing and collaboration protocols,

and spatial data management platforms among primary producers of disaster risk-related geospatial information and institutional users to enhance hazard, vulnerability and risk mapping. However, in light of Panama's strong DRM capabilities and economy, GFDRR intends to shift support to a model more appropriate for a middle-high income country.

PROJECTS AWARDED BY GFDRR 2007-2015

Project	Description
<p>Support to Panama Disaster Risk Management Program</p> <p>  </p> <p>US\$110,000 2014 (Ongoing)</p>	<p>Supports the implementation of Panama’s DRM program and the National Policy for Comprehensive Risk Management. Activities include: (i) guide the incorporation of disaster risk criteria in metropolitan and local land use plans with the Ministry of Housing; (ii) improve integration of spatial disaster risk data to better inform decision and policy makers; and support the Ministry of Finance in the design of a financial strategy that includes risk transfer mechanisms according to expected levels of impact and frequency of damaging events.</p>
<p>Probabilistic Risk Assessment</p> <p> </p> <p>US\$499,915 2010–2013 (Completed)</p>	<p>Strengthened Panama’s capacity to integrate risk information in its development planning process. Activities included: (i) improved data collection processes; (ii) strengthened spatial data infrastructure; and (iii) conducted hazard and risk assessments, and applied probabilistic risk components to understand potential risk and trends.</p>

 Pillar 1
Risk Identification

 Pillar 2
Risk Reduction

 Pillar 3
Preparedness

 Pillar 4
Financial Protection

 Pillar 5
Resilient Reconstrction

GFDRR KEY PARTNERS

IDB	The Inter-American Development Bank (IDB) is in charge of the Mesoamerican Coordination System for Territorial Information.
United Nations	Organizations cooperating on the integration of climate change adaptation and mitigation measures for the Natural Resources Management include: United Nations Food and Agriculture Organization (FAO), Pan American Health Organization (PAHO), World Health Organization (WHO), United Nations Development Programme (UNDP) and United Nations Environmental Programme (UNEP).
World Bank	<p>The following projects are part of the World Bank's efforts to mainstream DRM:</p> <ul style="list-style-type: none"> ■ Disaster Risk Management Development Policy Loan with a Catastrophe Deferred Drawdown Option (CAT DDO) Project: Enhances the government's capacity to implement its disaster risk management program.

GFDRR STAKEHOLDERS

National Services	Ministry of Finance, Ministry of Housing and Land Use Planning, the National Environmental Authority (ANAM), Civil Protection (SINAPROC), Directorate of Investments, Concessions and Risk (DICRE), Directorate of Public Credit (DCP), Directorate of National Budget (DIPRENA), Technical Secretariat of the Sovereign Fund (FAP), National Platform for Disaster Risk Management, Geosciences Institute, Ministry of Education, Ministry of Health, Hydro-Meteorological Service
Regional Organizations	Central American Center for Natural Disaster Risk Management (CEPRENAC),
International Organizations	World Bank, United Nations Office for Disaster Risk Reduction (UNISDR), United Nations Development Programme (UNDP), United Nations Food and Agriculture Organization (FAO), Pan American Health Organization (PAHO), World Health Organization (WHO), United Nations Environmental Programme (UNEP), Inter-American Development Bank (IDB)
Non-governmental Organizations and Civil Society Organizations	Fundación Vida, Salud, Ambiente y Paz (FUNDAVISAP)