

**Completeness Check for
Panama R-PP dated October 3, 2014**

FCPF Facility Management Team

Panama presented its Readiness Preparation Proposal for assessment by the FCPF Participants Committee at its 3rd meeting, held in June 2009, in Montreux, Switzerland. At this meeting, the PC adopted PC resolution PC/3/2009/2 deciding to allocate grant funding to enable Panama to move ahead with REDD+ readiness preparation. The PC requested Panama to address the key issues identified in the TAP assessment.

Panama has submitted a revised R-PP to the FCPF FMT on September 19, 2014. Completeness check by the FMT is not formally required for Panama, but the FMT agreed with UNDP, the implementing agency, in carrying out an informal review. The table below presents the main issues raised in the Summary Report “PC Discussions of Panama’s Readiness Preparation Proposal” annexed to the above-mentioned resolution.

Issue to be addressed	Response in the revised R-PP	FMT comments
Continue and develop stakeholder consultations and participation of local communities of the development and implementation of the R-PP, including representatives from forest-dependent indigenous peoples and other forest dwellers, and civil society organizations, in particular COONAPIP	<ul style="list-style-type: none"> • On Section 1b, the R-PP defines four key stakeholder groups: indigenous peoples, African descendant groups, campesinos and other forest-dependent communities. COONAPIP and ANAM signed a framework agreement to collaborate in a broad environmental agenda that encompasses REDD+. This agreement includes the establishment of coordination mechanisms to facilitate social inclusion, among others. • On section 1c, the R-PP describes the Participation and Consultation Plan. The first phase (elaboration) is expected to be finalized by the end of 2014, with a first draft of the REDD+ strategy. The validation phase will be carried out in 2015-2016 and includes 5 steps from consulting the validation process itself to a large public consultation, as per the Panamanian law. 	Item complete

	<ul style="list-style-type: none"> • In addition, the R-PP presents results obtained from a diagnostic exercise of local perceptions on deforestation, which will feed into the strategic options. 	
Improve the analysis of all direct and indirect drivers of deforestation, including their identification and geographical location, both inside and outside of the forest sector	<ul style="list-style-type: none"> • Section 2a presents preliminary results of technical analysis of direct and underlying drivers of deforestation. It also presents land use patterns in different provinces of Panama. 	Item complete
Evaluate the efficacy of past policies and their contribution to the observed reduction in deforestation	<ul style="list-style-type: none"> • Section 2a presents results of a study of past efforts to halt deforestation. The R-PP presents a compilation of 30 policies, programs, and projects carried out during the last 30 years that have had an impact on deforestation. The R-PP present both positive and negative lessons learned from these initiatives, highlighting the negative impact of a limited and persistent cross-sectoral coordination. 	Item complete
Improve the estimates of the costs of REDD	<ul style="list-style-type: none"> • Section 2a refers to preliminary results of a technical analysis of land opportunity cost developed for 5 regions of the country. This study is expected to be finalized in 2014 to refine the initial list of strategy options. 	Item complete
Give proper consideration to land tenure disputes as obstacles to a future REDD strategy	<ul style="list-style-type: none"> • The first phase on an analysis of the existing legal framework for REDD+ in Panama has been carried out. Results of this study highlighted challenges in priority regions, but also some progress of existing programs (i.e., PRONAT), and institutions (e.g., ANATI). The second phase is expected to be finalized with FCPF funding. 	Item complete
Align the strategies to reduce deforestation with the improved analysis	<ul style="list-style-type: none"> • Section 2b includes an initial list of strategy options that will be discussed with key stakeholders during the readiness process. These strategy options will be informed by ongoing technical studies and also by recommendations obtained from the “Escucha Activa”, one of the first phases of the Participation and Consultation Plan. 	Item complete

<p>Conduct a legal review of the issue of carbon ownership, taking into account the views of concerned stakeholders and being mindful of not creating disincentives for conservation</p>	<ul style="list-style-type: none"> • The second phase of the above-mentioned legal analysis is expected to shed light on the legal framework for the implementation of REDD+, which includes carbon ownership matters. The view of key stakeholders on this matter will be collected through the Participation and Consultation Plan. 	<p>Item complete</p>
<p>Develop and elaborate on strategies and safeguards to ensure that REDD projects and programs do not adversely affect biodiversity and other forest ecosystem services, the livelihoods of forest-dependent indigenous peoples and other forest dwellers.</p>	<ul style="list-style-type: none"> • Section 2d outlines a work plan to carry out SESA and produce an ESMF. 	<p>Item complete</p>

In conclusion, the FMT finds the R-PP of Panama complete in all its sections as presented in Template Version 06.

However, the FMT would like to make some recommendations on the budget for the consideration of the Program Entity and the Delivery Partner. Based on experience with other countries we believe that addressing the below recommendation will help ensure the strategy is achieved as expected:

- In all sections, resolve discrepancies between activities listed in the budget tables and activities needed. The activities listed in the budget tables often do not address the needs described in the narrative of sub-components of the R-PP. Also, the fact that usually one item includes several activities makes the budget unclear.
- To maximize the collaboration of different donors and agencies, consider using the FCPF resources to support activities that focus on the Strategic Environment and Social Assessment (SESA), the Environment and Social Management Framework (ESMF), the Feedback Grievance and Redress Mechanism (FGRM), the Safeguards Information System (SIS), and the development of the REDD+ strategy itself.
- Streamline the budget by avoiding repetition of items across components (i.e., the legal analysis of legal aspects of REDD+ and capacity building).
- Set aside some funding to undertake activities leading to improve cross-sectoral coordination, as this was a highlight result of the lessons learned analysis from past policies, programs and projects related with the forest sector.