

The Forest Carbon Partnership Facility (FCPF) Readiness Plan Idea Note (R-PIN) Template

April 7, 2008

Guidelines:

1. The purpose of this document is to: a) request an overview of your country's interest in the FCPF program, and b) provide an overview of land use patterns, causes of deforestation, stakeholder consultation process, and potential institutional arrangements in addressing REDD (Reducing Emissions from Deforestation and Forest degradation). This R-PIN will be used as a basis for the selection of countries into the FCPF by the Participants Committee. Information about the FCPF is available at: www.carbonfinance.org/fcpf
2. Please keep the length of your response under 20 pages. You may consider using the optional Annex 1 Questionnaire (at the end of this template) to help organize some answers or provide other information.
3. You may also attach at most 15 additional pages of technical material (e.g., maps, data tables, etc.), but this is optional. If additional information is required, the FCPF will request it.
4. The text can be prepared in Word or other software and then pasted into this format.
5. For the purpose of this template, "Deforestation" is defined as the change in land cover status from forest to non-forest (i.e., when harvest or the gradual degrading of forest land reduces tree cover per hectare below your country's definition of "forest." "Forest degradation" is the reduction of tree cover and forest biomass per hectare, via selective harvest, fuel wood cutting or other practices, but where the land still meets your country's definition of "forest" land.
6. When complete, please forward the R-PIN to: 1) the Director of World Bank programs in your country; and 2) Werner Kornexl (wkornexl@worldbank.org) and Kenneth Andrasko (kandrasko@worldbank.org) of the FCPF team.

Country submitting the R-PIN: Panama

Date submitted:

1. General description:

a) Name of submitting person or institution: Ligia Castro de Doens, Autoridad Nacional del Ambiente (ANAM)
(National authority of the Environment)

Title: General Administrator

Contact information: Address: Albrook, Building 804, Ancon, Panama, Republic de Panama

Telephone: 00 (507)500 0823

Fax: 00 (507) 500 0820

Email: : l.castro@anam.gob.pa

Website, if any: www.anam.gob.pa

Affiliation and contact information of Government focal point for the FCPF (if known): : Eduardo Reyes, ANAM

General Sub-Administrator. **E-mail:** e.reyes@anam.gob.pa

b) List authors of and contributors to the R-PIN, and their organizations:

1. 1. Ligia Castro de Doens, General Administrator (ANAM)
2. Eduardo Reyes, General Sub-Administrator (ANAM)
3. Lamed Mendoza, General Administration Consultant (ANAM)
4. Roberto De La Cruz, Director of Planning and Environmental Politics (ANAM)
5. George Richa, Chief Department of Environmental Economy (ANAM)
6. Darysbeth Martínez, Unit Chief of Climatic Change and Desertification (ANAM)
7. Diana Laguna, National director of Systems of Environmental Information (ANAM)
8. Aleida Salazar, National director of Protected Areas and wildlife (ANAM)
9. Lourdes Lozano, National director of Promotion of the Environmental Culture (ANAM)

10. Carlos Melgarejo, Nacional Director of Hydrographic Basins a.i.(ANAM)
11. Carlos Gómez, Hydrographic Basins (ANAM)
12. Félix Magallón, Hydrographic Basins (ANAM)
13. Rosilena Lindo, Unit of Climatic Change and Desertification (ANAM)
14. Joel Sands Bonilla, Unit of Climatic Change and Desertification (ANAM)
15. Catherine Potvin, External Collaborator (McGill University-STRI)
16. Virginia Fernández: Administrator of the Central American Biological Corridor Project of the Panamanian Atlantic,
17. Roberto Galán, Hydrographic basins (ANAM)
18. Israel Tejada, Technician in Biodiversity and wildlife (ANAM)
19. Soledad Batista, Technician in Protected Areas (ANAM)
20. Cheryl Hernández, Unit of Climatic Change and Desertification (ANAM)
21. Mirta Benítez, Unit of Climatic Change and Desertification (ANAM)
22. Lorena Vanegas, Unit of Climatic Change and Desertification (ANAM)
23. Enrique Vargas F., Unit of Climatic Change and Desertification (ANAM)
24. René López, Head of the department of Adaptation of the Unit of Climatic Change and Desertification (ANAM)
25. Abril Méndez, Unit of Climatic Change and Desertification (ANAM)
26. Israel Torres, Head of the department of Desertification of the Unit of Climatic Change and Desertification (ANAM)
27. Ana Domínguez, Unit of Climatic Change and Desertification (ANAM)
28. Edgar Chacón, Hydrographic Basins (ANAM)
29. José Rincón, Hydrographic Basins (ANAM)
30. Luis Escalante, Hydrographic Basins (ANAM)
31. Cesar Isaza, Hydrographic Basins (ANAM)
32. Genoveva Quintero, Hydrographic Basins (ANAM)
33. Eric Rodríguez, Hydrographic Basins (ANAM)
34. Omar Díaz, Hydrographic Basins (ANAM)
35. María Del Carmen Ramos, Hydrographic Basins (ANAM)
36. Dinorah Santamaría, Hydrographic Basins (ANAM)
37. Gladys Villarreal, Hydrographic Basins (ANAM)
38. Eric Tejeira, Hydrographic Basins (ANAM)
39. Freddy Vega, Hydrographic Basins (ANAM)

c) Who was consulted in the process of R-PIN preparation, and their affiliation?

The Renewal of the National Environment Strategy: Environmental management for the Sustainable Development, (2008-2012) it incorporates the actions for the achievement of the objectives of REDD. The National Authority of the Environment submits to consultation this strategic renewal based on the capitalization of our competitive advantages toward an energetic and more diversified participation in the international markets, based on the incorporation of technologies and friendlier patterns of production with the environment and the transformation of the environmental culture of the Panamanian population, leaving behind a culture of waste and exploitation, for a culture of sustainable consumption and environmental conservation.

This process implied 17 workshops of public consultation with the active participation of 1.043 people ([See Annex 1 - Picture of the Workshop of Consultation](#)) Of all sectors: academic, scientific, public, private, civilian society, indigenous towns and environmental consultative commissions (framework of civic participation provided by Law 41 from the 1998 to

the civilian society). Workshops in the City of Panama were carried out, Changuinola, David, Rio Hato, Divisa and Chepo. Additionally, the proposal was presented to the Concertación Nacional para el Desarrollo (National coordination for Development) (instance that gathers all the alive forces of the country) and to the electoral court for its respective opinion.

In each workshop participated an external moderator who directed the methodology and supervised that the observations and the data were compiled. This process is completely transparent and can be consulted in the web page: www.anam.gob.pa.

Additionally the processes of formulation of the Strategies of Sustainable Development to provincial level that advances in Consejo Nacional del Ambiente (CONADES), they have an extensive framework of consultation with the authorities and the local civilian society, and in some way the environmental component is validated through the definition of the diagnoses through the unit of environmental planning of the country that is the hydrographic basin <http://www.presidencia.gob.pa/conades/>

2. Which institutions are responsible in your country for:

a) forest monitoring and forest inventories: Autoridad Nacional del Ambiente (ANAM) – National authority of the Environment

b) forest law enforcement: Autoridad Nacional del Ambiente (ANAM) - National authority of the Environment

c) forestry and forest conservation: Autoridad Nacional del Ambiente (ANAM)- National authority of the Environment, Autoridad del Canal de Panamá (ACP) Authority of the Panama Canal -, Autoridad de los Recursos Acuáticos de Panamá (ARAP) - Authority of the Aquatic Resources of Panama

d) coordination across forest and agriculture sectors, and rural development:

The coordination is established through the Environmental Interinstitutional System (Sistema Interinstitucional Ambiental SIA) comprising twenty-two (22) institutions, among the ones that we can mention:

Autoridad Nacional del Ambiente (ANAM) (National authority of the Environment), Ministerio de Desarrollo Agropecuario (MIDA) (Department of Farm Development), Ministerio de la Presidencia (Department of the Presidency), Ministerio de Economía y Finanzas (MEF) (Department of Economy and Finances), Ministerio de Comercio e Industrias (MICI) (Department of Commerce and Industries), Ministerio de Desarrollo Social (MIDES) (Department of Social Development), Autoridad del Canal de Panamá (Authority of the Panama Canal), Ministerio de Salud (MINSA) (Department of Health), among others, through politics, plans and programs on the consensual use of the land.

3. Current country situation (consider the use of Annex 1 to help answer these questions):

a) Where do forest deforestation and forest degradation occur in your country, and how extensive are they? (i.e., location, type of forest ecosystem and number of hectares deforested per year, differences across land tenure (e.g., national forest land, private land, community forest, etc.)):

According to the analysis of the change of the forest coverage carried out among the period 1992-2000, shows a decrease of the same in 330,369 Ha that represents an average of annual loss of 1.12%. Thus same three critical areas are emphasized (**See Annex 2 – Forest Coverage Change Map in the Republic of Panama, 1992-2000**) :

- The Ngöbe-Buglé indigenous region, located to the Northwest of Panama with a deforestation of 81,793 Ha that represents a 2.7%,
- The province of Darién, to the east of the country with a rate of annual deforestation of 1.7% that represents 137,612 Ha.
- The east of the province of Panama with an annual rate of deforestation of 1.5%. what represents 60,709 Ha

The study also recognizes, the variation of the vegetable coverage by type of forest, being emphasized the following:

DECREASE OF THE FOREST COVERAGE BY TYPE OF FOREST FOR THE YEARS 1992 AND 2000

Category	1992 (Ha)	2000 (Ha)
Mature Forest	3,352,072	3,015,002
Mangrove Swamp	181,775	174,435
Mixed Floodable Forest	45,554	37,398
Mixed Cativo	32,163	31,061
Forest of Orey homogeneous	3,661	3,657

Source: Project "Institutional Strengthening of the System of Geographical Information of the ANAM for the Evaluation and monitoring of the forest resources of Panama looking to its Sustainable Management" Final Report of Results of the Forest Coverage and Use of the Floor of the Republic of Panama: 1992-2000.

b) Are there any estimates of greenhouse or carbon dioxide emissions from deforestation and forest degradation in your country? If so, please summarize:

Panama in its First Communication of Climatic Change has an estimation of the emissions of GHG (1994) in the floor use change sector and silviculture of: 8.902.5 Gg of CO₂, 59.69 Gg of CH₄, 0.41 Gg of N₂O, 14.83 Gg of NO_x, 522.31 Gg of CO. This estimation was calculated using the Guide of Good Practices of the IPCC of 1996. Presently, the estimation of the emissions for the base year 2000 is in works (Second Communication of Climatic Change) that includes the appraisal of the emissions of GHG of LULUCF. This report will be ready for the year 2009.

c) Please describe what data are available for estimating deforestation and/or forest degradation. Are data published? Describe the major types of data, including by deforestation and forest degradation causes and regions if possible (e.g., area covered, resolution of maps or remote sensing data, date, etc.).

The Project PD 54/98Rev.1 (F) 'Institutional strengthening of the System of Geographical Information of the National Authority of the Environment (2000) for the evaluation and monitoring of the Forest resources of Panama executed by the ANAM and financed by the International Organization of Tropical Woods (OIMT); developed the digital analysis of satellite images with the objective of creating the databases and digital cartography for the evaluation and monitoring of the forest resources of Panama.

The report of forest coverage and use of the floor 1992 - 2000 includes the information on the diverse forest ecosystems. The same is of public knowledge and is available through the Internet in the electronic website www.anam.gob.pa.

For the calculation of forest coverage and deforestation LANDSAT and ASTER images are used, which have resolution from 15 to 30 meters and aerial photographs in regions where other type of projects have been developed. This data is updated and published every 8 years. (Digital, Printed format and WEB).

By the end of 2008 the updating of the forest coverage and floor use map will be completed for the period 2000-2007.

Other reference documents:

- Forest Coverage Report of 1992. National institute of Renewable Natural Resources (Instituto Nacional de Recursos Naturales Renovables). Panama, 1995.
- FALLA, A. Forest development plan: Current State of the Forest Sub-Sector FAD/PCT/6/PAN/01/i. Panama. Technical Report No. 2.
- United Nations for the Agriculture and the Diet. State of the Forest Information in Panama. Chile, 2002.
- Monitoring Project of the Hydrographic Basin of the Channel. Panama, 2000.
- Program of Sustainable Development of Darién. Department of Planning and economic politics. Panama, 1998.
- Project Management of Cativales and not Timber-yielding Products with Rural Communities of natives in Darién. ANAM/OIMT/*STRI. Panama, 2001.
- Deforestation in Panama. Interinstitutional commission. Panama, 1993.
- FAO/FRA. 2005. Evaluation of the World Forest Resources. Toward the sustainable forest ordering.
- Environmental indicators of the Republic of Panama. Panama, 2006.
- Environmental Statistical report 2004-2007.

d) What are the main causes of deforestation and/or forest degradation?

The most serious environmental problem that we confront is the loss of the natural resources, product of an unsustainable development, based on waste. Is in the deforestation of our forests (at the rate of approximately 48.000 hectares per year) where this itself evidences more clearly. This problem is increased more in the dry season, where the deforestation and forest fires destroy the vegetation and the biological diversity in forests, stubble, pasturelands and in any place, even near our dwellings, caused by the irresponsibility of the society itself and their style of development.

Studies carried out by the ANAM, indicate six main causes of deforestation:

1. Traditional and mechanized agricultural practices.
2. Practices of extensive stockbreeding.
3. Taking advantage of forests in a disorderly and unsustainable manner.
4. The badly planned urban development,
5. Inadequate practices for the exploitation of the mining resources.
6. Low level of education and environmental culture.

The factors that are identified like causes of the deforestation are: the style of excessive development, extreme poverty, the culture of the pasture and the incorrect appraisal of the forest resources to the margin of the Agrarian Code ([See Annex 3 – Summary of the History of the Deforestation in Panama](#)).

The ANAM has promulgated by means of Executive Decree N° 2 of January 17, 2003, the Forest policy document of Panama, that will serve of base for the development of plans and programs that contribute to the improvement of the forest sector. Currently a National Plan of Forest Development is in the works as an instrument of the Forest Politics, that will permit a better control and sustainable forest development, as well as in pilot projects of territorial code.

e) What are the key issues in the area of forest law enforcement and forest sector governance (e.g., concession policies and enforcement, land tenure, forest policies, capacity to enforce laws, etc.?)

The forest activity, by its complexity and multisectorial character, requires to be attended with priority. Politics of use of floor by consensus are required tending toward diminishing the problem of the deforestation that emphasize in:

- The demonstration that the sustainable forest management is an environmentally viable option and with possibilities to contribute significantly to the national development and to the eradication of the poverty,
- The Administration of the Forest Information is deficient for which it lacks standardized processes at national level to maintain registrations and permanent controls and updated with the forest information,
- Promotion of community forestation that will conduct to the generation of wealth in the ethnic groups of the country,
- Formulation of the National Plan of Forest Development,
- To Reorient the permission granting politics toward concessions or authorizations of use of the resources of longer time limit, where the owners of the lands have greater participation in the activities of management, as well as in the benefits of the same.
- Promotion of the environmental culture and the forest extension,
- Strengthening of the systems of caution and monitoring and;
- Consolidation of a system of information of the forest resources, complemented with an adequate system for the registration and monitoring of the information.

Nevertheless, although Panama has a strong legal system established to protect our forests ([see Annex 4 - Laws and Decrees of Greater Importance](#)), the lack of supervision, caution and control in far away zones do difficult the application of the forest laws, as well as the lack of presence of the government in several zones of our forests for the application and the compliance of the laws in force of the local authorities.

4) What data are available on forest dwellers in lands potentially targeted for REDD activities (including indigenous peoples and other forest dwellers)? (e.g., number, land tenure or land classification, role in forest management, etc.):

According to our data base, we have available the following information:

1. Spatial distribution of the populated places and the socioeconomic characteristics of same according to the 2000 Census of Population and Dwelling, whose source is the General finance Office of the Republic, through the Direction of Statistics and Census.
2. Administrative political division according to the Commission of limits of the Department of Government and Justice, (Province, District and small Towns).
3. Analysis of forestl coverage for years 1992 and 2000, whose source is the ANAM, we also have information of environmental character (National System of Areas Protected, physical limits of hydrographic basins, physical characteristics among others) **(See Annex 5 – Picture and Map Populated Places by Province and District in Protected Areas.)**

Inside the program of Community Forestry special emphasis in the sustainable forest management is done, currently having 27 thousand hectares in natural forests. This program develops in indigenous communities of the Emberá Wounaan Region, whose objective is to obtain the International Certification of the Good Forest Management, by the FSC and to implement the chains of custody, for the transparency of forest activity, complying with the new Sustainable Forest Management Plans guidelines. This model will retort in an area of 60.000 ha in the region Wargandí and in another area of the Emberá Wounaan Region. **(See Annex 6 – Map of Poverty in Protected Areas, Prioritized Basins and Critical Areas of Desertification and Drought.)**

5. Summarize key elements of the *current* strategy or programs that your government or other groups have put in place to address deforestation and forest degradation, if any:

In the year 2004 Panama presented its Strategy of Conservation for the Sustainable Development (2004 – 2009) which includes among its main objectives:

- A. To fortify the capacity of the ANAM in the exercise of its functions of rectory, regulation and control in environmental material, to contribute in the success of the transition of the Panamanian society towards sustainable forms of organization of the development processes.
- B. To work in close contribution with the other agencies of the state, with the local governments, with the private sector, with the academy and with the civil society in the promotion of the necessary initiatives for the promotion of the competitive advantages of Panama in environmental matter .
- C. Prioritizing the attention to those components of the conservation strategy for the sustainable development of greater interest for the welfare of the population, the appreciation of the natural resources of the country and the creation of jobs.

The previous objectives will be achieved on the base integrated management of the hydrographic basins, understanding for basin the area of the terrestrial surface by where the rainwater drains and travels or drains through a network of currents that flow toward a main current and by this toward a common point at the outset. Normally the main current is the one that defines the name of the basin. Panama counts with 52 hydrographic basins. In Panama, the hydrographic basin is recognized as the most appropriate territory to conduct the processes of management, usage, planning and administration of the water and, in its general and more extensive sense, like the most suitable territories for carrying out the integral management of the water resources .

The basins besides being the territories where the hydrologic cycle is verified, are geographical spaces where the groups and communities share identities, traditions and culture, and where they socialize and were human beings work in function of the availability of not renewable and renewable resources

In this sense, the National Plan of Forest Development, the National Plan of Management Integrated of Basin and the Strategic Plan of the National System of Protected Areas are being developed, which concur to work on the conservation theme of the current forests and the avoided deforestation. All the plans contain actions oriented to offer knowledge and information on new techniques of sustainable management of the land, top of the line technology, as well as common

environmental investments and environmental business, so the communities as well as the private and public sectors take advantage of the use of the natural resources in optimum form and the pressure on the forest be reduced. To these two instruments the National Strategy of Biodiversity is added, which is in updating process and is also based on an integrated focus of basins with emphasis on the management of protected areas.

Likewise, the Strategy of Mitigation and Adaptation to the Climatic Change is in process of elaboration, with the purpose of contributing to the stabilization of the emissions of greenhouse gases (GEIs), still not being a country with commitments of emissions reduction, and the vulnerability reduction of the global warming-up, by means of the application of adaptation measures. The territorial ordering, is also a key item for the integrated management of hydrographic basins.

Based on all of the above, the REDD Strategy is based in the implementation of the Integrated Management of Hydrographic Basins, for which will be necessary to include the supervision, control and overseeing of the application processes of the instruments of environmental management that take place in each one of the 52 hydrographic basins of the country. In the end a unit of environmental monitoring should be created during and in the end of the execution of the REDD strategy, to guarantee the rational use of the natural resources and for monitoring the compliance of the goal of the avoided deforestation.

Likewise, the cost of opportunity should be determined of the ones that exercise pressure on the forest, with the purpose to determine where the investments that will achieve a greater impact will be done. The ANAM sees in the mechanisms of REDD an opportunity to promote the sustainable development of its communities and the reduction of poverty and the transformation or redefinition of the development style of the country, to do it with more resemblance with its base of national resources.

a) What government, stakeholder or other process was used to arrive at the current strategy or programs?

In the year 1998 The General Law 41 of the Environment was approved, which in its Article 3 establishes "The national politics of the environment constitutes the assembly of measures, strategies and actions established by the State, that orient, condition and determine the behavior of the private and public sector, of the economic agents and of the population in general, in the conservation, use, management and usage of the natural resources and the environment. Consequently, the National Strategy of the Environment is formulated (ENA) (1999 – 2006) and in the same year Panama presented the first environmental report (GEO – Panama, 1999).

In the year 2003 the Executive Decree Not. 2, of January 17, 2003 was approved by means of Official Gazette Not. 24.724 "By which the Principles and Basic Features of the Forest Politics of Panama are approved", that constitutes the framework guidance counselor of the activities to be developed by the Public Sector and the civilian society in its entirety, for the management and sustainable usage of the forest resources, the framework of the national politics for the sustainable development of the country. and that is currently in process of renewal and updating.

In the year 2004 new features to the ENA are incorporated and they devise the features for the Conservation of the Sustainable Development (2004 – 2009) that includes the actions directed to the mitigation of the climatic change and the global warming-up. The ANAM revised its ENA in the year 2007 incorporating those activities related to the new realities under the framework of the UNFCCC, among others environmental needs, to to be incorporated in the National Strategy of the Environment: Environmental management for the Sustainable Development (2008 – 2012), which has as pillars the local authorities, the organized community, the private sector and the civilian society in general, which need to accept, believe, trust and more importantly, to own the activities.

On the other hand the ANAM, created the National Politics of Climatic Change that undertakes the points agreed in the framework of the United Nations Framework Convention on Climatic Change (CMNUCC) and its implications in our national circumstances for adaptation as well as for mitigation. This was approved by the Counsel of Cabinet in the year 2007.

Additionally to these politics, there are other environmental public politics that were consulted and approved in the same form and that are indirectly related to REDD, but very necessary for the implementation of REDD activities, these are:

1. Decentralization
2. Management of Residues
3. Water resources
4. Control and Overseeing
5. Environmental information

6. Cleaner production
7. Forestry

This year four new public politics are in process of consultation in the areas of: Biodiversity, Integrated Management of Forest Fires, Shared Management of Protected Areas and Environmental Culture, which are expected to be approved in 2008.

All these elements of environmental politics at thematic and national level are in synergy with the elements of politics at provincial level, that is to say they are complemented with the national strategies of elaborate sustainable development by the Department of the Presidency, through the National Counsel of Sustainable Development (CONADES). These strategies are fundamental for the obtainment of the REDD objectives.

This process helps us in the articulation on the operative- territorial level with the Interinstitutional System of the Environment, the local governments and the consultative commissions (provincial and local; consultation department of the environmental management with the civilian society).

All the activities that generate these strategic elements should be monitored to determine the effectiveness of the actions with the different key actors. In the specific case of ANAM a management system has been created based on results for the monitoring, evaluation and adjustment of the process.

b) What major programs or policies are in place at the national, and the state or other subnational level?

To reach better results in our work for reducing deforestation, the National Authority of the Environment has developed diverse programs, these are:

- Environmental investment Fund, Central American biological Corridor (9 million/6 years)
- Rural Fund of productivity investment, MIDA (35 million/6 years).
- Small Program PPD-GEF (of the concessions annual publication 150.000.00).
- Fund of Darién, debt exchange (annual publication 150.000.00)
- Chagres Fund, debt exchange (annual publicación 150.000.00)
- Ecological Trust-FIDECO-NGO (1 million annual publications)
- ACP-Government USA (the basin/1.2 millions of the Panama Canal for 3 years)
- Fund of the fauna (annual publication 800.000.00) + administration
- Integrated management of the dividing lines of the water project (3 basins). 539.900.00 for 3 years (2006-2008).
- Project of the adaptation for the basin of the Tabasará and of the Chucunaque (4 million for 4 years).
- Other initiatives: Construction of capacities in the climatic change and Management of Hydrographic Basins USD 327,000
- Conservation of the ecosystems to prevent the Desertification in the dry lands of the arco, of Veraguas and the flat community of Cerro Punta. USD 550,000
- Conservation of the Integral Environmental Management and Reduction of the Vulnerability in the Basin of the River Sixaola USD 369,000
- Afforestation for Establishment of a Trial Plantation to Study the Feasibility to Implement a Small Scale Project of MDL in Reforestation
- Conservation of the National System of Protected Areas

Other projects that are carried out inside the framework of the Interinstitutional System of the Environment (SIA) they are:

- Program of Sustainable Development of Chiriquí
- Program of Sustainable Development of Bocas del Toro
- Project of Sustainable Rural Development of the Ngöbe Buglé Region and adjoining poor Rural small Towns
- Integral Project for the Development of the Lower Coast of Colón
- National Land Administration Program – PRONAT

6. What is the current thinking on what would be needed to reduce deforestation and forest degradation in your country? (e.g., potential programs, policies, capacity building, etc., at national or subnational level):

Although we have all the aforementioned programs, these are not sufficient to attend the problems for reducing the deforestation and degradation of the forests. For the REDD theme is necessary to fortify the operating and technical capacities of the technical personnel of the SIA. Incorporating inside the 24 programs of the Strategy of Administration by Results the variable of the REDD mechanism, articulated with the Environmental National Public politics. For the implementation of REDD is necessary to include teams, tools and top of the line technologies (software and hardware) that allows to generate and to administer the prominent information for decisions making. (See Annex 7 - List of the 24 Hydrographic Basins Integrated Management Programs and Annex 8 - Objective to achieve the Environmental National Strategy: Environmental management for the Sustainable Development, (2008-2012).)

a) How would those programs address the main causes of deforestation?

The National Plan of Integrated Management of Hydrographic Basins through the instruments of management will allow the implementation of the REDD strategy .

All these programs seek to assure the equity in the distribution of the benefits generated by the goods and environmental services of the forests, promoting the adequate use of the floor according to their agrological capacities and the recovery of degraded areas, to contribute in the improvement of the quality of life of the population and to the deceleration of the global warming through the restoration of the hydrographic basins and sustainable use of the protected areas and the wildlife, by means of the promotion and implementation of a development philosophy in harmony with the environment. (See Annex 10 – Implementation Scheme for the Implementation of REDD in Panama.)

b) Would any cross-sectoral programs or policies also play a role in your REDD strategy (e.g., rural development policies, transportation or land use planning programs, etc.)?

If, the REDD strategy is a cross axis in the programs or political intersectorials since the same cover environmental, economic, and social aspects. Inside the environmental components of the existing intersectorial strategies, they stand out themselves or they promote monitoring activities, evaluation, protection and management of forest resources. (See Annex 11 - Interrelation of the Strategic Plans of the ANAM and the Strategic Plans out of the Institution.)

c) Have you considered the potential relationship between your potential REDD strategies and your country's broader development agenda in the forest and other relevant sectors? (e.g., agriculture, water, energy, transportation). If you have not considered this yet, you may want to identify it as an objective for your REDD planning process.

Yes. For greater details please refer to the answer of the question 5, paragraph b.

d) Has any technical assistance already been received, or is planned on REDD? (e.g., technical consulting, analysis of deforestation or forest degradation in country, etc., and by whom):

No formal assistance in the topic has been received nor requested. The current capacity has been formed with the resources of operation of the ANAM. Nevertheless, it is important to stand out the need to receive technical and financial support to the extent that advances the process and methodologies are clarified.

7. What are your thoughts on the type of stakeholder consultation process you would use to: a) create a dialogue with stakeholders about their viewpoints, and b) evaluate the role various stakeholders can play in developing and implementing strategies or programs under FCPF support?

The National Strategy of the Environment: Environmental management for the Sustainable Development (2008-2012), has been discussed extensively through all the country, therefore, the elements of REDD in the strategy have been equally consulted. This strategy carried two large phases, initially met with the Interinstitutional System of the Environment, headed by ANAM to define the large lines of work and the conceptual framework. In second place, this conceptual framework was discussed by the civilian society by means of a public consultation in 17 workshops along all the Republic.

To create an environment of dialog among all the actors, the ANAM in the framework of the Interinstitutional System of the Environment will promote the exchange of information and points of view among all involved. On the other hand, this same plan of work will serve of base for the process of monitoring, evaluation and adjustment of the implementation of REDD .

a) How are stakeholders normally consulted and involved in the forest sector about new programs or policies?

The process of consultation is carried out by means of workshops of civic participation, in depth interviews to head representatives of the community, e-mails, consultations to the consultative commissions (local and provincial and regional)

b) Have any stakeholder consultations on REDD or reducing deforestation been held in the past several years? If so, what groups were involved, when and where, and what were the major findings?:

The consultations carried out previously have been established in a direct way for the management of forests and reduction of the rate of deforestation, conservation and protection of the forest. In these consultations the associations and lumber businessmen, professional guilds, industrial, common groups, ONGs were involved. The obtained results were: Supplies for the elaboration of the Forest Politics, Plans of Action and Environmental Regulations. These consultations were carried out to national level to start of the decade of the 1980

c) What stakeholder consultation and implementation role discussion process might be used for discussions across federal government agencies, institutes, etc.?

Through:

Coordination Table

Public Forum

Public Consultation

Opinion Survey

Interview

d) Across state or other subnational governments or institutions?

Same process described above

e) For other stakeholders on forest and agriculture lands and sectors, (e.g., NGOs, private sector, etc.)?

Same process described above

f) For forest-dwelling indigenous peoples and other forest dwellers?

Same process described above

8. Implementing REDD strategies:**a) What are the potential challenges to introducing effective REDD strategies or programs, and how might they be overcome? (e.g., lack of financing, lack of technical capacity, governance issues like weak law enforcement, lack of consistency between REDD plans and other development plans or programs, etc.):**

The theme of REDD is relatively new and complex, for which the technical and institutional capacity should be fortified to design and to implement the programs of the National Strategy of the Environment that are immersed in this theme. The cost of the avoided deforestation is calculated based on the costs of opportunity of the users of the forest, but is a high cost. The benefit of REDD will remain as long as there are the necessary financial resources to elevate the conscience of the population that uses of the forest, increasing its level of knowledge and environmental culture. On the other hand, nowadays not all the financial agencies see REDD as an opportunity to avoid the global warming, from a profitable economic point of view, for which is also necessary to create awareness and capacitating to these companies.

The current legislation is a key tool to achieve the goal, nevertheless, to make its compliance effective, monitoring, control and overseeing is necessary, which is a responsibility of the ANAM, as administrator of the national forest resource, but at the same time requires of the participation of the society, the private sector and other institutions, which form part of the environmental interinstitutional system, so that all general strategies be consistent among themselves, under a holistic and integral focus, seeking common objectives but differentiated, oriented to the development of the country, making a rational use of the natural resources to guarantee worthy living conditions for the Panamanian population.

b) Would performance-based payments through REDD be a major incentive for implementing a more coherent strategy to tackle deforestation? Please, explain why. (i.e., performance-based payments would occur after REDD activities reduce deforestation, and monitoring has occurred):

Yes. We consider that the payment to the actors that are implementing actions to avoid the deforestation, should be become an economical instrument that involves the conception of a coherent strategy, since we would be managing to

motivate the population (private, public sector and society) that exercises pressure on the forest to utilize new techniques for taking advantage of the forest resource in its own benefit.

9. REDD strategy monitoring and implementation:

a) How is forest cover and land use change monitored today, and by whom? (e.g., forest inventory, mapping, remote sensing analysis, etc.):

The National Authority of the Environment is the institution responsible for monitoring the country's forest coverage and the usage change of the floor by using satellite images with 15 to 30 meters resolution. This process is carried out every 8 years through Direction of Environmental Information as the specialists in tele-detection and the systems of Geographical Information and the Hydrographic Basins Integrated Management Direction as forest specialists. Besides works carried out with ortho-photo and supervised classification. The quantification of the forest coverage and level of deforestation, is done through the administrative political division, at districts level, with an established methodology, so that the comparative analysis of the data is valid in the different dates .

b) What are the constraints of the current monitoring system? What constraints for its application to reducing deforestation and forest degradation? (e.g., system cannot detect forest degradation of forest stands, too costly, data only available for 2 years, etc.):

We do not include a mechanism of permanent monitoring of the forest coverage and use of the floor in order to have continuous information on the biodiversity and to comply with our mission to achieve a sustainable management of natural resources and the protection of the protected areas. It is necessary to include satellite data, in order to update the forest coverage and use of the country's floor in short periods and to have access to hi-resolution satellite images for the purpose of monitoring deforestation that is taking place in our forests and that cannot be appreciated with Landsat images or of similar resolutions.

We should include models that let us obtain products that require a multi-varied analysis as the vegetation map and ecosystems map, to take early actions in order to reduce the deforestation in those regions where great pressure in the resource exists

c) How would you envision REDD activities and program performance would be monitored? (e.g., changes in forest cover or deforestation or forest degradation rates resulting from programs, using what approaches, etc.)

Taking into account the monitoring of the forest coverage to smaller scales (political division of small towns and at a hydrographic basins level), monitoring of the biodiversity, availability in quantity and quality of the water (where applicable), currently carried out, and with the establishment of the monitoring programs associated to the projects in execution, as the CBMAP II, Restoration of basins, reforestation of mangrove swamps and the Program of Forest Development, Establishing a system of evaluation of the state and of the forest coverage to verify the effectiveness of the REDD strategy, as well as the future actions.

10. Additional benefits of potential REDD strategy:

a) Are there other non-carbon benefits that you expect to realize through implementation of the REDD strategy (e.g., social, environmental, economic, biodiversity)? What are they, where, how much?

Yes, there are other advantages that the country should take advantage of with the implementation of the REDD strategy, among which we can mention: the reduction of poverty and extreme poverty of the indigenous and not indigenous population that use the forest resource, as well as the restoration of ecosystems with actions to improve the quality of the water, the productivity of the floors and the conservation of species. The strengthening of the capacities and education and environmental culture plays an important role for the success of the REDD strategy.

The strategy is also going to improve the linking with the productive sector, impacting on the theme of the competitiveness of the country, considering that the hydrographic basins integrated management programs include the application of clean technologies that, besides helping to comply with the environmental regulation, elevates its production level in quantity and quality and will permit in many cases the inclusion of these sectors, productive access to international markets.

b) Is biodiversity conservation being monitored at present? If so, what kind, where, and how?

Currently, the biodiversity is not being monitored throughout the country. Nevertheless, some efforts are being made for the aquatic as well as the terrestrial ecosystems, among which we can mention the experience with methodology applied in the Basin of the Panama Canal, known as Index of Biological Integrity. Thus, there are experiences in the terrestrial ecosystems inside the National System of Protected Areas, the Chagres Park is a model of the implementation of the biodiversity monitoring. This project began in 2006 and is based on monitoring the conservation objectives through the indicators, that were identified, defined and accepted with a technical process of scientific evaluation. Its been projected to transfer the experiences of monitoring, to the Darien National Park.

The CBMAP II project contemplates among its components, the implementation of a national system of biodiversity monitoring, which will be centered initially in three (3) of the fourteen (14) priority protected areas:

1. La Amistad International park
2. National park Division General Omar Torrijos Herrera
3. Cerro Hoya National park

This same project incorporates a plan of monitoring of the sea turtles, with our common strategic associates in:

1. Wild area of Narganá #1 (Kuna Yala Region)
2. Cañas Island wildlife refuge
3. Wetland of International Importance San San Pond Sak

The Amistad International Park counts with an investigation base line that allows to establish a future program of monitoring and environmental investigation: water balance, ecological volume, health of the ecosystems and protected areas management effectiveness, among others.

We have to mention that in the Natural Monument Barro Colorado Island, inside the basin of the Panama Canal, there are two projects coordinated by the Institute of Tropical Investigation Smithsonian (STRI), these are: -- Dynamic of population of ocelots and the project of 50 hectares of Barro Colorado, on the dynamics of the tropical forest beginning in 1980-82, which are a model system for the monitoring of the biodiversity

c) Under your early ideas on introducing REDD, would biodiversity conservation also be monitored? How?

Yes, through a program of monitoring and environmental observation based on specific indicators of ecosystems to be monitored

d) Are rural livelihood benefits currently monitored? If so, what benefits, where, and how?

Yes. The supervision of rural benefits is done through the reach of the diverse programs that we carry out. For example: The CBMAP II project, through field supervision, monitors the advances of the common groups that are benefited by the development of the activities that are carried out in the framework of this project. Currently more than 70 projects directed by our common strategic associates, implement new forest farms management techniques.

e) Under your early ideas on introducing REDD, would rural livelihood benefits also be monitored? How?

Please see above

11. What type of assistance are you likely to request from the FCPF Readiness Mechanism?

- **Identify your early ideas on the technical or financial support you would request from FCPF to build capacity for addressing REDD, if you are ready to do so. (Preliminary; this also could be discussed later.)**
- **Include an initial estimate of the amount of support for each category, if you know.**
- **Please refer to the Information Memorandum and other on-line information about the FCPF for more details on each category:**

The technical help requested to the R-FCPF would consist of:

Description	Amount, USD Millions	Observations
Creation and strengthening of capacities to include technical personnel and professional in the rows of REDD (from the overseeing and control, to the evaluation and monitoring of results).	1.5	It will be needed to hire new personnel, as well as prepare the existing personnel in the ANAM to supervise, oversee and to carry a control of the forest zones of the country. Likewise, it is necessary to carry out the monitoring and evaluation of results set against the goal.
Updating of information for the integrated management of hydrographic basins	1.0	There is existing information in some basins exists, but not all, for which there should be an investment in the updating and lifting of prominent information for REDD.

Design and implementation of methodologies for the lifting of the historic forest national base line, as well as for the monitoring of the compliance of REDD commitments	0.5	
Teams and tools to create the system of generation, administration and analysis of data, specifically for REDD decision making	1.5	
Strengthening of the indigenous towns and other forest inhabitants that are found in critical areas of deforestation, through pilot projects of common investment.	0.5	The focus of action is sustained by the narrow relation of the native populations and other forest inhabitants as important agents of the forest resource.

The picture is based on an preliminary estimate of the country's needs for the R-FCPF, that is to say in the prep phase in which we are.

a) Setting up a transparent stakeholder consultation on REDD (e.g., outreach, workshops, publications, etc.):

Panama counts with different transparent, well defined and very validated public processes

b) Developing a reference case of deforestation trends: Assessment of historical emissions from deforestation and/or forest degradation, or projections into the future.

Yes, specifically for the decision of a forecast model for the future degradation of the tree and forest felling.

Panama would require:

- Capacity to develop in-depth analysis on the conductors of deforestation
- Aid in developing a historic base-line utilizing data on emissions

c) Developing a national REDD Strategy: Identification of programs to reduce deforestation and design of a system for providing targeted financial incentives for REDD to land users and organizations (e.g., delivery of payments, governance issues, etc.):

The National Authority of the Environment of Panama (ANAM) is currently presenting before the National Assembly of Representatives of Panama a draft of law on Payment by Environmental Services as financial instrument to promote the restoration and the conservation of hydrographic basins and of other ecosystems. This draft of law would serve as model to design a specific financial system of REDD. Panama would require:

- Capacity of analysis to determine if the current benefits system is functional for the distribution (where possible) of the opportunities that offers the REDD mechanism
- Analysis that determines what mechanism is more economic and environmentally viable to the national or provincial projects.
- Creation of capacities for the appraisal of the opportunity costs for those that cause deforestation.

d) Design of a system to monitor emissions and emission reductions from deforestation and/or forest degradation:

- To Improve and update the current system of monitoring.
- Aid by putting in practice this system and its disclosure.
- Development of a verification system.
- Creation of capacities for the forest management and set in motion of a methodology on the appraisal of the emissions

e) Other?

12. Please state donors and other international partners that are already cooperating with you on the preparation of relevant analytical work on REDD. Do you anticipate these or other donors will cooperate with you on REDD strategies and FCPF, and if so, then how? :

To identify contributors they refer to the question 1.b. by putting in practice the cooperation agreements with international organizations, that would be able to contribute with the experts and the financial aid in the execution of a national inventory of the forest. The national programs will coincide with the international. The private sector, the native traditional authorities, the community based organizations, the authority of the Panama Canal and the environmental NGO' s are strategic associates of the ANAM to assure the success of this initiative.

13. Potential Next Steps and Schedule:

Have you identified your priority first steps to move toward Readiness for REDD activities? Do you have an estimated timeframe for them yet, or not?

Panama celebrated a first international REDD workshop on April 23-24, 2008. This workshop is our first step towards "Readiness" for REDD. Currently, there is not an estimated calendar but nevertheless, Panama welcomes this initiative of the United Nations agencies (PNUD, the PNUMA and the FAO) that have worked together among them and with the World Bank, and defining with the National Authority of the Environment (ANAM): The dispositions of the "Readiness" Plan, identifying the key points of cooperation to prepare the "Readiness" mechanism of the REDD strategy, in order to reach the objectives of the second phase of the "FCPF" which is to enter to the emissions reduction market through this mechanism. Panama is ready to walk forward in this initiative and to serve as pilot country to show everyone that the REDD mechanism is possible to be carried out to the reality if we all work together

**14. List any Attachments included
(Optional: 15 pages maximum.)**