

Forest Carbon Partnership Facility (FCPF):
Readiness Plan Idea Note (R-PIN) – External Review Form

Guidelines for Reviewers:

- 1) *This review form is a record of your review, which may be disclosed for transparency. Please bear that in mind when filling it out.*
- 2) *Please summarize your comments-- address whatever you feel is important.*
- 3) *Please evaluate and mark (score) each of the 5 Summary Assessment review criteria from the FCPF Information Memorandum, the Participants Committee Selection Criteria, and the numbered R-PIN major topics, as requested in the right-hand column. Select a mark from the following scale: NA: Not Addressed. 1: Inadequately addresses criterion. 2: Barely addresses criterion. 3: Average, or adequately addresses criterion. 4: Good job of addressing criterion. 5: Excellent job of addressing criterion.*

1) Country submitting the R-PIN: Panama Date: July 2, 2008	
I. Summary Assessment of the Quality and Completeness of the R-PIN: <i>Note with value of 1 – 5</i>	Mark (score):
Criterion (i): Ownership of the proposal by both the government and relevant stakeholders:	4
Criterion (ii): Consistency between national and sectoral strategies and proposed REDD Strategy:	3
Criterion (iii): Completeness of information and data provided:	3
Criterion (iv): Clarity of responsibilities for the execution of REDD activities to be financed:	3
Criterion (v): Feasibility of proposal and likelihood of success:	3
SUMMARY SCORE: <i>add scores above and enter sum into box on right</i>	SUM: 16

Improvements the country could make to R-PIN, and any TA needs for it:

1. More information on the role and power of stakeholders in the consultation and coordination process
2. More information on the experiences learned from the current programs and policies and how this will be integrated in the REDD strategy
3. More information is need on section 8 (Implementing REDD strategies); 9 (REDD strategy monitoring and implementation) and 10 (Additional benefits of potential REDD strategy in special the plans to rural livelihood)
4. More information is need on the budget presented for the assistance needed
5. Some annexes could be improved (see list on question 14)
6. Provide Annex 11 (Interrelation of the Strategic Plans of the ANAM and the Strategic Plans out of the Institution)

II. Participants Committee Selection Criteria: Information

Relevance of country in REDD context: Priority to countries with: (i) substantial forest area and forest carbon stocks; and (ii) relevance of forests in economy, including livelihoods of forest dwellers and Indigenous Peoples:

Geographic and biome balance: across the world's main forest biomes.

Variety of approaches: Proposed innovative approaches to tackling deforestation and degradation; methods; testing new mechanisms and distribution of REDD revenues; and/or regionally important leadership.

III. Detailed Review of R-PIN Responses to Template Questions:

Please review the R-PIN quality and completeness in terms of addressing the major questions in the FCPF R-PIN template.

1. Government focal point, and ownership and consultation in producing the R-PIN:

ANAM (Autoridad Nacional del Ambiente - National Authority of the Environment) will act as focal point. The organization appears to have the institutional arrangements and expertise necessary for the task. Basically only ANAM staff was involved in the proposal elaboration.

A consultation process with 7 workshops with the participation of 1.043 people was conducted. The proposal was also "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".

2. Identification of institutions responsible for: forest monitoring, law enforcement, conservation, and coordination across forest, agriculture and rural development:

All relevant governmental organizations were identified in the proposal. "The coordination is established through the Environmental Inter-institutional System (Sistema Interinstitucional Ambiental SIA) comprising twenty-two (22) institutions".

It's not clear how the stakeholders will be involved in the process of coordination.

3. Current country situation:

Where do deforestation and forest degradation occur, main causes, estimates of greenhouse gas emissions, data available? Key issues in forest law enforcement and forest sector governance?

The current situation, the drivers, the data and estimations available are well described in the proposal and its annexes.

There are 6 main causes for deforestation: 1) Traditional and mechanized agricultural practices; 2) Practices of extensive stock breeding; 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; and 6) Low level of education and environmental culture.

Special attention should be given to :

1. Law 37 of September 21 of 1962 (Farm Code). "This document indicates that the lands that contain forest with possessors' rights need to be felled to obtain the right to ownership. Hence, the code indirectly pushes the population to act in a negative manner towards the forest causing a change in the soil use to farming practices. This situation creates a contradiction with the current forestry legislation that is centered on the conservation and the restoration of the native forests. In another more positive aspect the code prohibits the use or destruction of the forest corridor on the banks of the water sources".
2. Revision of the Law 1 of February 3 of 1994 (Legislation for the forest of the Republic of Panama). "The objective of this law is the conservation, protection, improvement, promote relevance, education, research, administration and rational utilization of the forestry resources of the Republic. The national law for the forest in currently being revised. We do not foresee any problems with the implementation so long as the authority that coordinates (ANAM) remains in charge of the application and supervision of the law for the forest".
3. Executive Decree N° 2 of January 17, 2003 (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".

4. Data available on indigenous peoples and forest dwellers?

There is sufficient information available to access the number, land tenure and role in forest management.

5. Current strategy in place to address deforestation and forest degradation. What stakeholder process was used to arrive at it?

The current strategy is based on "integrated management of the hydrographic basins". Panama counts with 52 hydrographic basins. In this sense there are various plans that can contribute to deforestation reduction (National Plan of Forest Development, the National Plan of Management Integrated of Basin and the Strategic Plan of the National System of Protected Areas).

"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".

Many programs and policies are already in place. It will be good to know what are the experiences learned and how this will be integrated in the REDD strategy.

6. What would be needed to reduce deforestation and forest degradation?

Has country considered the potential relationship between REDD strategies and country's broader development agenda?

Has any technical assistance been received, or is planned on REDD?

"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" (Environmental Inter-institutional System).

Annex 11 (Interrelation of the Strategic Plans of the ANAM and the Strategic Plans out of the Institution) is missing.

7. What stakeholder consultation process would country use for developing and implementing REDD under FCPF support?

"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)". 17 workshops were held.

"In these consultations the associations and lumber businessmen, professional guilds, industrial, common groups, NGOs were involved".

The consultation process seems to be adequate, but more information could be given regarding the stakeholder participation and real influence on the results of the process.

8. Implementing REDD strategies: challenges to introducing effective REDD strategies, and how might they be overcome? Would performance-based payments though REDD be a major incentive for implementing a more coherent strategy to tackle deforestation?

"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".

It's not clear how the proposal will create "awareness and capacitating to these companies". More information could be provided in this section.

9. REDD strategy monitoring and implementation:

How forest cover and land use change are monitored today, and any constraints in this approach?

"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".

Nowadays Panama don't have a " 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".

The systems clear needs improvements, and the proposal only explain in general terms how the REDD strategy will tackle the problem.

10. Additional benefits of potential REDD strategy, and how to monitor them: biodiversity and rural livelihood?

“Currently, the biodiversity is not being monitored throughout the country”. Experiences with an “Index of Biological Integrity” exist and could be used for monitoring biodiversity under the REDD strategy. Further details are needed.

Regarding rural livelihood, “the supervision of rural benefits is done through the reach of the diverse programs that we carry out”, but no details are given on how this will be done under the REDD strategy.

11. What assistance is country likely to request from FCPF Readiness Mechanism?

The following assistance is needed:

- 1) 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);
- 2) Updating of information for the integrated management of hydrographic basins;
- 3) 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;
- 4) Teams and tools to create the system of generation, administration and analysis of data, specifically for REDD decision making;
- 5) Strengthening of the indigenous towns and other forest inhabitants that are found in critical areas of deforestation, through pilot projects of common investment.

With the information provided it is not possible to evaluate if the budget asked is consistent with the proposed activities.

12. Donors and international partners already cooperating with country on REDD.

Apparently, no donors or international partners are already cooperating directly on REDD.

13. Country's Potential Next Steps and Schedule:

No further steps were presented.

14. Attachments and their usefulness:

The annexes presented very useful information, in particular:

Annex 2. Map on Changes of Wooded Cover in the Republic of Panama, 1992-2000.

Annex 3. Summary of Deforestation History in Panama and Inquiry into Chapter I of Revised ENA.

Annex 4. Laws and Decrees with Greater Relevance

Annex 5. Table and Map of Populated Places by Province and District in Protected Areas.

Annex 6. Map of Poverty in Protected Areas, Priority Basins and Critical Desert Conditions and Drought Areas.

The following annexes could be improved:

Annex 8. Objectives to Succeed at a National Environmental Strategy: Environmental Management for a Sustainable Development, (2008-2012)

Annex 7. List of 24 Programs for Integrated Watershed Management.

Annex 9. Plan to Implement the REDD Strategy in Panama.

Annex 10. Interrelation of the ANAM Strategic Plans and the Strategic Plans outside the Institution.

The following annex is missing:

Annex 11 (Interrelation of the Strategic Plans of the ANAM and the Strategic Plans out of the Institution)