



## Sustainable Production Systems and Conservation of Biodiversity (P145621)

LATIN AMERICA AND CARIBBEAN | Panama | Agriculture Global Practice |  
Global Environment Project | Investment Project Financing | FY 2015 | Seq No: 8 | ARCHIVED on 05-Jun-2018 | ISR32057 |

Implementing Agencies: Ministerio de Ambiente (MIAMBIENTE), Ministerio de Economia y Finanzas

## Key Dates

## Key Project Dates

Bank Approval Date:09-Feb-2015

Effectiveness Date:04-Feb-2016

Planned Mid Term Review Date:30-Mar-2018

Actual Mid-Term Review Date:10-Apr-2018

Original Closing Date:30-Dec-2019

Revised Closing Date:30-Dec-2019

## Global Development Objectives

Global Environmental Objective (from Project Appraisal Document)

The proposed global environmental objective is to conserve globally significant biodiversity through improved management effectiveness of the project protected areas and biodiversity mainstreaming in the buffer zones.

Has the Global Environmental Objective been changed since Board Approval of the Project Objective?

No

## Components

Name

Sustainable Management of Protected Areas:(Cost \$15.16 M)

Biodiversity and Sustainable Productive Landscapes:(Cost \$6.81 M)

Knowledge Management, Training, and Communications:(Cost \$5.17 M)

Project Management:(Cost \$1.83 M)

## Overall Ratings

Name	Previous Rating	Current Rating
Progress towards achievement of PDO	● Moderately Satisfactory	● Moderately Satisfactory
Overall Implementation Progress (IP)	● Moderately Satisfactory	● Moderately Satisfactory
Overall Risk Rating	● Moderate	● Moderate

## Implementation Status and Key Decisions



This ISR is based on the findings of the Mid-Term Review conducted April 2-10, 2018. The project was approved in February 2015, became effective in February 2016 and the first disbursement took place in July 2016. After startup delays, the project is advancing well. The main areas of progress in recent months include: (i) 362,817 hectares (66 percent of the end-of project target under enhanced biodiversity conservation due to project interventions, (ii) park and forest rangers of the twelve protected areas targeted by the project have received specialized training to strengthen their capacity to preserve the protected areas, (iii) acquisition and utilization of specialized equipment (GPS, camera traps, drones, compass, boats, engines, etc.) to support improved management, control function in commercial areas of project zones (Nargana and Damani Guariviara) and for forest firefighting; (iv) four municipal environmental plans (up to 76,000 direct and indirect beneficiaries) and thirteen sub projects are under execution with 7 additional sub-projects already approved ready to start implementation with 10 more at various level of approval or design; (v) a total of 34 outreach activities carried out to promote the importance of biodiversity and the country's protected areas management system; and (vi) more than 41,000 direct beneficiaries (over 85 percent of the original end target of 48,450) as a result of interventions in the Municipalities of Capira and Chame.

In addition, the establishment and operationalization of the Endowment Fund (EF) are in their final stage of completion. The EF is being established as a window of a newly created national fund "*Fideicomiso de Agua, Areas Protegidas y Vida Silvestre*" also known as the "Super Fund". The Super Fund is a hybrid fund and its governance structure will be led by an independent Board and technical unit, in accordance to the guidelines and procedures following international best practices as described in the operational manual. The initial capitalization of the EF has been made effective and the selection and contracting of an internationally recognized Asset Manager (AM) to manage the EF's assets has also been completed.

Nevertheless, with the closing date of the project just 20 months away (December 30, 2019), there is a need to sustain and accelerate further the pace of implementation to make up for the initial implementation delays and to ensure that the project fully achieves its stated objectives and results.

## Risks

### Systematic Operations Risk-rating Tool

Risk Category	Rating at Approval	Previous Rating	Current Rating
Political and Governance	--	● Moderate	● Moderate
Macroeconomic	--	● Low	● Low
Sector Strategies and Policies	--	● Moderate	● Moderate
Technical Design of Project or Program	--	● Moderate	● Moderate
Institutional Capacity for Implementation and Sustainability	--	● Moderate	● Moderate
Fiduciary	--	● Moderate	● Moderate
Environment and Social	--	● Moderate	● Moderate
Stakeholders	--	● Moderate	● Moderate
Other	--	● Low	● Low
Overall	--	● Moderate	● Moderate

## Results

### Global Environmental Objective Indicators



► Areas brought under enhanced biodiversity protection (ha)(Hectare(Ha), Custom)

	Baseline	Actual (Previous)	Actual (Current)	End Target
Value	0.00	194,075.00	362,817.00	550,000.00
Date	01-May-2014	29-Sep-2017	10-Apr-2018	30-Dec-2019

Comments

66 percent of the end target. This significant increase in the area under enhanced biodiversity because of project interventions was assessed using the GEF-Tracking Tool applied between December 2017 and April 2018 as part of the preparation of the MTR assessments. Park Rangers in 12 protected areas have been trained (with delivery of Park Ranger Diploma) in the areas of environmental and natural resource management, environmental sustainability, reporting, use of specialized equipment (GPS, compass, camera traps, drones, forest fire fighting, motor boats, etc.). Further progress with this indicator will be assessed using the final application of the GEF-Tracking Tool at the time of project closing in December 2019.

► Landscapes certified by internationally or nationally recognized environmental standards that incorporate biodiversity considerations (ha)(Hectare(Ha), Custom)

	Baseline	Actual (Previous)	Actual (Current)	End Target
Value	0.00	0.00	0.00	1,200.00
Date	01-May-2014	09-Feb-2016	10-Apr-2018	30-Dec-2019

Comments

No change with this indicator despite good progress with the certification process currently underway for (918 Ha) that includes cocoa, coffee and plantain plantations (918 Ha or 76 percent of the end target of 1200 Ha). Because of the nature of the certification processes (e.g., organic, rain forest, fair trade, green seal) that is lengthy and time-consuming, the completion of these processes with the final obtaining of the certifications for the 1,200 hectares are now expected only during the second half of 2019.

Overall Comments

Intermediate Results Indicators



► Endowment fund to support sustainable management of PAs established and operating (Percentage, Custom)

	Baseline	Actual (Previous)	Actual (Current)	End Target
Value	0.00	--	90.00	100.00
Date	01-May-2014	--	10-Apr-2018	30-Dec-2019

Comments

90 percent of the end project target. The Trust Fund for Water, Protected Areas and Forest Life (also known as the Super Fund) was established on July 11, 2017 through Executive Decree 69 with the Endowment Fund (EF) to enhance the sustainable management of PAs as one of its windows. The initial capitalization of the EF has been made effective and already received contributions in a total amount of US\$9.7 Million (US\$7.0 M from the government and US\$2.7 from the private firm AES) and well exceeding the initial target of at least US\$3.5 M. The disbursement conditions for the GEF contribution (US\$1.5 M) are in their final stage of processing (adoption of the operational manual of the EF that already received the Bank's no objection, signing of the asset manager contract that has already been selected, and establishment governing structure of the EF (Board and the Technical-Administrative Unit)). The start of operations of the EF is expected to begin in the 3rd quarter of 2018.

► Number of operating concessions for administration or services to support the management of 3 PAs (Number, Custom)

	Baseline	Actual (Previous)	Actual (Current)	End Target
Value	0.00	0.00	0.00	3.00
Date	01-May-2014	29-Sep-2017	10-Apr-2018	30-Dec-2019

Comments

After some delays, the preparation of two concessions (National Park Division General Omar Torrijos and National Park Altos de Campana) under Ecotourism schemes are well under way. Their formalization is expected in the second half of 2018.

► Number of PAs where the SNIMDB is implemented (Number, Custom)

	Baseline	Actual (Previous)	Actual (Current)	End Target
Value	3.00	4.00	4.00	8.00
Date	01-May-2014	29-Sep-2017	10-Apr-2018	30-Dec-2019

Comments

50 percent of the end target. To date, the implementation of National Biodiversity Information and Monitoring System has been initiated in 4 protected areas. In 2018, two additional protected areas (Cerro Hoya National Park and Altos de Campana National Park) will be incorporated into the National Biodiversity Information and Monitoring System.



► Producer association groups implement at least 30 sub-projects (Number, Custom)

	Baseline	Actual (Previous)	Actual (Current)	End Target
Value	0.00	11.00	13.00	30.00
Date	01-May-2014	29-Sep-2017	10-Apr-2018	30-Dec-2019

Comments

43 percent of the end target. Thirteen producer groups are each implementing 13 subprojects for the promotion of agroforestry systems (e.g. improvement of cocoa farm production through the implementation of good agricultural and environmentally friendly practices, using organic fertilization, natural shade harvesting, increased productivity to stop expansion of the agricultural frontier, etc.). Furthermore, a total of 7 additional sub-projects have already been approved and ready to start implementation, with 6 more subprojects already prepared and awaiting approval. Finally, the formulation of a final group of 4 other sub-projects is well underway with approval expected in the second half of 2018.

► Two business alliances with buyers for marketing of biodiversity-friendly products are established (Number, Custom)

	Baseline	Actual (Previous)	Actual (Current)	End Target
Value	0.00	--	2.00	2.00
Date	01-May-2014	--	10-Apr-2018	30-Dec-2019

Comments

100 percent of the end target. Business partnerships established with COCABO and COOBANA, cooperatives dedicated to the export of cacao (Swiss market, USA, other European countries) and banana (German market). New partnerships are being explored to access new markets (with domestic supermarkets).



► Number of municipalities that have implemented activities in their environmental plans (Number, Custom)

	Baseline	Actual (Previous)	Actual (Current)	End Target
Value	0.00	--	0.00	6.00
Date	01-May-2014	--	10-Apr-2018	30-Dec-2019

Comments

0 percent of the end target. A total of 4 plans have been designed and the 4 subprojects resulting from these plans are expected to start implementation and to be fully completed in the second half of 2018. The design of 2 additional municipal plans is well underway and they are expected to generate two additional subprojects to be fully implemented in 2019.

► Direct project beneficiaries (Number, Custom)

	Baseline	Actual (Previous)	Actual (Current)	End Target
Value	0.00	--	41,776.00	80,000.00
Date	01-May-2014	--	10-Apr-2018	30-Dec-2019

Comments

86 percent of the original end target of 48,450 and 52 percent of the revised end target of 80,000. The current beneficiary population is the result of interventions in the Municipalities of Capira and Chame. Based on the current status of implementation of sub-project and preparation of municipal plans, the end-target has been revised upward from 48,450 to 80,000 during the MTR.

▲ Female beneficiaries (Percentage, Custom Supplement)

	Baseline	Actual (Previous)	Actual (Current)	End Target
Value	0.00	48.00	45.00	50.00



► Number of outreach or educational activities to promote the benefits of biodiversity and the public's role in conservation (Number, Custom)

	Baseline	Actual (Previous)	Actual (Current)	End Target
Value	0.00	15.00	34.00	50.00
Date	01-May-2014	29-Sep-2017	10-Apr-2018	30-Dec-2019

Comments

113 percent of the original end target of 30 and 68 percent of the revised end target of 50. Based on the current status of implementation of outreach activities and the additional ones under preparation, the end-target has been revised upward from 30 to 50 during the MTR.

► Analysis of financial gap for the entire PA system published (Number, Custom)

	Baseline	Actual (Previous)	Actual (Current)	End Target
Value	0.00	0.00	0.00	1.00
Date	01-May-2014	29-Sep-2017	10-Apr-2018	30-Dec-2019

Comments

The selection of the consultant to carry out the Financial Gap Analysis has been completed and the contract awarded. The final report is expected by the end of December 2018.

► At least one biodiversity-friendly product (i.e., coffee, cacao, orange, or banana) receives bio-labels and/or denomination of origin. (Number, Custom)

	Baseline	Actual (Previous)	Actual (Current)	End Target
Value	0.00	0.00	0.00	1.00
Date	01-May-2014	29-Sep-2017	10-Apr-2018	30-Dec-2019

Overall Comments

One organization of coffee producers with high potential for the certification of their product has already been identified through the approved subprojects. The certification is a lengthy process. The implementation of an action plan has been initiated to achieve the corresponding bio-label by the end of 2019.



## Data on Financial Performance

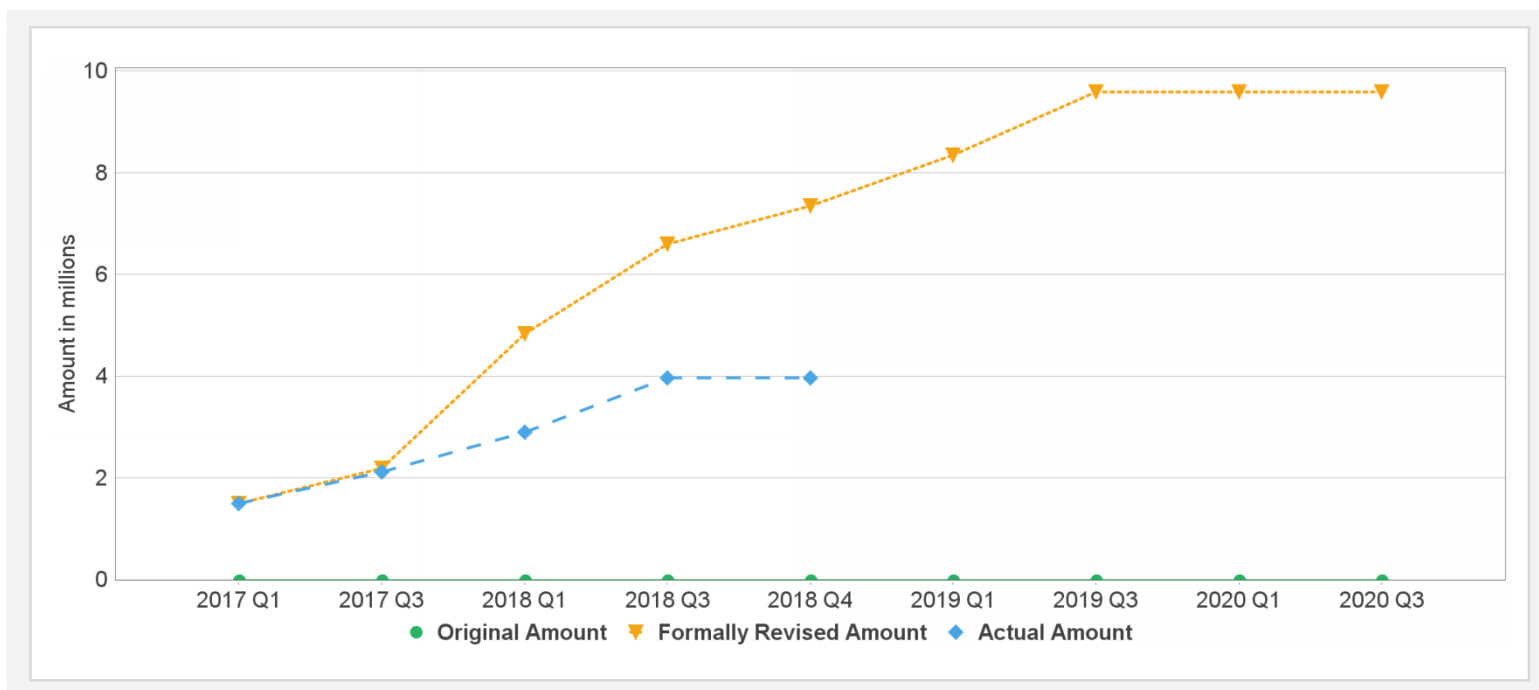
### Disbursements (by loan)

Project	Loan/Credit/TF	Status	Currency	Original	Revised	Cancelled	Disbursed	Undisbursed	Disbursed
P145621	TF-18972	Effective	USD	9.59	9.59	0.00	3.96	5.63	41%

### Key Dates (by loan)

Project	Loan/Credit/TF	Status	Approval Date	Signing Date	Effectiveness Date	Orig. Closing Date	Rev. Closing Date
P145621	TF-18972	Effective	09-Feb-2015	09-Jul-2015	04-Feb-2016	30-Dec-2019	30-Dec-2019

## Cumulative Disbursements



## Restructuring History

Level 2 Approved on 21-Jul-2015

## Related Project(s)

There are no related projects.



