

## INFORMAL INTERVIEW

### Results of the interview with Olmedo Espino R. Secretariat general of the MIDA (Ministro de Desarrollo Agropecuario)

Do you think that the problem of deforestation is severe in Panamá?

*The problem of deforestation still exists in Panamá but it is not that severe and it has been reduced over the years. Furthermore there is a lot of reforestation going on. Reforestation is more important than avoiding deforestation.*

Is expansion of the agricultural frontier occurring?

*Expansion of the agricultural frontier is not that pronounced because there are a lot of protected areas that are monitored. Monitoring is enforced by denunciation and inspection by ANAM.*

What is the situation of the cattle ranching industry in Panamá?

*The reason why cattle ranching is being so favored is that it is a more competitive market. Even though it is not the most efficient, we do not have to feed the cow with grain and that makes a big difference for production cost. Chicken and Pork have to be fed with grain. Panamá is in no mean competitive in the grain market so they buy the grain from United States because the prices are lower. So Panamá favors cattle ranching because it reduces their dependence on international market because they do not have to buy the grain from foreign market.*

What are the regions with the best agricultural potential in Panamá?

*The regions that are the most prone to cattle ranching are Chiriquí and Los Santos. But Veraguas, Darien also have a good potential. These soils are the most fertile.*

What is the kind of financial help that is available to farmers and what are the criteria to be eligible for financial help?

*There are subsidies and financing available for farmer. In order to receive the financial aid the producer has to be able to show that he owns the land and show the investment that he wants to make in order to increase the*

*productivity of the land. More than everything, the producer has to show that he can be competitive with the international market. This again is to reduce dependence and encourage people to consume national product*

How does Panamá go about the problem of unsustainable practices?

*One needs a permit in order to clear a piece of land through slash and burn. Those permits are usually issued in secondary forest not in primary forest.*

What is your view on avoided deforestation, compensation not to cut down the forest?

*There is no economic incentive in Panamá to prevent deforestation.*

## **Interview with Carlos Melgarejo the head of forestry at ANAM**

Where is deforestation most important?

*In Darien and Ngobe bugle*

What are the principal causes of deforestation in Panamá?

*Cattle ranching linked with expansion of the agricultural frontier*

Are there any contradictory economic incentives in Panamá related to conservation of forest or law that ANAM disagrees with?

*Ley 2 de 20 Marzo 1986, give incentive to favor production and exportation of farm product. This is manifested with a tax, ITBM, of 5% on the farm product for local consumption*

Is there a national agreement on vocation of land, conservation vs farming?

*There exists no general consensus. ANAM does not have the status of a ministry so it cannot vote in the council of minister. In order for a national consensus to result in conservation of the land, there must be a change in the political structure so that we have more political weight.*

*An example of program that favors deforestation is PRONAT.*

*This was originally a good idea because it provided people with land title and improves security. But the outcome of this project was an increase in deforestation. For instance, last week I was with Mr. Salazar in the Darien. MIDA is in favor of this because people that own their land can dispose of it however they want. The most likely situation is that people will take advantage of the land and transform it in cultivable land. The land that used to be national land in the Darien now is privatized and ANAM has no control over land use.*

Is there any kind of subsidies to alleviate poverty or to encourage sustainable management of the land in Panamá?

*MIDA provides technological and financial assistance to landowner but they usually not contribute to alleviate poverty as the criteria to be eligible for the help usually favor the big landowner as they are the one that have access to the information and to the resources to fill the demand for help. The big landowner do not live off subsistence agriculture. Furthermore the phenomenon of landownership concentration is contributing to exacerbation of the poverty among the campesino.*

Do you think that avoided deforestation is desirable in Panamá?

*Yes but I think that we should focus on PES because it can be done now and has more potential to have results in the short term.*