THAILAND
MTR REPORT
FOREST CARBON PARTNERSHIP
FACILITY PC/PA MEETINGS

October 21, 2020

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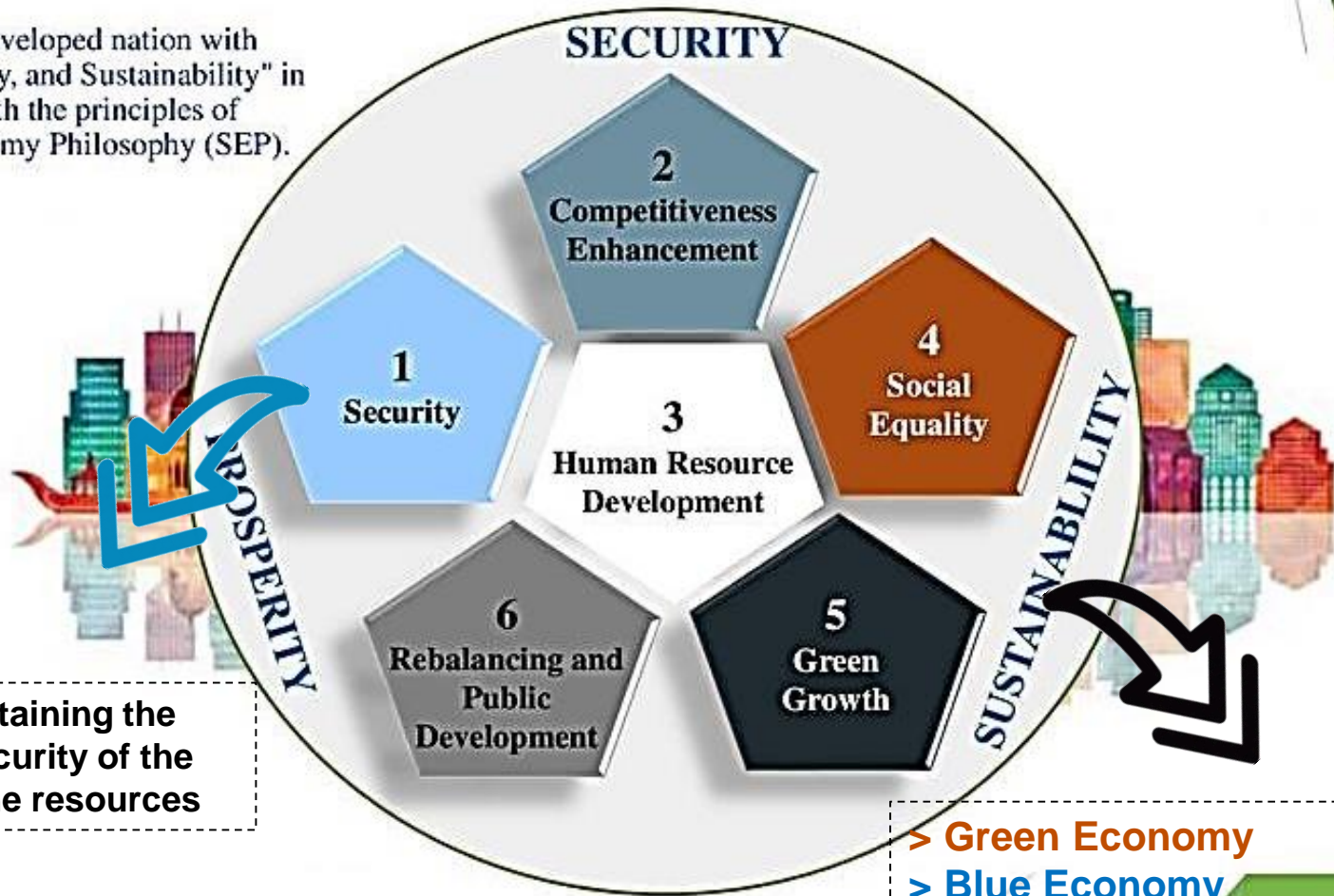# Content

VISION:

Thailand as a developed nation with "Stability, Prosperity, and Sustainability" in accordance with the principles of Sufficiency-Economy Philosophy (SEP).

SECURITY

2 Competitiveness Enhancement

1 Security

3 Human Resource Development

4 Social Equality

6 Rebalancing and Public Development

5 Green Growth
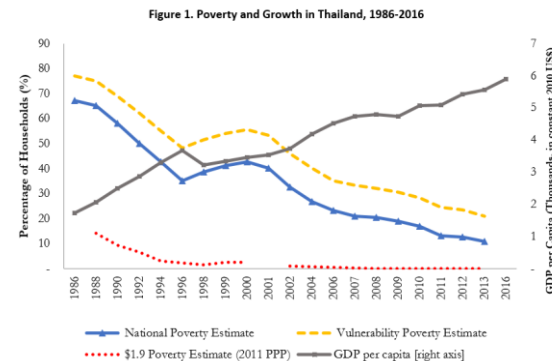
PROSPERITY

SUSTAINABILITY

Strategy 1.4: retaining the interest and security of the natural & marine resources

> **Green Economy**
> **Blue Economy**
> **Climate-friendly Economy**
> **Circular Economy**

WBG Country Partnership Framework

- The last WBG Thailand Country Assistance Strategy was for 2003-08. Following was a period of political volatility.

- **Thailand now has a 20 Year National Strategy (2017-2036)** in place, focused on key structural economic and social reforms to end poverty and boost prosperity.

- **New FY19–FY22 Thailand CPF responds to the new 20-year National Strategy and reflects the fundamental change in the Thailand-WBG partnership in recent years of renewed administrative stability and reform momentum. The overarching goal of the CPF is to support Thailand's transformation towards an innovative, inclusive and sustainable economy.**

- Thailand signed its first-ever Reimbursable Advisory Services (RAS) agreement with the World Bank in late 2016, and the RAS program has been growing rapidly since then.

Figure 1. Poverty and Growth in Thailand, 1986-2016

National Poverty Estimate — Vulnerability Poverty Estimate — $1.9 Poverty Estimate (2011 PPP) — GDP per capita [right axis]
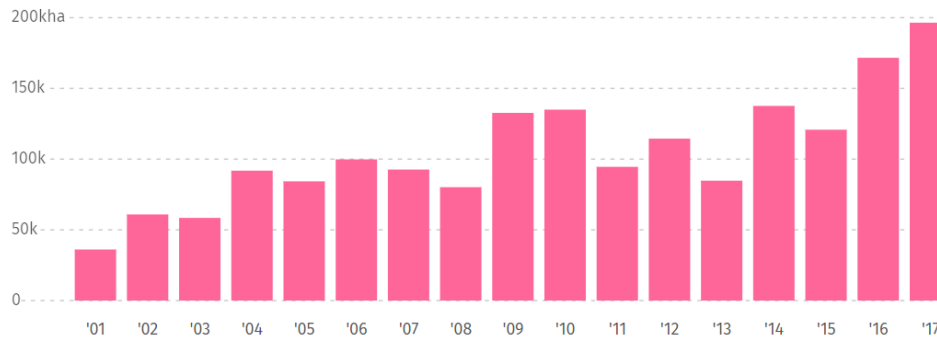
Forest Changes

Thailand's natural forests and coastal and marine resources are being depleted, putting future economic growth at risk.

Significant forest loss over last half decade: Forest areas have declined steadily (from 53.3 percent of the total country in 1961 to 33.6 percent in 2009), **mainly by illegal logging and cross-boarder trade into neighboring countries.** This means a loss of the large variety of ecosystem services they provide, including watershed protection and providing a habitat for Thailand's globally significant biodiversity.

From **2001** to **2017**, **Thailand** lost **1.79Mha** of tree cover, equivalent to a **9.0%** decrease since **2000**, and **183Mt** of CO_2 of emissions.
From **2001** to **2012**, Thailand gained **0.49 Mha** of tree cover.

2000 tree cover extent | >30% tree canopy | these estimates do not take tree cover gain into account
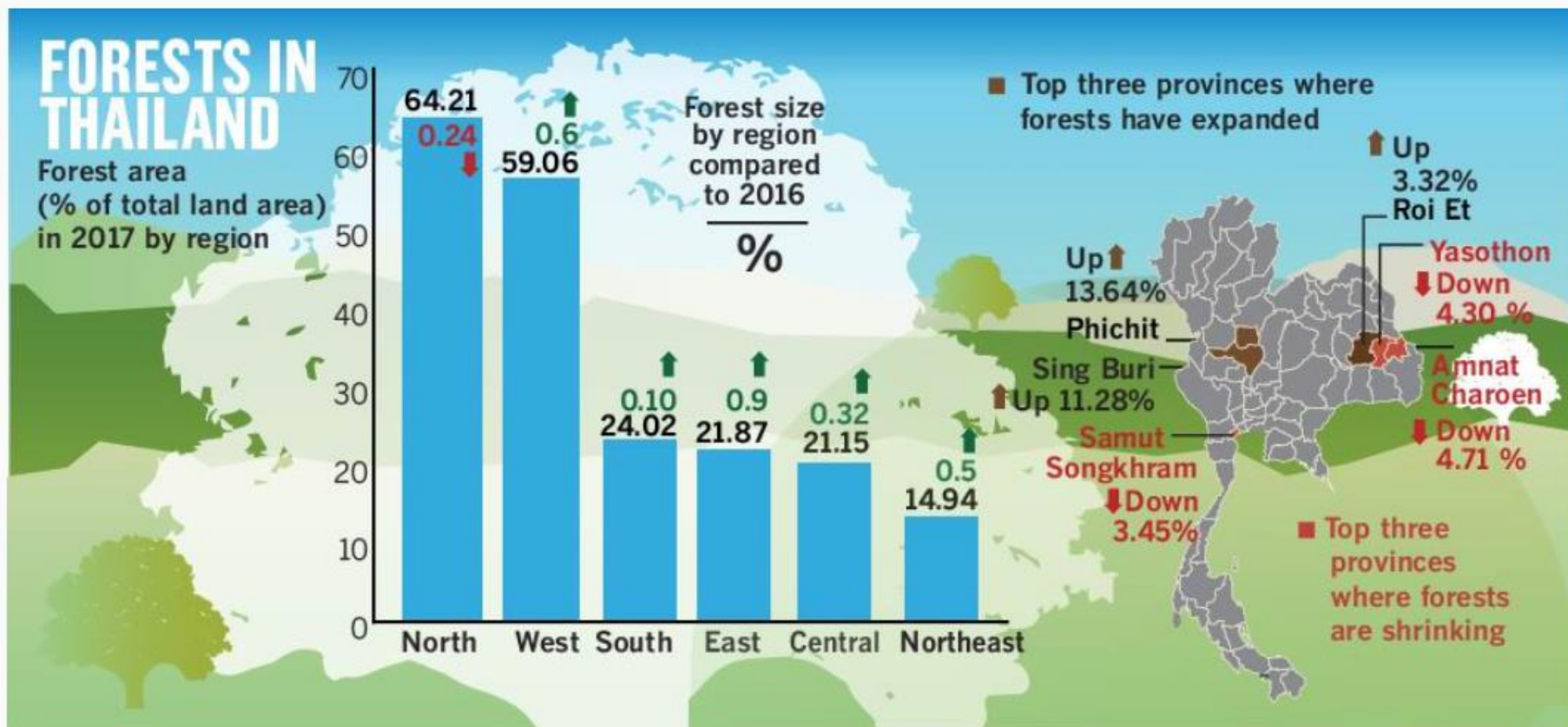
- Naturally Regenerated Forest
  5.69Mha
- Primary Forest
  6.73Mha
- Planted Forest
  3.99Mha
- Other Tree Cover
  0.00ha
- Non-Forest
  34.9Mha

Primary forest is occupying just 13% of the country.
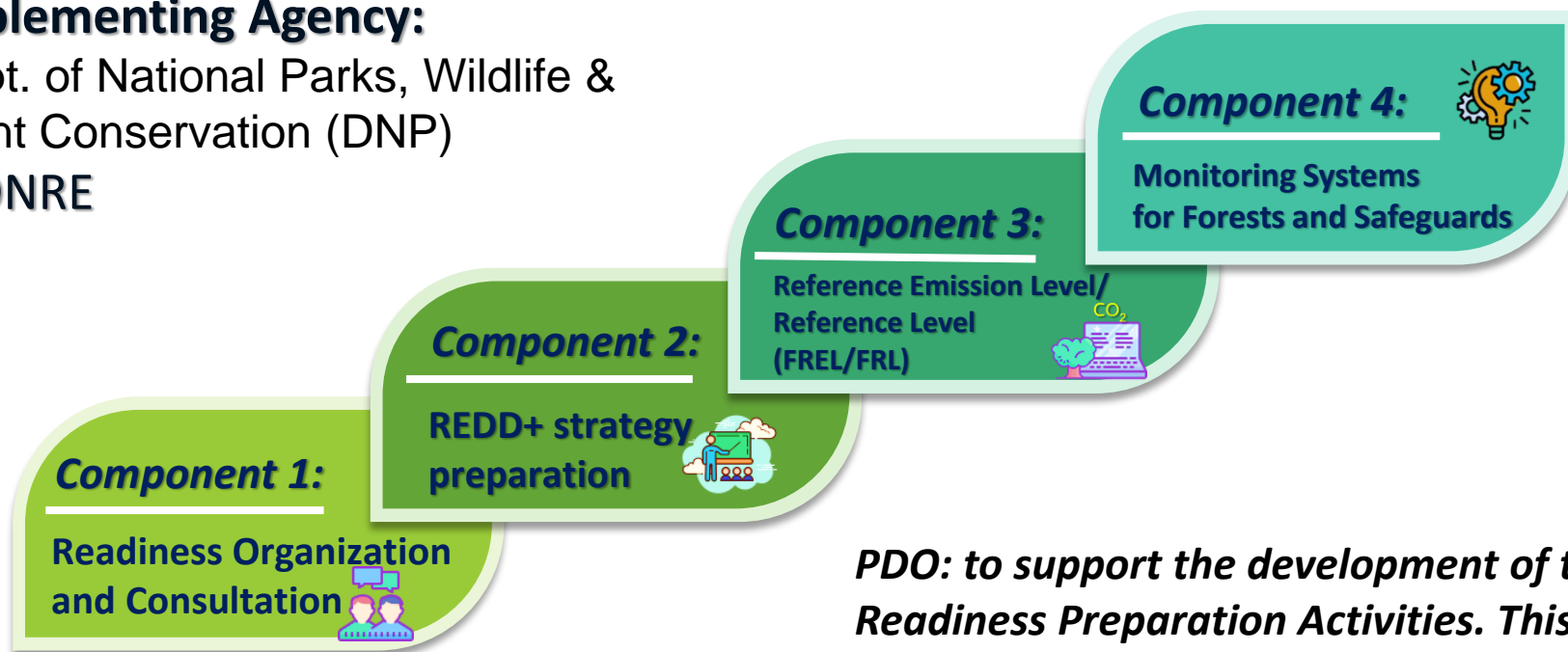
Situation is starting to turn around

Over the past five years, the forest cover for Thailand has remained steady at 31 to 32 per cent, but still far to go to reach national 40% forest cover goal.

FORESTS IN THAILAND

Forest area (% of total land area) in 2017 by region

Forest size by region compared to 2016
%

Region	North	West	South	East	Central	Northeast
Value	64.21	59.06	24.02	21.87	21.15	14.94
Change	0.24 ↓	0.6 ↑	0.10 ↑	0.9 ↑	0.32 ↑	0.5 ↑

Top three provinces where forests have expanded

Up ↑ 13.64% Phichit
Sing Buri Up 11.28%

Up ↑ 3.32% Roi Et

Yasothon ↓ Down 4.30 %

Samut Songkhram ↓ Down 3.45%

Amnat Charoen ↓ Down 4.71 %

Top three provinces where forests are shrinking

Source: Royal Forest Department and Faculty of Forestry, Kasetsart University

NATION GRAPHICS

REDD+ Readiness Program: Overview

Implementing Agency:

Dept. of National Parks, Wildlife & Plant Conservation (DNP)

MONRE

Component 4:

Monitoring Systems for Forests and Safeguards

Component 3:

Reference Emission Level/ Reference Level (FREL/FRL)

CO_2

Component 2:

REDD+ strategy preparation

Component 1:

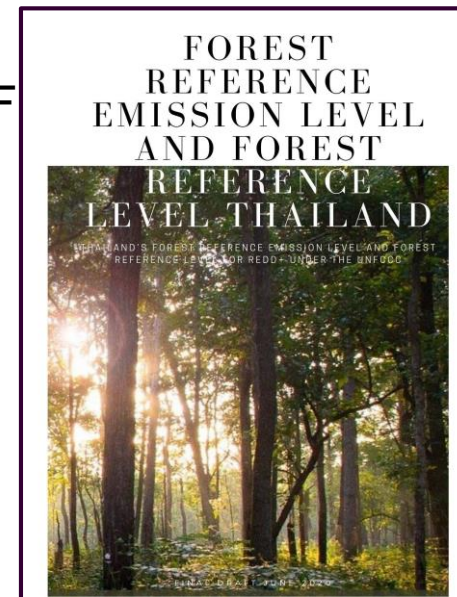Readiness Organization and Consultation

Four main components
(Review of Implementation Progress by component as presented by the DNP)

PDO: to support the development of the Readiness Preparation Activities. This will be achieved by supporting the preparation of the Recipient's REDD+ strategy, the design of a national MRV system, and by producing technical work and policy advice.

REDD+ Readiness Program: Key Results

- Cumulative Disbursements to date: US$1.5 M (42% of total)
- Closing date: December 31, 2021, project is on track to achieve its PDO
- Activities under Comp. 1 and 3 are largely completed (80% and 95% respectively).
- Larger amount of work under Component 2 is pending
- SESA and ESMF for the forestry sector which will be submitted for cabinet approval
- Development of the national benefit sharing mechanism
- Institutional strengthening for REDD+ readiness organizations at national and regional levels, including for safeguards
- Drivers study of deforestation and forest degradations was carried out to provide inputs and recommendations for the National REDD+ Strategy.
- Development of FREL and MRV system
- Inclusive stakeholder engagement process through SESA/ESMF
- Awareness raising on forests and climate change

FOREST REFERENCE EMISSION LEVEL AND FOREST REFERENCE LEVEL THAILAND

THAILAND'S FOREST REFERENCE EMISSION LEVEL AND FOREST REFERENCE LEVEL FOR REDD+ UNDER THE UNFCCC

REDD+ Readiness Program: Implementation Challenges

- The DNP faced some initial administrative difficulties that delayed project implementation at start
- Shortage of consultants and national staff of suitable expertise has been hindering project progress, especially those under Comp. 2, leading to project extension.
- Poor performance of the consulting firm under the Comp. 2 leading to delay in completing key deliverables
- Recent implementation is stalled by pandemic of COVID-19 in early February 2020 and subsequent declaration of a State of Emergency since March until the end of June 2020. This Declaration limits domestic and international travels as well as prohibit group gathering in public places which further delayed implementation of important project activities especially on the stakeholder consultations which is one of the main tasks under Component 2.

Opportunities to Broaden Dialogue on Forests

- Thailand's participation in the sub-regional Mekong Forest Landscape Program, as a core part of the Bank's climate and ecosystem management efforts in SE Asia, including analytical work on forest fires as the start

- Technical assistance on developing a Payment for Ecosystem Services Scheme in support of forest conservation and development of Forest Laws

- Potential interest of the Gov. in developing a future operational engagement on forest and watershed management.

- Innovative incentives in support of community forestry, commercial plantation on private lands

- Several elements of the REDD+ program would support COVID-19 recovery priorities through e.g. benefit-sharing arrangements that provide direct economic injections to communities and strengthened management of wildlife populations.

Example of fiscal incentives: Cabinet approved new law for tax incentives: Private sector companies who donate funds in support of community forestry, can receive tax deductions of up to 2% of their net profits. Private sector donations need to be at the scale of at least $33,000 per community forestry villages.