PROJECT INFORMATION DOCUMENT (PID)
CONCEPT STAGE

Report No.: PIDC6453

Project Name	Thailand FCPF Readiness Preparation Project (P130115)
Region	EAST ASIA AND PACIFIC
Country	Thailand
Sector(s)	Forestry (100%)
Theme(s)	Climate change (100%)
Project ID	P130115
Borrower(s)	Ministry of Finance
Implementing Agency	Department of National Parks, Wildlife and Plant Conservation
Environmental Category	B-Partial Assessment
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I. Introduction and Context

Country Context

Thailand is located in the south-eastern part of continental Asia, bordered by Myanmar, Lao PDR, Cambodia and Malaysia and is one of the strongest economies in the sub-region. It has a land area of approximately 51.3 million ha. and the central part of the country contains the major rice growing area formed by the basin of the Chao Phaya River. Climate change must be viewed as a central issue related to Thailand's development. The country is 24th among the world's largest GHG emitters, and is highly vulnerable to climate change impacts. Direct impacts result not only from gradual changes in temperature and sea level, but also from increased climate variability and extremes, including more intense floods, droughts, and storms.

Northwestern Thailand is mainly mountainous with a sub-tropical climate and the northeastern part is mainly comprised of a semi-arid plateau with generally poor soils. The southern part is a long, generally mountainous peninsula that separates the Gulf of Thailand from the Indian Ocean and has a tropical climate. Thailand's landscape and forest resources reflect its topographic, agro-ecological zones and cultural diversity which results in a complex mosaic of agriculture and forests. The predominant forest types are mainly evergreen forest in the south and mixed deciduous forest in the west and northwest, while the northeastern part of the country is predominantly a dry dipterocarp forest. Each of these forest types contains many valuable timber species such as teak and rosewood. Similar to other developing countries in the region, the forest areas in Thailand have been under serious threat.

Up-to-date statistics on deforestation and forest cover are not available and robust methods for determining these parameters will need to be addressed during pre-investment and readiness. However, there are a number of studies that are useful to approximate these variables. For example, historical studies show that forest cover has declined from 53.3 % in 1961 to 33.1% in 2000. Since 2000, the annual deforestation rate was estimated at 100,000 ha or in excess of 0.6% per year, which is considered very high. Thailand had approximately 19.6 million ha of forest land in 2006, based on ground sampling. About 1.45 million ha are in plantations and almost 13 million ha are in evergreen forest. The balance is made up of various drier forest types, including mixed deciduous, dry dipterocarp and pine as well as mangroves and small areas of swamp forest.

Deforestation is strongly linked to population growth with an increased demand for forest products and land for agricultural expansion as well as development of infrastructure facilities (e.g. roads, electricity, water reservoirs for hydro-power and irrigation and mining), and despite improvements in forest management. Forest degradation, where the land remains as forest but the density and quality of the forest is decreased, is caused mainly by illegal logging and harvesting of non-timber forest product for commercial purpose, and uncontrolled forest fires. No estimates are available for degradation but it is expected to be several times the rate of deforestation. Today people cook on natural gas rather than firewood and charcoal, and wood substitutes are increasingly replacing wood in house construction as it is more affordable than timber. Forest management has slightly improved due to both the direction of government policy and pressure from society. Government policies have emphasized conservation and sustainable use of forest resources since a national logging ban was imposed in1989. The government has also recognized and supported people's participation and private investment in forestry activities. Nevertheless, despite these policies the improvement in forest management would not have succeeded without considerable public pressure and support for stronger conservation and protection.

Sectoral and Institutional Context

Thailand has actively participated in the global climate change debate and fora. The Government of Thailand (GOT) ratified the UNFCCC in December 1994 and the Kyoto Protocol in August 2002. Subsequently, in 2004, Thailand designated the Office of Natural Resources and Environmental Policy and Planning (ONEP) under MONRE as the national climate change focal point. In 2007, Thailand Greenhouse Gas Management Organization (TGO), a public organization, was established as the Designated National Authority (DNA) for Clean Development Mechanism (CDM) projects, and the National Climate Change Committee (NCCC) was established as the policy making body on climate change issues. In 2008, the Cabinet approved the National Strategy on Climate Change Management (NSCCM) (2008-2012) to support Thailand's action on climate change and to provide a comprehensive guideline of national responses to climate change.

The ten-year National Climate Change Master Plan (CCMP) Draft (2010-2019) has been adopted and is now in the process of being extended to a 40-year period (2011-2050) to provide long-term development directions to all sectors in order to manage climate change. The goal of the CCMP is to reduce greenhouse gas emissions and to become a low carbon society in the next 40 years, by 2050. The Plan emphasizes the importance of an effective reforestation program over the next ten years through community participatory processes.

The National Climate Change Committee (NCCC) is chaired by the Prime Minister and vice-chaired by the Minister of MONRE and the Permanent Secretaries (PS) of relevant ministries (Finance, Foreign Affairs, Agriculture and Cooperatives, Transport, Information and

Communication Technology, Energy, Science and Technology, Public Health and Industry) are members, together with the NESDB Secretary General and 5-9 experts related to climate change (e. g. laws, economics, environment, science and technology, energy). The main task of the NCCC is to formulate and oversee major climate change policies on mitigation of greenhouse gases, adaptation to impacts and vulnerabilities of climate change and research and development, and provide advice on the national positions when contributing to the international efforts to the UNFCCC and international fora. The Climate Change Coordinating Office was also established under the Office of Natural Resources and Environmental Policy and Planning (ONEP) to serve as a secretariat of the NCCC.

In 2010, GOT decided to participate in the REDD+ partnership and followed up with the establishment of a REDD+ Taskforce (TF) in 2011 as an inter-ministerial and multi-sectoral committee. The REDD+ TF in Thailand is currently chaired by DG of the Department of National Parks, Wildlife and Plant Conservation (DNP) and includes representatives from key government agencies contributing to the drivers of deforestation and forest degradation. More recently in 2013, the REDD+ TF has been strengthened for the REDD+ readiness in Thailand by revising the composition of committee members and including more stakeholders from both government and non-government agencies, such as, civil society organizations, local forest-dependent communities, private sector organizations, academia and research institutions. Each representative is nominated by their respective institution through a self selection process. The need for a multi- sectoral approach to REDD+ implementation is critical as the GOT recognizes that the drivers of deforestation and forest degradation often lie outside the forestry sector.
The most important, key challenge for the success of REDD+ efforts in Thailand is the way in which institutions will actually lead and coordinate across sectors and stakeholder groups, how benefits are fairly shared and how various competing or conflicting interests are satisfied or mediated. MONRE has ultimate responsibility for the majority of state forest lands but there are different institutions responsible for different forest categories; (a) RFD is responsible for Reserved Forests outside Protected Areas (b) DNP is responsible for forest Protected Areas (c) DMCR is responsible for mangrove forests outside Protected Areas and (d) FIO is in charge of forest plantations. However, other Ministries and Departments have mandates that sometimes overlap with those of MONRE. Restructuring of existing institutions and the establishment of new institutions at national and sub-national levels to implement the R-PP will be undertaken step by step subject to national circumstances to strengthen inter sectoral coordination and implement the key tasks for REDD+ readiness and implementation.

Relationship to CAS

At the present time, assistance to Thailand by the World Bank Group is guided by an Interim Strategy Note (ISN) and is implemented through Country Development Partnerships (CDP). The most recently published ISN (2011-12) has two prongs, the second of which has three activity clusters, one of which is Infrastructure and Climate Change. This second prong of the strategy is targeted toward the medium term challenges that Thailand faces with regard to strengthening the country's competitiveness, promoting private investment and diversifying the export-led growth model. The engagement in this area will focus on three clusters which research suggests are key constraints hindering Thailand's competitiveness: (I) Service Delivery and Social Protection; (II) Governance and Public Sector Reform; and (III) Infrastructure and Climate Change.
Following the 1997 crisis, investment in infrastructure in Thailand has never fully recovered, while infrastructure demands have increased greatly in tandem with economic growth. Investment in physical infrastructure, especially roads and power transmission lines is a significant driver of

deforestation and is often planned with minimal consultation with the forestry and other land-use sectors. This is especially critical now, given the importance that has been placed in recent years on large infrastructure investment projects. Given these needs, the Bank Group will continue to provide support for infrastructure development and quality improvement through enhanced advisory services in critical reforming infrastructure sub-sectors and possibly through investment financing.

II. Proposed Development Objective(s)

Proposed Development Objective(s)

The Project Development Objective is to support the development of the Readiness Preparation Activities . This will be achieved by supporting the preparation of its REDD+ strategy, the design of a national MRV system, and by producing technical work and policy advice.

Key Results

a) a socially and environmentally sustainable, coherent and cost effective national REDD+ strategy
b) REDD+ framework designed, including an Environmental and Social Management Framework
c) establishing a credible Reference Emission Level against which to measure future emission reductions
d) putting in place a comprehensive and credible MRV system for GHG emissions and co-benefits.
e) National benefit sharing mechanism/ plan

III. Preliminary Description

Concept Description

SUMMARY

The operation would assist the Royal Thai Government (RTG) in developing its REDD+ Strategy so that it is technically sound and environmentally and socially sustainable, as well as in compliance with World Bank safeguards policies. The REDD+ Readiness, which will be completed around 2018 will be achieved by (i) developing a coherent and cost effective National REDD+ strategy; (ii) designing a REDD+ institutional framework, including an environmental and social management framework (ESMF); (iii) ensuring consultation, participation and overall social inclusion, especially ethnic minorities and developing benefit sharing mechanisms for REDD+ at the national, provincial, district and community levels; (iv) establishing a credible Reference Emission Level/Reference Level (REL/RL) against which to measure future emission reductions; and (v) putting in place a comprehensive and credible Measurable, Reporting and Verification (MRV) system for Greenhouse Gas (GHG) emissions and co-benefits.

Most of the drivers of deforestation and forest degradation are from land-using sectors other than forestry, such as agriculture and infrastructure development, the R-PP provides for the early strengthening and broadening of representation on the existing cross-sector REDD+ Task Force (TF) chaired by the Director-General of the Department of National Parks, Wildlife and Plant Conservation (DNP) who reports to the Climate Change Technical Sub-Committee (CCTS) under the National Climate Change Committee (NCCC). At the end of the Readiness phase the status of the REDD+ TF will be raised further by placing chairmanship with the Permanent Secretary of the Ministry of Natural Resources and Environment (MoNRE) and putting it directly under the NCCC.

The REDD+ Office will be supported by six or more Technical Working Groups (TWGs). The

members of which will come from concerned sector agencies and will be nominated by the sector's representative on the REDD+ TF. The Office will act as the Secretariat for the TF and channel requests for studies or information from the TF to the appropriate TWG, and the outputs from the TWGs up to the TF. Operational support for the TF and TWGs will be needed and provided by the FCPF grant. These TWGs will be charged with developing concepts and draft documents for the various instruments required to manage and monitor REDD+ activities, to include: regulations, financial management arrangements and benefit sharing, carbon accounting, a REDD+ strategy, a credible REL/ RL and a MRV system. Emphasis will be placed on sustainability of the TF so that it will continue to support the operation's activities after grant closure, and or into the next phase.

DESCRIPTION OF COMPONENTS

Component 1: Readiness Organization and Consultation (US$ 0.55 million, FCPF)

The activities under this component include: (i) supporting the establishment and operationalization of the National REDD+ (Bangkok) office and four Regional REDD+ Units, by providing them with the technical and operational resources required for startup and implementation; (ii) developing outreach mechanisms through consultation and a robust communications strategy; (iii) developing and implementing REDD+ outreach programs for Civil Society Organizations (CSOs), youth and others; and (iv) the formation and operation of technical, stakeholder and cross-sectorial working groups needed to tackle complex issues where either technical depth or broad participation is required from multiple sectors to provide a coordinated approach to REDD+.

1.a National Readiness Management Arrangements (US$ 0.33 million, FCPF)

Context: DNP has established a REDD+ Task Force at the national level that includes representatives of the relevant sectors in the government, forest dependent communities/ethnic minorit ies, civil society organizations, private sector, and academia, among others. DNP acts as secretariat for the Task Force. The intention is to establish a national REDD+ Office that will take over the function of secretariat for the TF. The TF will establish six or more Technical Working Groups with members from the different bodies represented in the TF to deliberate on topics such as benefit sharing mechanisms, a regulatory framework and carbon registry, and the REDD+ Office will support these activities and submit the TWG reports and recommendations to the TF for decision. The REDD+ Office will also establish a REDD+ Information Center to collect and disseminate REDD+ related information to all stakeholders.

FCPF Grant Support

- TWGs on REDD+ (for different themes)
- Technical support
- Participation in international fora and workshops
- Capacity building
- Establish REDD National office for Secretariat (Bangkok)
- Establish REDD Regional Information Centers/Offices

1.b Participation and Consultation Process (US$ 0.22 million, FCPF)

Context: Key issues unique to REDD+ implementation that must be resolved during the readiness phase through a highly participatory consultation process include institutional arrangements to plan,

implement and monitor REDD+ activities and a communication strategy and public consultations; to engage a wide range of stakeholders, especially forest-dependent local communities/ethnic minorities in the entire REDD+ process . During readiness, the institutional / implementation arrangements will be adjusted for the effective and inclusive delivery of readiness.

FCPF Grant Support

- Communication Strategy
- Consultation with Stakeholders on FCPF and proposed REDD+ activities (includes ESMF)
- Support to REDD+ CSO/Local Community/Youth Network and other working groups
- Public dissemination of the SESA

Component 2: REDD+ Strategy preparation (US$ 1.55 million, FCPF)

This component will support DNP in developing its REDD+ strategy and include: (i) supporting analytical work to prepare a REDD+ strategy; (ii) conducting consultation and studies on key issues related to REDD+, including drivers and underlying causes of deforestation and degradation, REDD + strategy options, forest governance and land tenure, and benefit sharing arrangements, among others; and (iii) organizing component activities, compiling material inputs and elaborating the REDD+ strategy document. The inclusive and participatory dialogue supported by this component and new information and data generated will also further strengthen existing forest policy and management systems. A highly experienced lead advisor would be recruited to provide the highest level of guidance to the development of the strategy. From an operational perspective, the three subcomponents under Component 2 will be developed in concert with one another under a single contract. This will ensure that the elements of social and environmental sustainability are firmly embedded in the technical proposals for proposed REDD+ activities.

2.a Land Use, Drivers of Land Use Change, Forest Law, Policy and Governance (US$ 0.13 million, FCPF)

Context: The preliminary analysis indicated that the drivers of deforestation and forest degradation are complex but are not so different in the various agro-ecological regions. The studies revealed that deforestation is mainly triggered by development policies of the state such as the policy on forest concessions, mines and dams as well as infrastructure development, which leads to the destruction of forests and biological resources as a result of road construction and settlement in forests. In addition, the policy on promotion of capital-intensive monoculture commercial crops results in deforestation due to agricultural expansion. Forest degradation, wher e the land remains as forest but the density and quality of the forest is decreased, is caused mainly by illegal logging and harvesting of non-timber forest products for commercial purpose, and uncontrolled forest fires.

Some of the underlying factors of deforestation and forest degradation include unclear designation of legal forest areas and other land use boundaries; increasing population and inequality in income and livelihoods that may impact the forest. It is recognized that information and data for the analysis were not always readily available. Consequently, additional information and analysis is crucial for the identification of REDD+ strategic options. Supplemental analysis will be conducted during the Readiness phase to better define and quantify the causes of deforestation and forest degradation in various ecological zones/regions. Governance studies will focus, inter alia, on the regulatory mandate of the many agencies potentially involved in REDD+, identify overlaps and gaps, and draft recommendations for improvements and ways of coordinating. The subcomponent will also include

a review of land tenure and ownership rights, conflicts and potential conflicts with import for REDD+ and draft recommendations for remedial efforts.

FCPF Grant Support
- Update and prioritize deforestation and degradation driver analyses
- Carry out a forest governance assessment, including land tenure review

2.b REDD+ Strategy options (US$ 0.80 million, FCPF)

Context: A number of potential strategic options to address the direct causes of deforestation and forest degradations were identified through analysis of existing policies, legal framework and plans, as well as stakeholder consultations. The proposed strategic options include establishment of clear forest area boundaries and zoning, updating and harmonizing forest and forest-related policies, improving efficiency of forest law enforcement, building awareness of forest conservation, development of alternative livelihoods, developing forest certification and chain of custody standards, enforcing environmental and social impact assessments of any infrastructure projects, and improving fire detection and control capability. These potential REDD+ Strategies Options will be evaluated further through the REDD+ Readiness phase. Several studies will be undertaken, including: risk analysis (summarizing major types of risk, and their significance for the major REDD+ strategy activities); and feasibility assessment (socioeconomic, political and institutional) of the options. A forest governance assessment framework will be undertaken in the Readiness Phase.

FCPF Grant Support
- Elaboration of draft REDD+ Strategy (including, among others, institutional, legal, policy, risk, feasibility, and economic aspects, includes SESA, interacts with TWGs)
- Workshops on REDD+ strategy and readiness activities
- Studies to analyze and design benefit sharing arrangements
- REDD+ Lead Technical Advisor

2.c Social and Environmental Sustainability/ Grievance Mechanism (US$ 0.62 million, FCPF)

Context: The readiness grant will support the integration of social and environmental concerns into the REDD+ process and develop an approach for the mitigation of negative impacts through the SESA. Strategic environmental and social issues which must be considered at the REDD+ readiness stage include biodiversity and ecosystem services; micro-climate; water services and quality; soil condition; food security, location of people and fauna, gender, cultural and social problems resulting from migration and immigration, land ownership, land tenure, land accessibility, energy supply and gender equity and other benefits to improve education and health of the people while pursuing growth with low emissions from land use change. The conduct of the SESA will also include establishment of a SESA working group and capacity building for the SESA and ESMF, as well as for the management of possible grievances. A state-of-the-art monitoring system for safeguards would be designed in conjunction with the information systems in Component 3.

FCPF Grant Support
- National and subnational workshops for SESA, including for validation
- Carryout SESA and elaborate the ESMF
- Review options and establish a grievance framework and resolution mechanism

- Safeguards Monitoring System Design

Component 3: Forest Monitoring and Emissions (US$ 1.10 million, FCPF)

The activities under this component will put in place a robust monitoring system for REDD+ including the design of the approach and development of the REL/RL. Based on the existing inventory system in DNP, an IPCC compliant MRV system would be developed, as well as a safeguards information system. The inventory and monitoring system established under this component will also provide important information and data that can be directly used in the management and development of the forest sector more broadly. Targeted technical support will be given for developing allometric equations and biomass expansion factors (BEF) for improvements in assessing the carbon content of Thailand's trees and forests, required for determining the impact of REDD+ activities in sequestering carbon and in climate change mitigation. The component would also help to train personnel and other stakeholders in new techniques for inventories, monitoring and the application of algorithms for determining carbon uptake and release in the sector.

3.a Reference Emissions Level (US$ 0.69 million, FCPF)

Context: Forest carbon stocks in Thailand were estimated in 1989, 1994 and 2006. The results indicated that annual loss of carbon from natural forests during the period 1994-2006 averaged 33 million tons, which is partly offset by net sequestration in plantations of approximately 17 million tons. Based on an average carbon density in natural forests the loss of carbon from deforestation of approximately 180,000 hectares annually accounts for about 16 million tons, suggesting that forest degradation accounts for the balance of approximately 17 million tons. All these figures need to be verified by more detailed analyses, which will require good coordination between the many departments and actors holding the relevant data, including DNP, Department of Marien and Coastal Resources (DMCR) and the Royal Forest Department (RFD).

Early in the REDD+ readiness process, the DNP team will establish a technical working group to focus on REL/ RL development. The group will need a variety of technical skills including understanding of historical forest land cover trends and data; ability to relate socio-economic data and trends to environmental outcomes; ability to conduct reasonably sophisticated time-series analyses; and knowledge of the historical drivers of deforestation and forest degradation in Thailand. The technical working group would include staff from different partner organizations and require two full time members, who would focus their work on the REL/RL analysis over a period of about two years. (Technical working groups are financed under Component 1 while the actual REL/ RL activities, including estimates, technique development and training would come under Component 3.)

FCPF Grant Support

- Design Reference Emissions Level Approach (IPCC Compliant)
- Develop models for emissions estimations
- Review, compile, analyze information and develop National REL/RL estimate
- Training for development of allometric equations, conversion factors
- Assimilate data for the latest national forest inventory, analyse and disseminate results

3.b Forest Monitoring (US$ 0.41 million, FCPF)

Context: The Thailand National Forest Inventory program has a strong sample design, data collection and data entry effort, but should improve the capacity for full and timely data analysis and reporting. There is an opportunity to strengthen the inventory program through the FCPF readiness phase, and to increase the return on investment by strengthening this capability in the DNP Inventory office through training and technical assistance inter alia to develop data compilation software. The current inventory design and data collection is generally consistent with Intergovernmental Panel on Climate Change (IPCC) best practices and guidelines and has the potential to satisfy the requirements for REDD+ reporting. The DNP approach relies on stratified systematic sampling using a 10 km x 10 km grid that will provide excellent information at the national and aggregated subnational levels (i.e. 5 geographic regions within Thailand), and will be useful for many other kinds of analyses (e.g. by major forest type group or ecological zones) for the country. The inventory should serve both REDD+ reporting needs as well as many of the strategic scale information needs for Thaila nd's forest management and forest protection activities.

In addition to the DNP-led inventory which covers protected and reserved forest, Thailand has a second inventory program focused exclusively on mangrove conducted by the Department of Marine and Coastal Resources (DMCR). There are also four separate remote sensing efforts for forests, including DNPs (two units), the RFD and the DMCR. During the readiness phase, further analyses will examine the benefits of harmonizing and improving the approaches under the different mapping and inventory programs.

FCPF Grant Support

- Technical Design and Proposal for Enhancing National Forest Inventory and Monitoring System to support REDD+
- Software programming
- Training and capacity building in Measurement, Reporting and Verification

Component 4. Project Management, Monitoring and Evaluation Framework (US$ 0.40 million)

This component would cover the project management, financial and procurement monitoring, project monitoring and coordination of the operation. The project manager and M&E specialist would be tasked from DNPs staff to work full time on the operation.

IV. Safeguard Policies that might apply

Safeguard Policies Triggered by the Project	Yes	No	TBD
Environmental Assessment OP/BP 4.01	×		
Natural Habitats OP/BP 4.04	×		
Forests OP/BP 4.36	×		
Pest Management OP 4.09	×		
Physical Cultural Resources OP/BP 4.11	×		
Indigenous Peoples OP/BP 4.10	×		
Involuntary Resettlement OP/BP 4.12	×		
Safety of Dams OP/BP 4.37		×	
Projects on International Waterways OP/BP 7.50		×	

Projects in Disputed Areas OP/BP 7.60		x	

V. Financing (in USD Million)

Total Project Cost:	3.98	Total Bank Financing:	0.00
Financing Gap:	0.00		

Financing Source	Amount
Borrower	0.38
Readiness Fund of the Forest Carbon Partnership Facility	3.60
Total	3.98

VI. Contact point

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