

CIF Admin Unit

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Subj Fw: Notification of CTF Joint Mission to Thailand - please post ect

Dear CTF Trust Fund Committee Members,

The CTF Guidelines for Investment Plans call for the CIF Administrative Unit to inform the Trust Fund Committee of country expressions of interest and all planned joint missions for the preparation of investment plans.

The purpose of this email is to notify you that the Multilateral Development Banks (MDBs) have received a request from the Government of Thailand (dated May 14, 2009) indicating its interest in accessing CTF funds and requesting a mission of ADB, IBRD and IFC to support the government in the preparation of a CTF investment plan. Thailand is eligible for access to CTF resources, since it is ODA-eligible and has active MDB country programs. A joint MDB assessment confirmed the potential fit of the country request with the CTF investment criteria for significant greenhouse gas emissions savings, demonstration potential at scale, development impact and implementation potential.

Thailand's GHG emissions from the consumption and flaring of fossil fuels are ranked 22nd in the world; it is the second largest emitter of fossil fuel GHG emissions in the southeast Asia region after Indonesia. Emissions per capita from fossil fuel combustion only are 3.42 tCO₂e in Thailand, considerably below the OECD average of 10.93 tCO₂e per capita but above the non-OECD average of 2.64 tCO₂e per capita in 2006. Thailand energy intensity is very high and has constantly increased during the last decade being

one of the highest in the region only below China. Emissions from energy consumption are projected to triple from 151 million t CO₂/yr in 1995 to 475 million t/yr in 2020. <http://www.iea.org/>

Thailand has begun taking steps to address the development challenges while promoting a low carbon growth path. Highlights include:

- In August 2006, Cabinet approved setting up the National Board on Climate Change Policy, Climate Change Coordinating Office under the Office of Natural Resources and Environment and Thailand Greenhouse Gas Management Organization (TGO) to supervise CDM implementation in Thailand.
- Thailand developed its first National Strategy on Climate Change (2008-2012) in 2006
- National Economic and Social Development Plans – The current Thailand's 10th five year plan focuses on the "self-sufficiency economy". The National Climate Action Plan has been briefly incorporated into the 10th plan and sets a target of CO₂ emission reduction of 5% from 2003 to no more than 3.5 tCO₂e/person/year (NESDB 2007). This plan specifies that promotion of renewable energy used, and energy conservation are important strategies that enable the country to achieve its aim of energy security, and reduction of dependence on imported fuels.
- Thailand presented its Initial National Communication to the Convention in 2000. This Communication summarized the available mitigation options for Thailand that included improving of energy efficiency, renewable energies, reforestation, and agriculture waste treatment.
- Strategic Plan on Climate Change, MONRE – The Strategic Plan focuses on capacity building and research. The principle mitigation strategies are as follows: (i) Mitigation – (a) energy efficiency; (b) renewable energy and cleaner technology; (c) urban green space, eco-buildings, and mass transport infrastructure; and (d) reduced emissions from industrial processes; (ii) Institutional capacity building – (a) continuous education and training; and (b) promoting integrated management; and (iii) International cooperation – (a) regional standards on climate change observation and monitoring systems among ASEAN member countries; and (b) establishing mechanisms for regional coordination.
- The Bangkok Metropolitan Administration (BMA) developed an Action Plan on Global Warming Mitigation 2007 – 2012 which comprises five initiatives: (i) Expand the Mass Transit Rail System within Bangkok Metropolitan Area; (ii) Promote the use of renewable energy; (iii) Improve building electricity consumption efficiency; (iv) Improve solid waste management and wastewater treatment efficiency; and (v) Expand park areas. This Action Plan aims at GHG emission reduction by at least 15% of the total GHG emission anticipated in the year 2012 under business as usual scenario.
- CDM – Thailand's climate change strategy encompasses CDM as a key financing mechanism (IGES 2006). In 2003, the Ministry of Natural Resources and Environment (MONRE) was designated as the DNA. The Office of Natural Resources and Environmental Policy (ONEP) is the DNA Secretariat and the national focal point for UNFCCC. The National Climate Committee on UNFCCC provides overall policy direction. ONEP has drawn up the national sustainable development criteria and indicators and CDM approval procedures. Thailand has already registered 17 CDM projects.
- In April 2008 the Government announced new energy conservation measures aimed at saving around \$50 billion per year in energy bills. These measures include (i) interest free household loans for energy saving appliances through commercial banks; (ii) soft loans to retrofit industry for energy conservation; (iii) mandatory power usage labeling for manufacturers of electric and electronic appliances; (iv) compulsory energy saving features (lighting, heating and air conditioning, heat transmission from walls and windows) to be included in design of new buildings; and (v) energy standards for commerce and industry
- Alternative Energy Development Plan (2008 – 2022). Ministry of Energy formulated a roadmap to promote alternative energy utilization by aiming to increase the share of commercial alternative energy from 0.5% in the year 2003 to 20% of total country final energy demand in the year 2022. To achieve this target many potential renewable energy resources such as biomass, biogas, small hydro power, and biofuels from biomass with commercial or nearly commercial technologies have been promoted with full financial support from the government. Among other actions the government has also developed the following policies: provision of tax credit, Adder cost (or Feed-in tariff), subsidies from the Energy Conservation Promotion Fund, privilege tax from Board of Investment and the establishment of ESCO Fund (Energy Service Companies).

- Policy and Prospective Plan for Enhancement and Conservation of National Environmental Quality (1997-2016) – This long term perspective plan outlines the implementation strategies for the Enhancement and Conservation of Environmental Quality Act (1992) and the Environment Quality Management Plan 2007 – 2011.

The initial joint scoping mission of ADB, IBRD and IFC will visit Thailand between July 13-17, 2009. The objectives of the mission are to: (i) agree on a broad strategy for CTF investment which is in line with the government's strategies in renewable energy, energy efficiency and transport; (ii) agree on the types of priority projects to be included in the Investment Plan submitted for CTF financing. A second mission is planned to prepare the Investment Plan on August 31 to September 4, 2009.

These missions fall under category 2 for Investment Plans (i.e. public and private sector). The proposed estimated budget for investment planning is \$152,010, broken down as follows:

- IBRD: \$ 97,410
- IFC: \$ 54,600

ADB is to absorb all its staff costs for joint programming and project preparation.

The contact points for the Government of Thailand are Mr. Pongpanu Svetraundra, Director General, Public Debt Management Office, Ministry of Finance (pongpanu@vayu.mof.go.th) and Mr. Arkhom Termittayapaisith, Deputy Secretary General, National Economic and Social Development Board (NESDB) (arkhom@nesdb.go.th). Contact persons at the MDBs are:

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