



# **National Forest Financing Strategy of Thailand**

Submitted to

The United Nations Forum on Forests (UNFF)

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Thailand

Submitted by:

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## Contents

1.	Background: .....	4
1.1	Global Forest Financing Facilitation (GFFN) .....	4
1.2	UNFF support for Thailand .....	4
2.	Sustainable Forest Management in Thailand .....	5
2.1	The UN Forest Instrument (UNFI) .....	6
2.2	Assessment of UNFI implementation in Thailand .....	6
3.	National Forest Policy in Thailand.....	7
3.1	Thailand National Forest Policy and the UNFI.....	8
3.2	National Forest Priorities in Thailand.....	10
4	National Forest Financing Strategy of Thailand .....	12
4.1	Forest Financing sources in Thailand .....	12
4.2	Mapping of forest financing with national priorities .....	18
5.	Other proposed forest financing mechanisms.....	22
5.1	Forest Incentive Systems, including incentive schemes for the private sector .....	22
5.2	Creation of Sustainable Forest Management Fund .....	23
5.3	Joint implementation of SFM between a private sector (i.e. company like Banks and those enumerated in Figure 1.....	23
5.4.	REDD+ Financing system .....	23
6.	National Action Plan for Implementing the National Forest Financing Strategy.....	24
6.1	Proposed process for the development of forest financing mechanisms, including the SFM Fund .....	24
6.2	Action plan for securing funding from the private sector.....	26
6.3	Action plan for securing funding support from multi-lateral organizations .....	26
Annex 1:	Thailand’s National Forest Policy – In a nutshell.....	28
Annex 2:	The UNFF measures and instrument .....	31
Annex 3:	Green Climate Fund Draft Concept Note .....	33
References.....		36

## **List of Tables**

Table 1: Regional Assessment of 7 themes related to SFM.....	6
Table 2: Mapping of Thailand National Forest Policies, UNFI, and Thematic Areas of SFM... 8	
Table 3: Mapping of National Forest Policy Decisions and Priority Activities based on Master Plan.....	10
Table 4: Description of potential funding source.....	15
Table 5: Mapping of financing sources with priorities .....	18

## **List of Figures**

Figure 1: SFM financing by type of flow according to the categorization used by the United Nations (2014). Boxes are not necessarily to scale (Singer 2016) .....	12
Figure 2: Forest Financing in Thailand .....	13

## **Annexes**

Annex 1: Thailand's National Forest Policy – In a nutshell .....	28
Annex 2: The UNFF measures and instrument .....	31

## 1. Background:

In 2000, the United Nations, through the United Nations Economic and Social Council established the United Nations Forum on Forests (UNFF) with the main objective of ‘promoting the management, conservation and sustainable development of all types of forests and to strengthen long-term political commitment of member nations to this end’. This is based on the Rio Declaration, the Forest Principles, Chapter 11 of Agenda 21. The primary functions of UNFF include:

- To facilitate implementation of forest-related agreements and foster a common understanding on sustainable forest management
- To provide for continued policy development and dialogue among Governments, international organizations, including major groups as well as to address forest issues and emerging areas of concern in a holistic, comprehensive and integrated manner,
- To enhance cooperation as well as policy and programme coordination on forest-related issues
- To foster international cooperation
- To monitor, assess and report on progress of the above functions and objectives
- To strengthen political commitment to the management, conservation and sustainable development of all types of forests.

### 1.1 Global Forest Financing Facilitation (GFFN)

To pursue the above goal and primary functions, and to assist member countries to achieve their sustainable forest management objectives, UNFF established the Global Forest Financing Facilitation Network (GFFFN) in 2015. GFFN has the following mandate and priorities: to promote the design of national forest financing strategies to mobilize resources for sustainable forest management; to facilitate access to existing and emerging financing mechanisms, including the Global Environment Facility and the Green Climate Fund; and to serve as a clearing house on existing, new and emerging financing opportunities and as a tool for sharing lessons learned from successful projects. The GFFFN should ensure that special consideration is given to the special needs and circumstances of the least developed countries, low-forest cover countries, high-forest cover countries, medium-forest cover low-deforestation countries and small islands developing States, as well as countries with economies in transition, in gaining access to funds.

### 1.2 UNFF support for Thailand

A major constraint to achieving the forest-related goals is the lack of funding for forests and SFM, especially in developing countries or countries with economies in transition, mainly due to other pressing priorities such as employment, health and education, general lack of resources, and poverty. Furthermore, despite significant resources being available from

existing international funding mechanisms (especially climate financing), the actual financial flows to developing countries or countries with economies in transition have been limited by a number of disbursement constraints. In fact, poor access to international (multilateral and bilateral) funding often presents additional challenges to the availability of financial resources for SFM. Conclusions drawn from working experiences of the UNFFS show that limited access to international forest financing is due to many factors that include, among others:

- Lack of capacities to develop effective strategic plan to leverage forest financing
- Weak country capacities to prepare bankable/fundable projects

Recently, Thailand requested UNFFS for some support following the GFFN platform. It is in this context that the UNFFS developed the current project that is designed to contribute to building the capacity of developing countries to mobilize funding for sustainable forest management in the context of the UN Forest Instrument.

The project aims to build the capacity of Thailand to develop: (i) a national forest action plan with a national forest financing strategy and (ii) a successful project and programme proposal that can attract funding from existing international funding mechanisms such as the Green Climate Fund (GCF), the Global Environmental Facility (GEF) and the Adaptation Fund.

## 2. Sustainable Forest Management in Thailand

According to assessment done in 2018, Thailand's forests covers 31.68% of the country's land area. This is equivalent to 16.39 million ha (RFD, 2018). The country used to have 53.33% forest cover in 1961; however, recent estimates have shown that the forest area had dropped to more than 50 percent in late 1990s primarily due to rapid social and economic development as well as internal political turmoil during the middle to late 1970s. Since 2000, the forest area has slowly increased due in part to several government policies such as the ban of forest concessions nationwide and embarking on intensive reforestation throughout the country. Forest area loss from 2000 to 2018 was 612,949.6 ha, or approximately 32,260.5 ha per year (RFD, 2018). In terms of forest cover, the northern region has the highest forest cover of approximately 6.17 million ha, followed by the western region with 3.21 million ha, the northeastern region with 2.52 million ha, the central region with 1.95 million ha, the southern region with 1.79 million ha, and the eastern region with 0.76 million ha.

The Ministry of Natural Resources and Environment (MoNRE) is the main government agency responsible for forest and natural resources management in the country which include activities such as enforcement of key forestry laws that include the Forest Act, the National Forest Reserve Act, National Park Act, the Wildlife Preservation and Protection Act, and the Forest Plantation Act. According to the RFD's Forest Geo-informatics Division, in 2016 Thailand has 11.90 million ha. of forests, 23.13% of which is classified as conservation forests which include forests designated as protected areas (PA) including national parks, wildlife sanctuaries, non-hunting areas, botanical gardens and the mangrove forests. The PAs in the country are managed by the Department of National Park, Wildlife and Plant Conservation (DNP), while mangrove forests are managed by the Department of Marine and Coastal Resources (DMCR). Additionally, around 5.47 million ha or 10.58% of the country's forest areas are economic forests which comprised of national reserved forests that are managed by the Royal Forest Department (RFD) and forests under the management of government agencies in other ministries.

During 2015-2019, the government amended several forest laws as well as enacted new laws with the aim of increasing forest areas and promoting collaboration and coordination among different agencies in pursuing sustainable forest management. The key strategies include: i)

promotion of forest plantation in the private lands, ii) promotion of community forest establishments, and iii) addressing land dispute issues in designated forest areas. The current threats for sustainable forest management include agricultural expansion, illegal logging and hunting, uncontrolled forest fire, and others. Some of the challenges includes: increasing adverse climate change impacts in the forest areas (e.g. landslide, flash flood, forest fire, food security) and the sustainable forest landscape restoration and management due to unclear long term cross-sectoral synergy.

## 2.1 The UN Forest Instrument (UNFI)

The United Nations Forest Instrument (UNFI) provides countries with a framework for promoting sustainable forest management. The Instrument consists of a series of agreed policies and measures at the international and national levels to strengthen forest governance, technical and institutional capacity, policy and legal frameworks, forest sector investment and stakeholder participation. Key elements and objectives include:

- To strengthen political commitment and action at all levels to implement effectively sustainable management of all types of forests and to achieve the shared global objectives on forests;
- To enhance the contribution of forests to the achievement of the internationally agreed development goals, including the Sustainable Development Goals, in particular with respect to poverty eradication and environmental sustainability;
- To provide a framework for national action and international cooperation

In 2007, UNFF adopted the ‘Non-legally Binding Instruments’ (NLBI) on all types of forests as an important initiative to promote sustainable forest management globally.

Countries were encouraged to develop national forest plans (NFP) as a basis for NLBI implementation. These NFPs should take into account specific features of each nation or region on how to implement SFM. NLBI can also support efforts to reduce deforestation and enhance coordination among various forest-related policy processes.

## 2.2 Assessment of UNFI implementation in Thailand

Four regional workshops culminating in a national workshop were conducted in part to assess the UNFI implementation in Thailand. During the workshops, the participants reviewed the seven thematic areas of UNFI and rated them as shown in the Table below.

Table 1: Regional Assessment of 7 themes related to SFM

Themes	West	North -east	East	North	Ave- rage
1. Extent of forest resources	4.1	2.7	3.1	3.9	3.45
2. Forest biological diversity	3.8	2.5	3.7	4.1	3.525
3. Forest health and vitality	4	2.7	3.4	3.7	3.45
4. Productive functions of forests	3.6	2.9	3	4	3.375
5. Protective functions of forests	3	3	3.8	3.4	3.3
6. Socio-economic functions of the forests	4.1	3	3.3	4.1	3.625
7. Legal, policy and institutional framework	2.8	3.3	3.3	4.1	3.375

As can be seen from the table above, each region may have rated each theme differently, however, on the average, the themes are rated almost equally. While no statistical analysis was done, it is not surprising that each theme has the same level of priority, indicating that they are all important.

In addition to assessing the UNFI thematic themes and the policies and measures (PAMs), the workshops also deliberated about forest financing for SFM and strongly recommended that a Sustainable Forest Management Fund should be established and capitalized from different sources. The workshops noted that the importance, justification and reasons for creating such a fund are many, among these are:

- The forest is a key resource for economic, social, culture and the environment
- The forest contributes to livelihood at all levels, yet there currently is no mechanism to reinvest some of the economic values derived from the forest for its management
- Unstable, discontinuous and insufficient government funds allocated to SFM
- Recent experiences have shown that local communities are capable of managing forest funds

The regional workshops also noted the following as objectives of the SFM Fund:

- To sustain financing for SFM
- To support key activities for forest managers, smallholders, stakeholders at all levels that otherwise will not be funded through regular government budget allocations
- To support and build collaboration among stakeholders
- To help build a sense of shared ownerships and responsibility in managing the forest sustainably.

### 3. National Forest Policy in Thailand

The first comprehensive National Forest Policy was developed in 1985 which specified the forest cover target that the country should have at 40% forest cover. This target is broken down into 25% conservation forests and 15% economic forests. Recently, a new National Forest Policy was drafted by the National Forest Policy Committee which has been appointed by the previous government in October 2017. The national committee composed of 29 members from various stakeholders in the forest sector and has 8 key functions including the development of a national forest policy as well as strategic plan (or master plan) to provide guidance and general directions for forestry development in the country. The National Forest Policy Committee appointed a Sub-committee to draft the National Forest Policy and National Forest Development Master Plan in December 2018. The Sub-Committee prepared a draft National Forest Policy which is currently in the review process for possible endorsement by the Cabinet of the current government. The objectives of National Forest Policy include;

- 1) To ensure Thailand has sufficient forest area that is suitable for ecosystem integrity and sustainable use.
- 2) To efficiently halt and prevent the destruction of national forest and wildlife resources.
- 3) To conserve and use forest resources, wildlife, and biodiversity appropriately, sustainably, fairly, and be the foundation for national development and quality of life of the people, by taking into account the social, economic and environmental balance.
- 4) To ensure effective forest resource governance system based on knowledge and innovation, and participation of all sector.

In response to the current forest situation and trends, the draft National Forest Policy proposes 24 policy provisions on three key areas; 1) forest management, 2) utilization of forest products and services, and forest industry, 3) development of administration systems and forestry organizations.

### 3.1 Thailand National Forest Policy and the UNFI

As indicated above, Thailand has developed a set of 24 national forest policies to serve as a general guide in the management of the country's forests, including the drafting of a Master Plan for Forestry. Subsequent to the four regional workshops, a national workshop was conducted to review the results of the regional workshops and also to examine the national forest policies relative to the 25 PAMs of UNFI.

The workshop was attended by 35 participants consisting of representatives from the government including the Ministry of Natural Resources and Environment and other government agencies such as the Royal Forest Department, Department of Marine and Coastal Resources, Office of Natural Resources and Environment, Forest Industry Organization, Department of Environmental Quality Promotion, the Rice Department, Land Development. There were also representatives from NGOs and academic institutions, Local Community Development Foundation (LDF), Phranakhon Rajabhat Institute, Private Forest Plantation Cooperative Limited (PFPC), Thailand Environment Institute (TEI), Chulalongkorn University and Krungsri Ayudhya Bank. Representatives from international organizations such as the Center for People and Forests (RECOFTC), the International Union for the Conservation of Nature (IUCN), UNDP, and FAO also attended.

Subsequent to the national workshop, another consultation was conducted with a smaller group primarily constituted with representatives from RFD to review the UNFI PAMs relative to the four objectives of the National Forest Policy reflected by the 24 policies. The review resulted in a mapping between the objectives of the National Forest Policy, the UNFI PAMs and the 7 thematic areas. Table 2 below shows the results of the mapping.

Table 2: Mapping of Thailand National Forest Policies, UNFI, and Thematic Areas of SFM

National Forest Policy	UNFI PAMs (25)	Thematic Areas of SFM
1) To ensure Thailand has sufficient forest area that is suitable for ecosystem integrity and sustainable use.	1. Develop and implement NFPs or similar strategies for SFM 2. Consider the seven thematic elements of SFM 3. Promote environmental impact assessment of projects affecting forests; 4. Develop/implement policies that encourage SFM to provide a wide range of goods and services, contribute to poverty reduction and the development of rural communities 7. Further develop and implement C&I for SFM 9. Develop financing strategies taking into account all funding sources 12. Integrate national forest programmes or other strategies of SFM into national sustainable development strategies e.g. PRSs 14. Review and improve forest legislation,	1. Extent of forest resources 2. Forest Biological Diversity 3. Forest health and vitality 4. Productive functions of forests 5. Protective functions of forests 6. Socio-economic functions of forests 7. Legal, policy and institutional framework



National Forest Policy	UN FI PAMs (25)	Thematic Areas of SFM
	<p>strengthen forest law enforcement, promote good governance</p> <p>18. Strengthen the contribution of science and research in advancing SFM; incorporate scientific expertise into forest policies and programmes</p> <p>20. Strengthen public understanding of the importance and benefits of forests and SFM</p> <p>21. Promote access to and support formal and informal education, extension and training, for implementation of SFM</p> <p>24. Encourage the private sector and civil society organizations to implement voluntary instruments such as certification</p>	
<p>2) To efficiently halt and prevent the destruction of national forest and wildlife resources.</p>	<p>15. Address threats to forest health and vitality from natural disasters and human activities</p> <p>16. Develop or expand, and maintain networks of protected forest areas and assess the conditions and management effectiveness of existing protected forest areas</p> <p>17. Assess the conditions and management effectiveness of existing protected areas</p> <p>20. Strengthen public understanding of the importance and benefits of forests and SFM</p>	<p>2.Forest Biological Diversity</p> <p>5.Protective functions of forests</p> <p>7.Legal, policy and institutional framework</p>
<p>3) To conserve and use forest resources, wildlife, and biodiversity appropriately, sustainably, fairly, and be the foundation for national development and quality of life of the people, by taking into account the social, economic and environmental balance.</p>	<p>4. Develop/implement policies that encourage SFM to provide a wide range of goods and services, contribute to poverty reduction and the development of rural communities</p> <p>5. Promote efficient production and processing of forest products</p> <p>6. Support the protection and use of traditional forest-related knowledge and practices incl. fair and equitable sharing of benefits</p> <p>8. Create enabling environments for investment by private sector, communities and other forest</p> <p>10.Encourage recognition of range of values from forests and ways to reflect such values in the marketplace</p> <p>12. Integrate national forest programmes or other strategies of SFM into national sustainable development strategies e.g. PRSs</p> <p>18. Strengthen the contribution of science and research in advancing SFM; incorporate scientific expertise into forest policies and programmes</p> <p>20. Strengthen public understanding of the importance and benefits of forests and SFM</p> <p>22. Support education, training and extension programmes for local and indigenous communities, forest workers and forest owners</p> <p>25. Enhance access by households, small-scale forest owners and communities to forest resources and markets</p>	<p>2.Forest Biological Diversity</p> <p>3.Forest health and vitality</p> <p>4.Productive functions of forests</p> <p>6. Socio-economic functions of forests</p>
<p>4.To ensure</p>	<p>6. Support the protection and use of traditional</p>	<p>6. Socio-economic functions</p>

<b>National Forest Policy</b>	<b>UN FI PAMs (25)</b>	<b>Thematic Areas of SFM</b>
effective forest resource governance system with a basis on knowledge and innovation, and participation of all sector.	forest-related knowledge and practices incl. fair and equitable sharing of benefits 7. Further develop and implement C&I for SFM 11. Enhance cross sectoral policy and programme coordination to integrate the forest sector into national decision-making processes 13. Establish or strengthen partnerships and joint programmes with stakeholders 14. Review and improve forest legislation, strengthen forest law enforcement, promote good governance 16. Develop or expand, and maintain networks of protected forest areas and assess the conditions and management effectiveness of existing protected forest areas 18. Strengthen the contribution of science and research in advancing SFM; incorporate scientific expertise into forest policies and programmes 19. Promote the development and application of scientific and technological innovations, incl. for local communities 20. Strengthen public understanding of the importance and benefits of forests and SFM 21. Promote access to and support formal and informal education, extension and training, for implementation of SFM 22. Support education, training and extension programmes for local and indigenous communities, forest workers and forest owners 23. Promote participation of major groups, local communities, forest owners and other relevant stakeholders 24. Encourage the private sector and civil society organizations to implement voluntary instruments such as certification	of forests 7. Legal, policy and institutional framework

### 3.2 National Forest Priorities in Thailand

After mapping the objectives of the national forest policy, RFD also carefully examined the draft Master Plan for Forestry for the purpose of identifying forest activities and/or issues that need more urgent attention and action. While the Master Plan is still in the formal approval process, RFD identified some of these key activities and concerns outlined in the Master Plan which are of high priority. These are described in Table 3 below along with a mapping of these activities, issues or concerns with the 24 national forest policies.

Table 3: Mapping of National Forest Policy Decisions and Priority Activities based on Master Plan

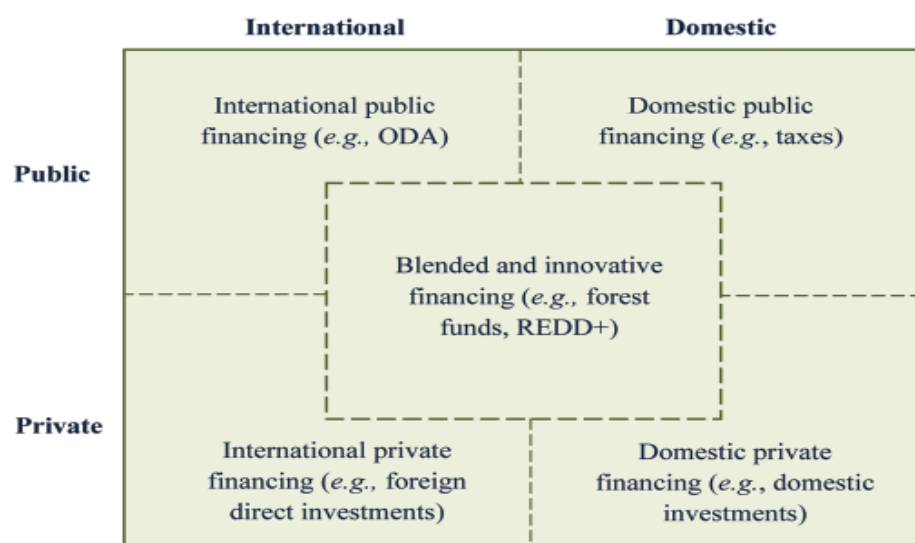
<b>Activities (from Master Plan or others not currently included)</b>	<b>Priority (Low, Medium, High)</b>	<b>Related National Forest Policy</b>
<b>Forest Management</b>		
1. Restoration and development of forest landscape, and monitoring of forest condition	High	1,2,3,5,11,14
2. Conservation of forest and ecosystem	High	2,8,9,13,17
3. Forest mapping, boundary demarcation, vulnerability assessment of terrestrial and mangrove forests	High	1,2,3,4,8,11,23
4. Awareness raising for the public and community in management and conservation of forest resources	High	4,6,7,11,12,13,14
5. Assess and analyze the achievement of SDGs in the forest sector	High	5,7,11
6. Development and strengthening of community forest network and the management of forest resources	High	4,6,11,12
7. Development of community best practices, support community activities, promote participation of community in forest ecosystem management	High	1,11,12
8. Forest and climate change mitigation and adaptation	High	1,2
<b>Utilization of forest products, ecosystem services and economic forests</b>		
9. Development of database system in utilization of forest products	High	1,5
10. Development of forest certification, including for small plantations	High	16
11. Development of marketing mechanisms and industries, domestically and internationally	High	10,15
12. Development of value addition to forest products from forest plantations and other types of planted forests	High	14
13. Standardization the valuation of economic trees	High	16,17
14. Awareness raising on REDD+ and PES, as incentives or financing mechanisms for sustainable forest management e.g. tax payment with considering reduction of carbon emission	High	6, 10,12,16,17
15. Increase income and improve the livelihoods of community who are related to and relying on natural resources	High	1,3,14,15,17
<b>Development of forest administration and organization</b>		
16. Improve existing regulations and law enforcements to support sustainable forest management	High	9,18,23
17. Review of existing resolutions, regulations and laws that hinder the extension of economic forests and forestry businesses	High	9,18,23,24
18. Promote and increase understanding on forest financing	High	1,18,19,24
19. Implement the criteria and indicators in sustainable forest management	High	7,16,20,24
20. Increase the Research and Development to strengthen forest development at all level e.g. action research, community-based research on forest management as well as livelihood development	High	5,22
21. Enhance network of forest management with good governance in the forest organizations	High	19,20,23

Activities (from Master Plan or others not currently included)	Priority (Low, Medium, High)	Related National Forest Policy
22. Build capacity and work incentives for forestry officers at all level	High	19,20,21
23. Develop the social welfare for forest rangers and leaders e.g. giving an award	High	20,21

## 4 National Forest Financing Strategy of Thailand

Financing sustainable forest management (SFM) has been the subject of debates at many intergovernmental discussions involving different multilateral agencies often leading to common observation and agreement that SFM is both costly and under-financed. Moreover, while some relevant financial flows are reliably documented, other funding sources remain poorly known among countries that need them (UNFF Consultant 2017). Consequently, SFM financing in general remains badly understood. One of the few studies that have looked at financing SFM was reported by Singer (2016) who suggested the following forest financing structure for any national forest financing strategy shown in Figure 1 below:

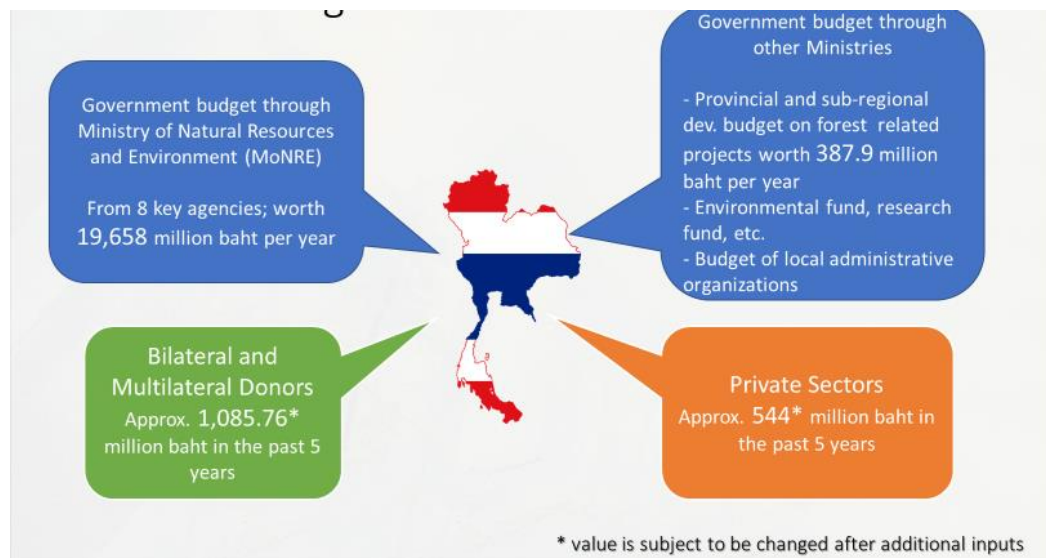
Figure 1: SFM financing by type of flow according to the categorization used by the United Nations (2014). Boxes are not necessarily to scale (Singer 2016)



### 4.1 Forest Financing sources in Thailand:

The figure (Figure 2) below outlines some of the sources of funding for Thailand forestry. The list includes both national, international and 'blended' funding as described in Singer (2016).

Figure 2: Forest Financing in Thailand



Main forest financing in Thailand comprised of: 1) government budget through the main ministry namely the Ministry of Natural Resources and Environment (MoNRE), 2) government budget through other ministries, 3) private sector organizations, 4) bilateral and multilateral donors or funds. These fund sources are briefly described below.

1) Government budget through the main ministry namely the Ministry of Natural Resources and Environment (MoNRE): The key agencies within MoNRE that are directly related to sustainable forest management are 8 organizations including Royal Forest Departments (RFD), Department of National Parks, Wildlife and Plant Conservation (DNP), Department of Marine and Coastal Resources (DMCR), Forest Industrial Organization (FIO), Office of Natural Resource and Environmental Policy and Planning (ONEP), Botanical Garden Organization (BGO), Thailand Greenhouse Gas Management Organization (TGO), and Biodiversity-based Economy Development Office (BEDO). The overall budget of the government directly allocated to sustainable forest management agencies could worth 19,658.02 million Baht or 645.09 million USD per year, with approximately of 1,199.39 Baht per ha or 39.36 USD per ha.

2) Government budget through other ministries: The budget allocated through Ministry of Interior (MoI) following the Provincial and Cluster Development Plans and supported projects and programs related to sustainable forest management were estimated to be worth of 387.9 million Baht or 12.73 million USD per year. Additionally, other relevant government budgets allocate to SFM can be found in budgets through sub-district and provincial administrative organizations, national environmental fund and national research fund. However, it was relatively difficult to get figures of expenditures for SFM projects due to lack of clear national database for the mentioned organizations and funds.

3) Private sector organizations: Private sector organizations are active and increasingly support sustainable forest management projects and activities in the country, mainly through the Corporate Social Responsibility (CSR) programmes and initiatives such as reforestation, ecosystem restoration, forest fire protection, supporting local livelihoods development, and giving awards to outstanding community forests, etc. Some of these private sector organizations such as Toyota Thailand, Isuzu Thailand, PTT Global Chemical (PTT GC), RATCH Group, Siam Cement Group (SCG), Charoen Pokphand (CP), Siam Commercial

Bank (SCB), Kasikorn Bank, etc. It is estimated the support from private sector organizations worth more than 544 million Baht or 17.85 million USD in the past five years.

4) Bilateral and multilateral donors or funds: Key organizations such as Global Environment Facility (GEF), FAO, EU, World Bank's Forest Carbon Partnership Facility (FCPF), Asian Forest Cooperation Organization (AFoCO), International Tropical Timber Organization (ITTO), etc. Supports from bilateral and multilateral donors and funds during the past five years estimated to be worth more than 35.63 million USD or 1,085.76 million Baht.

Table 4 below describes some of these potential funding sources along with a general assessment of their accessibility.

Table 4: Description of potential funding source

Potential Funding Source	Type	Likelihood of accessing fund	Remarks
Royal Forest Departments (RFD) Funds	Government, public	4	Mainly funds for RFD activities which included in the annual plan, no budget for others. Yearly government budget and may be augmented from multilateral and bilateral budget; but it's not significant and not enough for continuing other SFM activities.
Department of National Parks, Wildlife and Plant Conservation (DNP) Funds	Government, public	4	It's only for department activities and already in the annual plan, no budget for others. Yearly government budget and may be augmented from multilateral and bilateral budget such as ADB, Forest Carbon Partnership Facility (FCPF). But it's not much and not enough for continuing activities.
Department of Marine and Coastal Resources (DMCR)	Government, public	4	It's only for department activities and already in the annual plan, no budget for others. Yearly government plan  DMCR has smaller budget than other departments. Some activities will can be matched with CSRs and multilateral and bilateral budget
Forest Industrial Organization (FIO)	Government	4	Mainly from yearly government budget and income from timber market.  Only for the FIO project activities.
Office of Natural Resource and Environmental Policy and Planning (ONEP)	Government/ multilateral and bilateral budget	4	It's only for government activities not for others. Yearly government budget and may be supplemented from multilateral and bilateral budget
Botanical Garden Organization (BGO)	Government/ multilateral and bilateral budget	4	It's only for BGO activities not for others. Yearly government budget and may be supplemented from multilateral and bilateral budget
Thailand Greenhouse Gas	Government/ multilateral and	3	It's for TGO activities and sub-contract for others organizations or departments. Yearly government budget and may be supplemented

Management Organization (TGO)	bilateral budget		from multilateral and bilateral budget
Biodiversity-based Economy Development Office (BEDO)	Government/ multilateral and bilateral budget	2	Have small grants and co-project implementation. Yearly government budget and may be supplemented from multilateral and bilateral budget
The Provincial and Cluster Development Plans	Government	2	Open channel for grants but not big. The budget comes from the Ministry of Interior (MoI) and Provincial Administration Organization (PAO) following the Provincial and Cluster Development Plan
Toyota Thailand	Private	2	Will provide small grants through CSR awards, PR activities and specific activities and short time period.
PTT Global Chemical (PTT GC)	Private	2	Will provide small grants through CSR awards, PR activities and specific activities and short time period but CSOs and CBOs involve and participate in the process of granting.
RATCH Group	Private	2	Will provide small grants through CSR awards, PR activities and specific activities and short time period.
Siam Cement Group (SCG),	Private	2	Will provide small grants through CSR awards, PR activities and specific activities and short time period. SCG has their foundation and implement by the foundation.
Charoen Pokphand (CP)	Private	3	Will provide small grants through CSR awards, PR activities and specific activities and short time period. CP has their foundation and implement by the foundation.
Siam Commercial Bank (SCB)	Private	2	Will provide small grant through CSR awards and implement by the foundation of SCB and focus on youth and innovation.
Kasikorn Bank	Private	3	Through CSR awards, PR activities
Green Climate Fund (GCF)	Multi- lateral/international	4	GCF is a fund established within the framework of the UNFCCC an operating entity of the Financial Mechanism to assist developing countries in adaptation and mitigation practices to counter climate change. The objective of the Green Climate Fund is to "support projects,



			programmes, policies and other activities in developing country Parties using thematic funding windows - Thailand is planning to submit a GCF Concept Note to access the fund
Global Environmental Fund (GEF)	Multi-lateral/international	2	Thailand has submitted a Project Identification Form proposal which covers biodiversity and integrated management of corridor. UNDP implement and grant to CSOs and CBOs through small grants
FAO	Multi-lateral/international	4	Support directly through government and registration organization particularly international organizations. For small CSOs or CBOs hard to access funding. .
EU	Multi-lateral/international	4	Support directly through government and registration organizations particularly international organizations and national organizations. For small CSOs or CBOs hard to access funding.
World Bank's Forest Carbon Partnership Facility (FCPF)	Multi-lateral/international	4	Support directly through government and registration organization particularly international organizations, For small CSOs or CBOs hard to access funding. Manage and implement through DNP as national focal point.
Asian Forest Cooperation Organization (AFoCO)	Multi-lateral/international	4	Support directly through government and registration organization particularly international organizations, For small CSOs or CBOs hard to access funding.
International Tropical Timber Organization (ITTO)	Multi-lateral/international	4	Support directly through government and registration organization particularly international organizations, For small CSOs or CBOs hard to access funding.

**Remarks: Likelihood of Access:** 1 - Very likely, 2 - Likely but needs application or proposal before funding is approved/accessed. 3 – Good possibility but needs application or proposal. Competition for funds is very high, 4 – Low possibility, 5 – Very low possibility

## 4.2 Mapping of forest financing with national priorities

Section 3.2 and Table 2 above briefly outlined the high priority activities and areas of concern for Thailand forestry. Many of these activities are included in the Master Plan for Forestry in Thailand.

Table 5: Mapping of financing sources with priorities

General Thematic Areas	Related National Forest Policy	Actor/Agencies involved	Potential Funding sources	Remarks
<b>Forest Management</b>				
1. Restoration and development of forest landscape, and monitoring of forest condition	1,2,3,5,11,14	RFD, DNP, DMCR	MoNRE, CSRs, Multilateral and Bilateral funds such as AFoCo, UNDP, IUCN	Its roles of government agency and implement by government agencies such as RFD, DNP and DMCR. In the national level, MoNRE also propose to multi-lateral/bilateral Fund for supporting the government agencies for new thematic areas in the global level.
2. Conservation of forest and ecosystem	2,8,9,13,17	RFD, DNP, DMCR	MoNRE, CSRs, Multilateral and Bilateral funds such as AFoCo, UNDP, IUCN	Its roles of DNP and collaboration with RFD and DMCR. UNDP and WWF had been granted by GEF and collaborated with DNP in the protected area (Hoiy Khakaeng Wildlife Sanctuary)
3. Forest mapping, boundary demarcation, vulnerability assessment of terrestrial and mangrove forests	1,2,3,4,8,11,23	RFD, DNP, DMCR	MoNRE, CSRs, Multilateral and Bilateral funds	Yearly budget of MoNRE with supported by FAO and etc.
4. Awareness raising for the public and community in management and conservation of forest resources	4,6,7,11,12,13,14	RFD, DNP, DMCR, CSOs, CSRs	MoNRE, CSRs, Multilateral and Bilateral funds	Roles of government agencies and support by CSRs, Multilateral and Bilateral funds. CSRs in Thailand has grants for CBOs
5. Assess and analyze the achievement of SDGs in the forest sector	5,7,11	RFD, DNP, DMCR, NESDC	MoNRE, CSRs, Multilateral and Bilateral funds	Office of The National Economic and Social Development Council (NESDC) is focal point on SDGs in all sectors.
6. Development and strengthening of community forest network and the management of forest resources	4,6,11,12	RFD, DNP, DMCR, CSOs, BEDO,	MoNRE, CSRs, Multilateral and Bilateral funds (GEF, EU, UNDP and etc.)	RFD, DMCR, BEDO are key agencies on strengthening community forest network. As well as multilateral /bilateral also support CSOs and CBOs in strengthening CFs and CBNRM.
7. Development of community best	1,11,12	RFD, DNP,	MoNRE, CSRs,	Its roles of MoNRE included RFD, DNP,

<b>General Thematic Areas</b>	<b>Related National Forest Policy</b>	<b>Actor/Agencies involved</b>	<b>Potential Funding sources</b>	<b>Remarks</b>
practices, support community activities, promote participation of community in forest ecosystem management		DMCR, Academic Institute, CSOs	and In country fund, Bilateral funds (GEF,EU, International CSOs)	DMCR and MOI. CSOs take key roles in mobilizing strengthened communities and scale up to be good practice and demonstration communities.
8. Forest and climate change mitigation and adaptation	1,2	RFD, DNP, DMCR, TGO, BEDO, Academic Institutes	MoNRE, CSRs, Multilateral and Bilateral funds (GEF,EU, GCF)	DNP is national focal point on REDD+, TGO is key agency on climate change both of mitigation and adaptation.
<b>Utilization of forest products, ecosystem services and economic forests</b>				
9. Development of database system in utilization of forest products	1,5	RFD, DMCR, BEDO	RFD, EU, FAO	RFD works on database system of economic forest and conserved forest.
10. Development of forest certification, including small plantations	16	RFD	RFD, EU, FAO	RFD, FAO and Kasetsart University work on certification included small plantation.
11. Development of marketing mechanisms and industries, domestically and internationally	10,15	RFD, FIO, Academic Institutes, Private Forest Plantation Coop.	RFD, EU, FAO, Commercial Bank	RFD is key actor on the economic forest and collaboration with FAO and EU in developing market mechanism and industries domestically/ internationally.
12. Development of value addition to forest products from forest plantations and other types of planted forests	14	RFD, MOI, MOC	RFD, MOC, MOI, Commercial Bank	Ministry of Commerce (MOC) collaborates with commercial Bank in promoting forest planation.
13. Standardization the valuation of economic trees	16,17	RFD, FIO, Academic Institutes	RFD, FIO, EU, FAO, ITTO	RFD, FIO, ITTO are working on standardization and C&I was developed and promote in the RFD and forest sector.
14. Awareness raising on REDD+ and PES, as incentives or financing mechanisms for sustainable forest management e.g. tax payment with	6, 10,12,16,17	DNP, RFD, DMCR, Academic Institutes	RFD, DNP, DMRC,EU, Multilateral and bilateral fund	DNP is national focal point of REDD+ and in the process of national strategic planning with grant from Forest Carbon Partnership Facility (FCPF), manage by World Bank.

<b>General Thematic Areas</b>	<b>Related National Forest Policy</b>	<b>Actor/Agencies involved</b>	<b>Potential Funding sources</b>	<b>Remarks</b>
considering reduction of carbon emission				DNP and RFD will take key role of tax payment with considering reduction of carbon emission
15. Increase income and improve the livelihoods of community who are related to and relying on natural resources	1,3,14,15,17	RFD, DMCR, MOI, MOC	RFD, DMCR, MOI, MOC, BEDO, EU, Multilateral and bilateral fund	Key program is promoting for community livelihood and forest production
<b>Development of forest administration and organization</b>				
16. Improve existing regulations and law enforcements to support sustainable forest management	9,18,23	RFD, DNP, DMCR,	MoNRE	MoNRE is in the process of legal reforming and law enforcement with support the SFM
17. Review of existing resolutions, regulations and laws that hinder the extension of economic forests and forestry businesses	9,18,23,24	RFD, DNP, DMCR,	MoNRE	MoNRE is in the process of legal reforming and law enforcement with support the SFM. RFD promote economic forest and marketing
18. Promote and increase understanding on forest financing	1,18,19,24	RFD, DNP, DMCR,	MoNRE	RFD, DNP, DMCR, private sector, CSRs and CSOs are active and interested on forest financing.
19. Implement the criteria and indicators in sustainable forest management	7,16,20,24	RFD, DNP, DMCR,	RFD, Multilateral and bilateral fund	RFD developed Criteria and Indicator in SFM and proposing to work in the RFD as internal auditing
20. Increase the Research and Development to strengthen forest development at all level e.g. action research, community-based research on forest management as well as livelihood development	5,22	RFD, DNP, DMCR, Academic Institutes, National Research Council of Thailand	MoNRE, National Research Council of Thailand, Thailand Research Fund	Less budget of R&D in MoNRE cause to less research and development project in the MoNRE agencies.
21. Enhance network of forest management with good governance in the forest organizations	19,20,23	RFD, DNP, DMCR,	RFD, DNP, DMCR, MoNRE	Multilateral and bilateral fund support in strengthening network of SFM and good governance

<b>General Thematic Areas</b>	<b>Related National Forest Policy</b>	<b>Actor/Agencies involved</b>	<b>Potential Funding sources</b>	<b>Remarks</b>
22. Build capacity and work incentives for forestry officers at all level	19,20,21	MoNRE	RFD, DMCR, MOI, MOC, BEDO, EU, Multilateral and bilateral fund	MoNRE need support from Multilateral and bilateral fund
23. Develop the social welfare for forest rangers and leaders e.g. giving an award	20,21	MoNRE and RFD, DNP, DMCR	MoNRE and RFD, DNP, DMCR	Need to reform the social welfare system in the MoNRE and support from Multilateral and bilateral fund

## 5. Other proposed forest financing mechanisms

### 5.1 Forest Incentive Systems, including incentive schemes for the private sector

Developing a forest incentive system, particularly for the private sector, is one way to generate financial support for sustainable forest management. One such system can be through a national forest certification system that is robust and structured in such a way that it can be used as a mechanism for different financing arrangements such as:

- A carbon-based incentive system set-up like a market-based incentive system similar to the REDD+ system
- A carbon-based system that generates carbon credits which can serve as the avenue for corporate social responsibility arrangements
- An output or performance-based incentive system similar to REDD+, but based on accomplishments or activities completed rather than on verified carbon credits

Certification in general, including forest certification, are often associated with, and envisioned as, an incentive system through the economic benefits provided by the market of certified products. The expected benefit comes from the increased revenue resulting from the anticipated increase on price of forest products because they are ‘certified’ to have been produced from sustainably managed forests. In this set up, the forest, and the products from it, must undergo a rigorous certification process that is credible and have undergone a rigorous verification system. This is what the national forest certification system can provide once it has been established.

Alternatively, the certification can be based on the carbon credit (rather than a traditional forest product) that can come from reduction in carbon emission that can come from two possible sources, namely, avoided emission from avoided deforestation (e.g. from forest protection), and carbon sequestration (e.g. reforestation/afforestation, forest restoration). Carbon credits will need to be certified through a certification process required by the national forest certification system.

Another option is to set up also a forest certification where carbon credits are not designed to be ‘sold’ in the carbon market. Rather, the credits can be offered to a private sector which can claim the credits as part of its corporate social responsibility (CSR) initiatives. This set up can be achieved through a partnership agreement between the private sector (business enterprise) and a forest area managed by a forest manager (e.g. local forest community or RFD for public forests).

Carbon neutrality has been a popular and a noble goal expressed among business enterprises in the business sector lately. Private companies are now becoming more interested in environmental concerns and are looking for ways to enhance their environmental stewardship and humanitarian objectives. This is usually done through their corporate social responsibility.

The last option is similar to the carbon credit for CSR as described above; however, the avenue of support and partnership is not through the carbon credit but rather through actual forest activities (forest restoration, rehabilitation, reforestation, afforestation). Hence, the partnership can be forged where the local community can be provided support by the private sector to do various forest management activities such as: forest restoration, assisted natural regeneration, reforestation and afforestation, and forest protection.

## 5.2 Creation of Sustainable Forest Management Fund

Forest fund can be another mechanism to bring together finance from different sources and aims for sustainable forest management. It could serve as another option for financing sustainable forest management in Thailand. It would also be a strategic platform for stakeholder collaborations including government, private sector and local community. It will help to strengthen the forest management process of local communities working in different parts of the country to access financial supports, as well as help the supporting organizations who can develop innovative tool on forest management to support community and sustainable forest management at local and national level. It can also be ‘seeding’ fund or scale up fund for SFM and a basket for government or other organizations that need to apply for big grant to use as co-financing mechanism in the project proposal.

Sources of SFM fund can be from domestic fund raising or fund from international donors, private sector, interested individuals or big project grants that aim to support community for sustainable forest management. Therefore, the detailed structure and management of forest fund should be designed and discussed among relevant stakeholders in order to respond to the needs and overall goal of forest financing development.

Forest fund management should be independent and with good governance. The management structure may be under public organization or by banking institute. The capital should be increased through any developed mechanisms and require participation from all sector from the beginning and in all decision making process.

## 5.3 Joint implementation of SFM between a private sector (i.e. company like Banks and those enumerated in Figure 1

Joint ventures involving of the private sector in Thailand appears to be gaining some popularity as business enterprises are looking to invest in forest-related ventures that provides ‘modest’ returns but are highly beneficial for environmental concerns. Participants during the national workshop who are representatives of banking corporations have expressed interest in such a venture. In a subsequent consultation with one bank representative, expressed interest on the part of his bank to participate in developing a proposal related to sustainable forest management for possible to multilateral funding sources like the GEF and GCF. In addition, the bank is also interested in entering into a joint venture with the government to establish plantations (e.g. bamboo, high value crops) both for the modest return and for its environmental benefit such as amount of carbon a project can sequester which the bank can claim as part of its CSR initiative.

## 5.4. REDD+ Financing system

Reducing Emissions from Deforestation and Forest Degradation, or REDD+, is one incentive system for sustainable forest management. It was originally one of the approaches under payment for ecosystem services (PES) which involves remunerating organizations or forest managers for reducing deforestation

and forest degradation. It eventually became one of the global mechanisms both as an innovative and a cross-sectoral form of SFM financing agreed upon through intergovernmental negotiations at the UN Framework Convention for Climate Change (UNFCCC). It was initially proposed during the UNFCCC Convention on 2005 and later embraced by donors and multilateral organizations as it aimed both at reducing deforestation and mitigating climate change. Despite initial technical difficulties and protracted intergovernmental negotiations, the REDD+ mechanism remained to be a viable incentive system adopted by a number of donors and multilateral organizations. Even without an international agreement, some stakeholders applied the REDD+ label to a variety of financing mechanisms. A number of new initiatives and institutions were formed to help push forward the REDD+ mechanism. The initiatives that have been most relevant to an international REDD+ mechanism include: the Forest Carbon Partnership Facility (FCPF) housed at the World Bank, and the UN-REDD Programme managed jointly by FAO, UNDP and UNEP. Both initiatives are intended to assist developing countries to set up the institutional and technical infrastructure necessary for the establishment of a REDD+ mechanism, including the capacity for monitoring, reporting and verification—a key condition for REDD+ since funds are contingent on results.

The mechanism remains open to public and private, bilateral and multilateral, and alternate sources providing funds on a voluntary basis. To date, the majority of funding has come from public sources, with significant amount of public funding already pledged, but whether such large amounts of public financing will be sustained in the future remains uncertain. The private sector is also estimated to have contributed cumulatively between US\$ 600 and 800 million (Castrén *et al.* 2014). Despite such large amounts of funding, however, REDD+ has yet to demonstrate that it can be implemented at large scale.

## 6. National Action Plan for Implementing the National Forest Financing Strategy

The previous sections describe the key elements of Thailand’s National Forest Financing Strategy. The sections outline the priority activities identified in the Master Plan, the National Policies and how they are linked with the UNFI, and a mapping of the priority activities and possible sources of funding support for these priority activities. This section outlines the action plan for how the funding sources may be accessed. The section is divided into three subsections: Section 6.1 describes an action plan for accessing public funds through the creation of a Sustainable Forest Management Fund; Section 6.2 describes the action plan for securing funding support from the private sector; and Section 6.3 describes action plan for securing funding from the multi-lateral organizations

### 6.1 Proposed process for the development of forest financing mechanisms, including the SFM Fund

Forest management in Thailand is rather centric and perhaps more top-down in terms of its general process. Consequently, any proposed mechanisms or initiative, such as a forest financing strategy, goes through a review process that rests ultimately in the executive offices of RFD.

Consistent with this process, the development and implementation of a forest financing strategy should go through a process with RFD as the focal point. The proposed process can be summarized based on the following steps:



## 1. Prepare and establish a formal working group

- 1) Establish an ad-hoc working group to review and revise the proposed forest financing strategy to be in line with existing policies and plans and put the forest financing strategy as part of the forest master plan so that RFD, DNP, and DMCR could take it forward.
- 2) Propose the names of relevant organizations to be members of the committee to develop forest financing mechanisms, and to develop an action plan following the forest financing strategy and to identify responsibilities of the committee.

2. The committee for the development of forest finance is crucial, to be able to push this agenda forward. They should serve as a strong focal point to develop forest finance and should have sufficient capacity; therefore, building capacity of the committee is important and need to be consistent. This committee should be autonomous to be able to perform under good governance.

3. Development of standards and a forest certification system, to be able to generate tax system from forest certification schemes. The following stages are required;

- 1) Develop forest certification scheme based on the criteria and indicators already developed by RFD, in order to initiate realistic implementation.
- 2) Develop the certification system that is standardized and accepted by all sector. RFD needs to coordinate with all accredited agencies.
- 3) Develop tax payment system from timbers and other forest products in collaboration with the Ministry of Finance.

4. Develop database system to compile information of all funding sources including donor organization, funding agencies, and private sector/CSRs that are interested to support forest projects and activities

5. Enhance partnership among government agencies and private sector organizations, in order to develop a project that can attract forest fund as well as possible future public-private collaborations with a goal of gaining long term partnership.

6. Actively promote the development of forest fund at the community level. Studies have found that communities that are empowered could manage funds, however, funds for communities are still limited. Therefore, if forest communities can gain support to establish forest conservation and management fund, they would be able to handle other existing financial mechanisms such as managing a community bank account. Some communities should be able to increase their capital through benefit sharing, such as revenues generated from eco-tourism and other community enterprise activities. However, community forest fund development and management needs staff to work closely as facilitator with the community until the community is fully capacitated.

7. Develop clear policy agreements that properly and clearly define the management of large projects from international donors, like GEF, GCF. Such policies should allocate a portion of the large project grant for Sustainable Forest Management. This policy/strategy for forest fund development can ensure that large project grant could provide funding support down to the local community.

8. The working group and committee should develop an action plan with defined time line and clear outcomes such as: preparation phase, implementation phase, and monitoring and evaluation phase, in order to implement as well as evaluate the success and progress towards a clear set of indicators throughout the implementation.

9. Promote participatory monitoring and evaluation as important mechanisms to ensure that designed forest financing mechanisms are relevant and practical, or may need occasional improvement, in order to enhance the efficiency and effectiveness of all operations.

10. Define SFM Fund Distribution System, to ensure access to stakeholders with clear operational mechanisms that include:

- Access through submitting proposal with clear potential outcomes. Screening and approval system need to be developed.
- Rules and regulations should be simple and easy to understand and accessible to the communities.
- If there are large projects from GEF or GCF funds, these projects should share some provisions as small grants for communities who are commitment to sustainable forest management.
- The forest fund should support all sizes of projects; large, medium, and small.
- Screening and evaluation systems, review and approval processes, as well as monitoring and evaluation should be well designed and appropriate with good governance and transparency.
- There needs to be monitoring and mentoring systems to communities in order to receive continued support.

## 6.2 Action plan for securing funding from the private sector

Securing funding from the private sector can significantly augment the funding resources currently available to support SFM in Thailand.

## 6.3 Action plan for securing funding support from multi-lateral organizations

One important source of funding to support SFM is through multilateral organizations. Table 4 contains a list of potential multilateral organizations that Thailand can pursue to generate funds to support SFM activities. Figure 2 shows an estimate of the amount of funding support received by Thailand from various bilateral and multilateral donors. Two multilateral funds have been particularly accessible to many countries worldwide, namely: Green Climate Fund (GCF) and the Global Environmental Facility (GEF). For GEF, the System for Transparent Allocation of Resources (STAR) determines the amount of GEF resources that a given country can access from the 2019 allocation of US\$4,068 million. Thailand has been able to access its total allocation for 2019; hence, no new projects can be developed where funding will be sourced through the GEF until new replenishment of GEF funds.

GCF is the other multilateral funding source that Thailand can pursue. As of 2020, a GCF Concept Note (CN) is being developed through the support of the UN Forum on Forest. The Concept Note is a pre-proposal which outlines the key elements of a potential full project. Annex 3 provides a summary of the different Components, Outcomes, and Outputs as contained in the draft CN currently being developed.

For GEF, GCF and a third multilateral agency providing funds for many climate change related projects called Adaptation Fund, Thailand can access them by following the following general strategies. First, Thailand, through its relevant agency such as the Royal Forestry Department (RFD) and the Department of National Parks (DNP) needs to identify national priority concerns that are aligned to the multilateral agencies' priority program areas (e.g. Climate Mitigation and Adaptation for GCF). Then, an Accredited Entity needs to be identified (e.g. FAO, UNDP). The national agency or sometimes referred to as the Executing Agency along with AE, collaboratively develop a proposal (called Concept Note for GCF and Project Identification Framework for GEF). The National Designated Authority of Thailand should be notified early and often during the project development, who then prepares a Letter of No Objection which will be part of the proposal submission of the AE to GEF or GCF.

## Annex 1: Thailand's National Forest Policy – In a nutshell

The objectives of National Forest Policy include;

- 1) To ensure Thailand has sufficient forest area that is suitable for ecosystem integrity and sustainable use.
- 2) To efficiently halt and prevent the destruction of national forest and wildlife resources.
- 3) To conserve and use forest resources, wildlife, and biodiversity appropriately, sustainably, fairly, and be the foundation for national development and quality of life of the people, by taking into account the social, economic and environmental balance.
- 4) To ensure effective forest resource governance system with a basis on knowledge and innovation, and participation of all sector.

There are 24 policy provisions on three key areas; 1) forest management, 2) utilization of forest products and services, and forest industry, 3) development of administration systems and forestry organizations.

### **Policy provisions on forest management**

1) Link the government's work in forest management at all levels to ensure unity and coordination in the development chain between governmental administration at all levels, including coordination and development of mechanisms or tools to support the integration of national forest development partners in the relevant sectors, and by proceeding with goal-oriented and continuously.

- 2) Set the forest areas throughout the country at least 40 percent of the country's area, consisting of
  - 2.1) Conservation forests not less than 25 percent of the country area
  - 2.2) Economic forests and community forests not less than 15 percent of the country area

By requiring to increase and develop forest areas, including conservation forests, economic forests and community forests to meet the goals within the time frame specified in the National Forest Development Master Plan.

- 3) Forest area classification for overall management of the national and area level, as well as determining guidelines for appropriate management and utilization of forest land in each area.
- 4) Improve boundaries of all types of public forest lands to be clear and unified with the application of suitable technology and considering participation of the public and related agencies.
- 5) Develop forest resources information systems, both at a national and area level, to have unified standards to keep up with the situation. Covering all types of forest areas and linked to information on economic, social and other resources of the country, and specify the clear and appropriate agency or responsible group of people.
- 6) Promote and support the roles and responsibilities of all sectors to create awareness and participation, including responsible for the conservation, management and sustainable development of forest resources.
- 7) Effectively stop and prevent the destruction of forest resources in all types of public forest lands. By clearly define the indicators of successful operation.

8) Manage conservation forests for the conservation of natural resources, the environment and biodiversity. Including preventing various natural disasters, maintaining beautiful natural conditions or unique natural features by preserving the natural conditions, maintain the ecosystem integrity as much as possible. The use must be done as necessary to the current condition or carrying capacity of the area, including for the benefit of education, research and recreation.

9) Organize and resolve disputes relating to the possession or use of state forest lands appropriately and fairly under the provisions of relevant laws and taking into account the impact on forest ecosystems and the environment from forest land utilization, and must be completed within the time frame.

10) Develop appropriate economic and marketing mechanisms to support the development of forest resources.

11) Carry out complete forest restoration in the conservation forest areas, in which the target area for forest restoration is clearly specified and continuous. There should be monitoring and evaluation, as well as dissemination of the performance to the public. The operation is done through participation of all sectors and with clearly define the responsibility of government agencies, both at the central, regional, and local levels.

12) Promote and support efficient community forest management to be able to benefit the community, raise awareness to the people on forest conservation, as well as strengthening communities and local areas, and contributing to sustainable forest resource development.

13) Developing comprehensive wildlife management systems, as well as identify the concrete resolutions for humans and wildlife conflicts, and wildlife are protected and appropriately used to develop the country's ecology, social, economic and environment.

#### **Policy provisions on utilization of forest products and services, and forest industry**

1) Promote the plantation of economic trees, both on public lands that are granting the use rights to the people and on private owned lands or owned by non-state lands to be sufficient to the demand of woods and responding to utilization in all sectors.

2) Promote and support all industries that use forest products at all levels, and develop economy from forest resource based appropriately and with concrete results.

3) Develop and promote forest certification system in complying with forest certification standards, and be accepted and accredited at both the national and international levels.

4) Promote and support the balance and sustainable use of forest ecosystem services, and ensuring the ecosystem integrity.

#### **Policy provisions on development of administration systems and forestry organizations**

1) Improve the organizational structure related to forestry to be able to manage conservation forests, economic forests and community forests effectively. with the appropriate size that can minimizing the duplication. Improve the vision, mission of government agencies according to effective implementation of the National Strategy, National Reform Plan, National Economic and Social Development Plan, National Forest Policy And the National Forest Development Master Plan.

- 2) Develop capacity of the government agencies with the roles in facilitating and issuing permissions to the people in order to perform these tasks and other services efficiently, convenient, fast, transparent by appropriately applying technology.
- 3) Develop and promote good governance for the whole forest management system, in which the government sector is flexible in human resource management, displaying the moral system, government personnel adhere to values in working for the people and the country, with morality and advancing along the career path.
- 4) Develop government personnel who perform forestry work at all levels to have professional skills in forestry work that are suitable for their positions, including providing welfare for personnel or officers who work to protect forest resources in the field to be suitable for the nature of works, and not less than other personnel with similar working characteristics.
- 5) Establish a strategic or research plan for forestry sector in the policy, national research strategies or plans and/or consider establishing a national forest research institute including support and development of academic work, research and innovation in response to the comprehensive forestry reform.
- 6) Improve and develop forestry laws and relevant cabinet resolutions to be in line with the social contexts and changing circumstances, in order to use as a tool for overall forest management including the development of law enforcement that concerns with efficiency, equality and using modern technology to increase the efficiency of law enforcement.
- 7) Establish a National Forest Policy Committee by law with the duty and authority to decide the policies and plans for overall forest resource management, including monitoring, inspection, coordination, and providing advice to relevant sectors, and consider establishing the Office of National Forest Policy to act to drive and support the operations of the National Forest Policy Committee.

## Annex 2: The UNFF measures and instrument

The UNFI is based on the seven thematic elements of Sustainable Forest Management which are:

1. Extent of forest resources
2. Forest Biological Diversity
3. Forest health and vitality
4. Productive functions of forests
5. Protective functions of forests
6. Socio-economic functions of forests
7. Legal, Policy and institutional framework

***The UNFI has 25 national policy and measures for promoting SFM as follows:***

1. Develop and implement NFPs or similar strategies for SFM
2. Consider the seven thematic elements of SFM
3. Promote environmental impact assessment of projects affecting forests;
4. Develop/implement policies that encourage SFM to provide a wide range of goods and services, contribute to poverty reduction and the development of rural communities
5. Promote efficient production and processing of forest products
6. Support the protection and use of traditional forest-related knowledge and practices incl. fair and equitable sharing of benefits
7. Further develop and implement C&I for SFM
8. Create enabling environments for investment by private sector, communities and other forest
9. Develop financing strategies taking into account all funding sources
10. Encourage recognition of range of values from forests and ways to reflect such values in the marketplace
11. Enhance cross-sectoral policy and programme coordination to integrate the forest sector into national decision-making processes
12. Integrate national forest programmes or other strategies of SFM into national sustainable development strategies e.g. PRSs
13. Establish or strengthen partnerships and joint programmes with stakeholders

14. Review and improve forest legislation, strengthen forest law enforcement, promote good governance
15. Address threats to forest health and vitality from natural disasters and human activities
16. Develop or expand, and maintain networks of protected forest areas and assess the conditions and management effectiveness of existing protected forest areas
17. Assess the conditions and management effectiveness of existing protected areas
18. Strengthen the contribution of science and research in advancing SFM; incorporate scientific expertise into forest policies and programmes
19. Promote the development and application of scientific and technological innovations, incl. for local communities
20. Strengthen public understanding of the importance and benefits of forests and SFM
21. Promote access to and support formal and informal education, extension and training, for implementation of SFM
22. Support education, training and extension programmes for local and indigenous communities, forest workers and forest owners
23. Promote participation of major groups, local communities, forest owners and other relevant stakeholders
24. Encourage the private sector and civil society organizations to implement voluntary instruments such as certification
25. Enhance access by households, small-scale forest owners and communities to forest resources and markets



## Annex 3: Green Climate Fund Draft Concept Note

### Project Concept Note

<b>Title:</b> <i>Integrated Forest Landscape Restoration for Enhancing Carbon Stock and Climate Resiliency, and Increasing Economic and Livelihood Opportunities in Thailand's Forests</i>	
<b>Component 1:</b>	<b>Strengthening the institutional framework, capacity and the enabling environment for sustainable forest management (SFM) and forest landscape restoration (FLR)</b>
	<b>Outcome 1: National forest policies on SFM and FLR instituted at the national and local levels and coordination mechanisms put in place both at national and local levels</b>
	<b><u>Output 1:</u> Developing and implementing national policies and coordination mechanisms, and strengthening governance of conservation and economic forests</b>
	<b><u>Output 2:</u> Chain-of-command policies of forest and non-forest products, including FLEGT-requirements are in place.</b>
	<b><u>Output 3:</u> Policies are in-place for the implementation of a national forest certification system for SFM and other forest products.</b>
	<b>Outcome 2: Community level policies are enacted and implemented</b>
	<b><u>Output 1:</u> Implementing rules and regulations of the Community Forest Act are mainstreamed at the national, regional and community levels</b>
	<b><u>Output 2:</u> Forest governance of conservation and economic forests is strengthened in areas with significant community presence and influence.</b>
<b>Component 2:</b>	<b>Rehabilitating degraded lands through integrated forest landscape restoration</b>

	<b>Outcome 1: Increased land/forest cover in economic and conservation forests through reforestation/afforestation</b>
	<b><u>Output 1:</u> Establish Private-Public-Partnerships and Private-Community Partnerships for pursuing reforestation/afforestation in critical watersheds</b>
	<b><u>Output 2:</u> Developing and pilot testing low-cost reforestation/afforestation techniques in critical watershed areas</b>
	<b>Outcome 2: Improved degraded lands through integrated forest landscape restoration</b>
	<b><u>Output 1:</u> Restoration of degraded agricultural and forest lands through community-based forest management and sustainable land management (SLM) regimes</b>
	<b><u>Output 2:</u> Integrated forest landscape restoration for multiple benefits that includes biodiversity, ecosystem services, and carbon credits</b>
<b>Component 3:</b>	<b>Strengthening and increasing contribution of forests to economic development and resilient communities- this will include the concept of economic forests, agroforestry and community forestry</b>
	<b>Outcome 1: Financing mechanisms put in place for supporting livelihood and economic incentives of forest communities</b>
	<b><u>Output 1:</u> Establishment of alternative livelihood options and benefit sharing systems among communities through engagement of participatory governance</b>
	<b><u>Output 2:</u> Establishment of a national Forest Certification System to create value-adding opportunities and partnership agreements between the private and the public</b>

	<b>and forest community sectors.</b>
	<b>Outcome 2: Development of Sustainable Management Fund and Community Development fund through innovative approaches such as PES, REDD+, tax and other government-initiated mechanisms and support from multi-lateral funding sources</b>
	<b><u>Output 1:</u> Implement the National Forest Financing Strategy and explore funding sources to capitalize the SFM Fund and the Community Development Fund</b>
	<b><u>Output 2:</u> Creation and establishment of alternative sources of funds such as REDD+ and other national or regional market for verified carbon credits</b>

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