

# The Biodiversity Finance Initiative (BIOFIN)

## Preliminary Report of Public Expenditure Review and the Process in Thailand

By

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## Introduction

The **BIOFIN Workbook 1C** consists of an overall and biodiversity-related expenditure review that will be used to estimate future funding baseline under a 'business-as-usual' scenario. The review determines major finance actors, assesses the relevancy of their expenditure programs to biodiversity and categorizes them according to the National Biodiversity Strategies and Action Plan (NBSAP's strategies) and Workbook's categories. Expenditure results in terms of effectiveness and/or degree of harm to biodiversity are also explored based on available information in order to determine the current progress on biodiversity finance. Thus, the following aspects of biodiversity related expenditure are examined (BIOFIN Workbook<sup>1</sup> 2014):

### Expenditure types and priorities with regards to NBSAP's strategies

1. Participatory integration of biodiversity value and management;
2. Conservation and restoration of biodiversity resources;
3. Building capacity for utilization and sharing of benefits derived from biodiversity in accordance to the principle of green economy;
4. Biodiversity knowledge and database development consistent with internationally recognized standards,

### Workbook strategic categories for the Aichi Biodiversity Targets

1. Mainstreaming biodiversity across government and society;
2. Sustainable use and reduction of direct pressures on biodiversity;
3. Protection of ecosystems, species and genetic diversity;
4. Restoration and enhancement of benefits to all from biodiversity and ecosystem services;
5. Access and Benefits Sharing; and
6. Implementation enhancement through participatory planning, knowledge management and capacity building

Effectiveness, according to the BIOFIN Workbook, is taken as the degree to which the expenditure achieves the specific intended results in a cost-effective and efficient manner. Harm to biodiversity results from direct and indirect expenditures that are in opposition to the national biodiversity objectives, and/or to the conservation, sustainable use and equitable sharing of the benefits of biodiversity.

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<sup>1</sup> The BIOFIN Workbook provides guidance to countries on how to assess financial needs and how to mobilize the financial resources required to fully implement their revised NBSAPs, and thereby achieve the Aichi Biodiversity Targets at a national level. It has been developed under BIOFIN and is currently available as a working version as of October 2014. The Workbook can be downloaded: [http://www.biodiversityfinance.net/sites/default/files/uploads/documents/biofin\\_workbook\\_final.pdf](http://www.biodiversityfinance.net/sites/default/files/uploads/documents/biofin_workbook_final.pdf)

**Biodiversity-related expenditure** is defined as any expenditure, whether by a public or private finance actor, that supports the conservation, sustainable use and/or equitable benefits sharing of biodiversity in a given year. The proportion of expenditure that are attributed to biodiversity is based on an overall assessment of the activities within each financial actor's work programs and also by comparison with the NBSAP whether these are included in the NBSAP or consistent with NBSAP's strategies. Programs' objectives and performance indicators, as well as any major obstacles that arise, are used to determine their effectiveness in relation to the stated goal. These indicators are primarily based on those specified in each finance actor's strategic plan or budgetary work programs with quantifiable quantities such as protected areas coverage, number of ecotourism centers being serviced, number of studies on environmental resource management undertaken, some of which can be related to the overall indicators used in the assessment of the National Economic and Social Development Plan, the Environmental Quality Plan and the NBSAP.

## Data and Methodology

Workbook 1C consists of three main components: 1) An overall national budgetary and expenditure snapshot; 2) Baseline expenditures and expenditure effectiveness review; and 3) Estimated future funding baseline under a 'business-as-usual' scenario. Reviews in the first two components utilize information from the national budget documents and database for the five-year period from 2011 to 2015 (Thailand's Annual Budget Expenditure Acts B.E. 2554-2558) in addition to actual expenditure figures and program outcomes achieved from the relevant government agencies. The information includes annual budgetary allocation for the government agencies organized according to their corresponding ministries, programs' functional goals/objectives and expenditure types (personnel, operations, capital, subsidy and other expenditures) supplemented with relevant data from other non-budgetary agencies and institutions such as the environmental fund, state-owned enterprises, research institutions and external financing (foreign Official Development Assistance).

The current NBSAP (Thailand's Integrated Master Plan on Biodiversity Management 2013-2021 and the National Action Plan on Biodiversity Management 2015-2016) is used to identify the finance actors and categorize expenditures according to the NBSAP strategies. In particular, main government agencies and public institutions included in the National Action Plan on Biodiversity Management 2015-2016 (a two-year action plan to coincide with the conclusion of the Eleventh National Social and Development Plan 2012-2016) are initially identified as finance actors. Other domestic and foreign financial actors and donors such as public and private agencies and institutions are also chosen based on the relevancy of their activities for the (positive or negative) ecosystem trends and drivers as identified in Workbook 1A and 1B. The expenditure review process is undertaken through the following steps:

1. Select major finance actors based on their activities and inclusion in the NBSAP.
2. Screen the budget for the actors and biodiversity-related expenditure at the program, output/project and activity level.

3. Organize the data into a database with a Workbook category/NBSAP strategy expenditure tagging system.
4. Conduct a preliminary budget analysis to identify the proportion of each program's expenditure that is attributable to biodiversity based on their activities that are classified according to the NBSAP strategies and Workbook categories.
5. Conduct meetings with agencies for actual expenditure data from budgetary and non-budgetary (including external) sources, determination of relevancy and effectiveness (based on information on performance indicators and any issues/obstacles that may arise), any negative impacts on biodiversity, current financing situation and likely future trends.
6. Obtain information for non-budgetary actors from annual/project reports, studies, consultation and focus group discussions.
7. Completion of Workbook 1C to estimate the future funding baseline under a 'business-as-usual' scenario.
8. Presentation and confirmation of findings and recommendations with the BIOFIN National Steering Committee, the BIOFIN working group, and representatives from concerning agencies and stakeholders.

## Preliminary Analysis and Results

### 1. Overall government budget and expenditure for fiscal year 2011-2015

The overall national government budget and actual expenditure of Thailand for the five-year period from fiscal year 2011 to 2015 is shown in Figure 1. Table 1 also provides the expenditure numbers as percentage of nominal GDP over the same period. The annual national budget is around 20 percent of GDP with the actual disbursement rate of 90-95 percent. Thai economy experienced a slowdown over the period, despite recovering from the flood in the first quarter of fiscal year 2012 (or towards the end of 2011 as the fiscal year starts in October), and persistently low growth rates towards the end of the period due to the fall in exports and political crisis. The government therefore tried to improve the disbursement rate in response, in addition to continued running a budget deficit in order to provide fiscal support to the slowing economy. Consequently, total budget only registered low single digit growth rates between 2013-2015 after rising 10 percent in 2012 and the disbursement rate improved from 90 percent for the period 2012 - 2014 to 95 percent in 2015.

Figure 1: Overall Government Budget 2011-2015

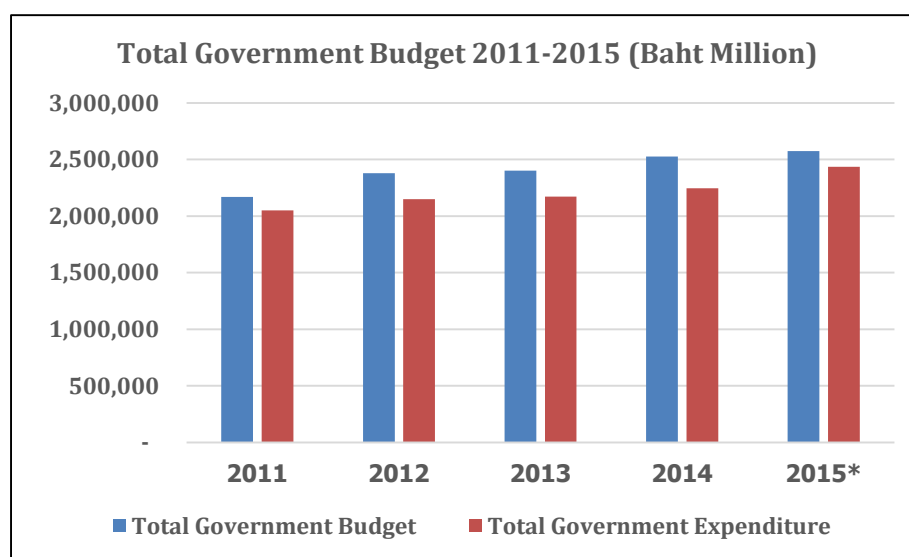


Table 1: Total Government Budget and Expenditure 2011-2015

	2011	2012	2013	2014	2015*
(Million Baht)					
Total Government Budget	2,169,967	2,380,000	2,400,000	2,525,000	2,575,000
Total Government Expenditure	2,050,539	2,148,475	2,171,460	2,246,307	2,378,114
(% of Budget)	94%	90%	90%	89%	92%
Nominal GDP	10,523,080	11,243,980	11,938,250	12,061,090	13,368,450
Inflation (CPI %yoy)	3.8%	3.0%	2.2%	1.9%	-0.9%
(% of GDP)					
Total Government Budget	20.6%	21.2%	20.1%	20.9%	19.3%
Total Government Expenditure	19.5%	19.1%	18.2%	18.6%	17.8%

\* New chained-volume measure of GDP in 2015 is not comparable with previous years' values.

Source: Fiscal Policy Office, Public Debt Management Office

Total national budget mostly covers for direct expenditures of the Prime Minister's Office and other ministries (around 65 percent of total expenditure) and the central fund (around 15 percent of total expenditure) while the rest of the budget goes to subsidizing local authorities, independent public agencies, state enterprises and revolving funds, as well as for the replenishment of the treasury account balance. Large infrastructure and agricultural projects such as transportation, water management and price subsidies on the other hand are partly financed off-budget through domestic and foreign borrowings, specialized financial institutions, state enterprises or extra budgetary funds.

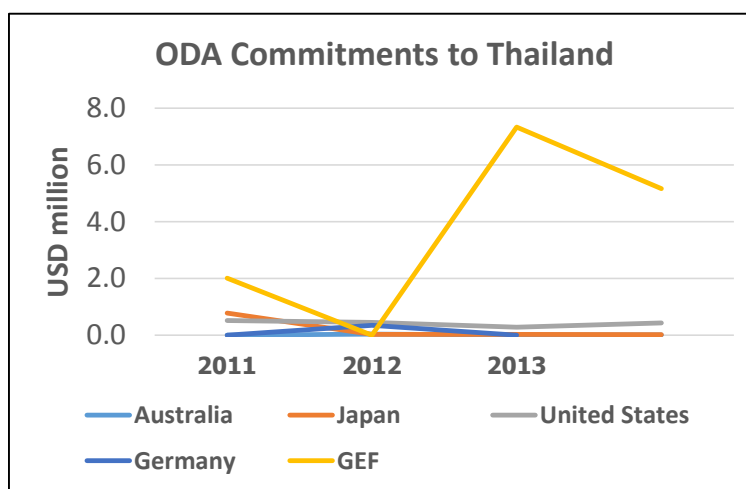
## 2. Public sector and its main sources of funding for biodiversity in Thailand

As mentioned in Thailand Fifth National Convention on Biological Diversity (CBD) Report (Thailand Fifth National Report on the Implementation of CBD, 2014), the main sources of funding for biodiversity in Thailand at present are from two official sources: government's budget allocation and foreign Official Development Assistance (ODA).

For external financing, major bilateral ODA donor countries are the United States, Germany, Austria and Japan, which provide grants through international and national NGOs and the government on issues ranging from wildlife protection, forest conservation and sustainable use of biodiversity resources. The principal external funding channel comes from multilateral arrangement through the Global Environmental Facility (GEF) which is the primary financial mechanism for several international environmental conventions including the CBD.

According to the OECD's Creditor Reporting System (CRS),<sup>2</sup> biodiversity sector (code 41030) ODA flows to Thailand in terms of commitment funding between 2011 and 2013 totaled US\$ 14.13 million, of which US\$ 12.51 million (88.54 percent) come through the GEF (see figure 2).

Figure 2. Biodiversity ODA flows to Thailand 2011-2013



Source: OECD Creditor Reporting System (CRS)

<sup>2</sup> OECD CRS classifies an activity as biodiversity-related if it either promotes CBD's objectives on the conservation of biodiversity, sustainable use of its components (ecosystems, species or genetic resources), or fair and equitable sharing of the benefits of the utilization of genetic resources. A biodiversity-related activity belongs to the biodiversity sector code 41030 (targets biodiversity as a "principal objective" according to the Rio markers) if it directly and explicitly aims to achieve one or more of the eligibility criteria to a) protection or enhancing ecosystems, species or genetic resources through in-situ or ex-situ conservation, or remedying existing environmental damage; or b) integration of bio-diversity and ecosystem services concerns within recipient countries' development objectives and economic decision making, through institution building, capacity development, strengthening the regulatory and policy framework, or research; or c) developing countries' efforts to meet their obligations under the Convention.

Table 2 lists current GEF-approved biodiversity projects for Thailand (through UNDP) and the corresponding executing agencies. In addition, Thailand also receives funds from regional and global projects within the biodiversity focal area (through UNDP and UNEP) as shown in Table 3.

Table 2. GEF-approved biodiversity projects for Thailand

Unit: USD						
GEF ID	Project Name	GEF Grant	Cofinancing	Project Cost	Cofinancing Source	Executing Agency
3307	Support to Alignment of NBSAP with CBD Obligations and to Development of CHM	359,090	520,000	879,090	Government	ONEP
3517	Catalyzing Sustainability of Thailand's Protected Area System	3,364,545	14,200,000	17,654,545	Government, NGO, Private Sector, Others	ONEP and National Park, Wildlife and Plant Conservation Department
3940	Sustainable Management of Biodiversity in Thailand's Production Landscape	1,940,000	5,518,000	7,523,000	Government, Private Sector, NGO, Others	BEDO and the Thailand Environment Institute (TEI)
5512	Conserving Habitats for Globally Important Flora and Fauna in Production Landscapes	1,758,904	11,137,233	12,963,717	Government, UNDP, NGO (WWF)	ONEP and Zoological Park Organization (ZPO) under MONRE
5726	Sustainable Management Models for Local Government Organisations to Enhance Biodiversity Protection and Utilization in Selected Eco-regions of Thailand	1,758,904	7,560,000	9,386,484	Local and National Government, UNDP	BEDO
<b>Subtotal</b>		<b>9,181,443</b>	<b>38,935,233</b>	<b>48,406,836</b>		

Source: Global Environmental Facility's (GEF) project documents

Table 3. GEF global and regional biodiversity projects involving Thailand

Unit: USD						
GEF ID	Project Name	GEF Grant	Cofinancing	Executing Agency	Status	
145	Biodiversity Data Management Capacitation in Developing Countries and Networking Biodiversity Information	4,000,000	1,390,000	UNEP	Project Closure	
1490	Mekong River Basin Wetland Biodiversity Conservation and Sustainable Use Program	4,110,000	9,360,000	UNDP	Project Completion	
2430	Conservation and Sustainable Use of Cultivated and Wild Tropical Fruit Diversity: Promoting Sustainable Livelihoods, Food Security and Ecosystem Services	3,649,994	6,714,074	UNEP	Under Implementation	
3853	Building Capacity for Regionally Harmonized National Processes for Implementing CBD Provisions on Access to Genetic Resources and Sharing of Benefits	750,000	750,000	UNEP	Under Implementation	
9120	Support to Preparation of the Third National Biosafety Reports to the Cartagena Protocol on Biosafety - Asia Pacific Region	1,099,050	995,000	UNEP	CEO Approved	
<b>Subtotal</b>		<b>13,609,044</b>	<b>19,209,074</b>			

Source: Global Environmental Facility's (GEF) project documents

The main domestic source of biodiversity funding in Thailand is from the government's budget allocation. Tables 4 and 5 show a preliminary overview of the 2015 budget appropriation for the main government agencies involved in the protection and restoration of the marine and terrestrial ecosystems along with their relevant NBSAP strategies. BIOFIN workbook categories were also preliminary assigned to the work programs without prejudging their impacts at this stage. Figure 3 shows DMCR's budgets for the five-year period classified according to the Workbook category. In addition, the DNP whose primary responsibility is to manage the protected area system in



general, has programs on the management of coral reefs and coastal areas, and on ecotourism management as part of its work plan on climate change prevention and mitigation. The preliminary upper-bound overall budget for the coastal and marine ecosystem for the main agencies mentioned above are shown in Figure 4.

## Marine and coastal ecosystem in Thailand

With regards to the marine ecosystem, the main implementation agencies are 1) the Department of Marine and Coastal Resources (DMCR), 2) the Department of National Parks, Wildlife and Plant Conservation (DNP) within MONRE, 3) Marine Department of the Ministry of Transport (MOT), and 4) Department of Fisheries within MOAC, with an upper-bound biodiversity-related budget for the fiscal year 2015 (October 2014 – September 2015) of THB 1,223 million (US\$ 36 million), THB 13.5 million (US\$ 0.4 million), THB 666.4 million (US\$ 19.6 million), and THB 1,223 million (US\$ 36 million) respectively. Their budget programs correspond to the NBSAP strategies on the Conservation and Restoration of Biodiversity (Strategy 2) and Developing Knowledge and Database System on Biodiversity (Strategy 4). The DMCR has the role of managing marine and coastal resources as well as planning and policies formulation. A recent legislation on marine and coastal resources management enacted in 2015 (Marine and Coastal Resources Management Act, B.E. 2558) gives DMCR the authority to designate Mangrove Conservation Areas and Coastal Resources Protected Areas overseen by local and national committees with the representation of local coastal communities. DMCR's current conservation and restoration programs for the 2015 budget include the management of mangrove forest, survey and evaluation of marine and coastal resources, and improve marine and coastal resources management efficiency. In addition, the DNP whose primary responsibility is to manage the protected area system in general, has programs on the management of coral reefs and coastal areas, and on ecotourism management as part of its work plan on climate change prevention and mitigation.

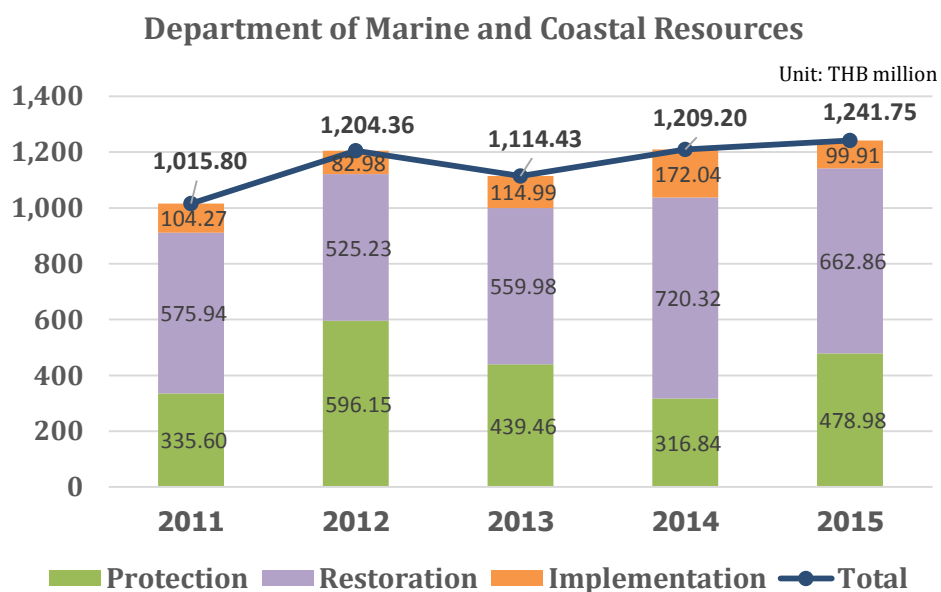
Table 4. 2015 Budget for the main government agencies related to Marine Ecosystem

Agency	NBSAP Strategy	BIOFIN Category	Program	Unit: THB million 2015 Budget
DMCR	2. Conservation & Restoration	Protection, Restoration	• Environmental Protection and Management	534.8
		Implementation, Protection	• Climate change mitigation (Coastal protection)	34.7
		Restoration	• Environmental Protection and Management	610.0
		Implementation	(Marine resources management and monitoring)	
		Implementation	• Asean Economic Community (Training course development)	7.6
		Protection	• Integrated water management (Mangroves restoration)	22.0
DNP	4. Knowledge and Database System	Implementation	• Climate change adaptation (Marine and coastal resource management)	18.6
		Restoration	• Research and Development	14.0
Marine	2. Conservation & Restoration	Restoration	• Climate change mitigation (Coral reefs and coastal management)	13.5
		Mainstreaming	• Infrastructure and logistics development (Coastal erosion prevention)	666.4
Fisheries	2. Conservation & Restoration	Use	• Personnel training and course administration (Management of invasive alien species)	
		Use	• Environmental Protection and Management (Fishery management and control)	412.6
		Restoration	• Environmental Protection and Management (Nusery, coral reefs, coastal and lake resources)	810.6
				<b>3,144.8</b>

Source: Thailand's National Budget for the Fiscal Year 2015

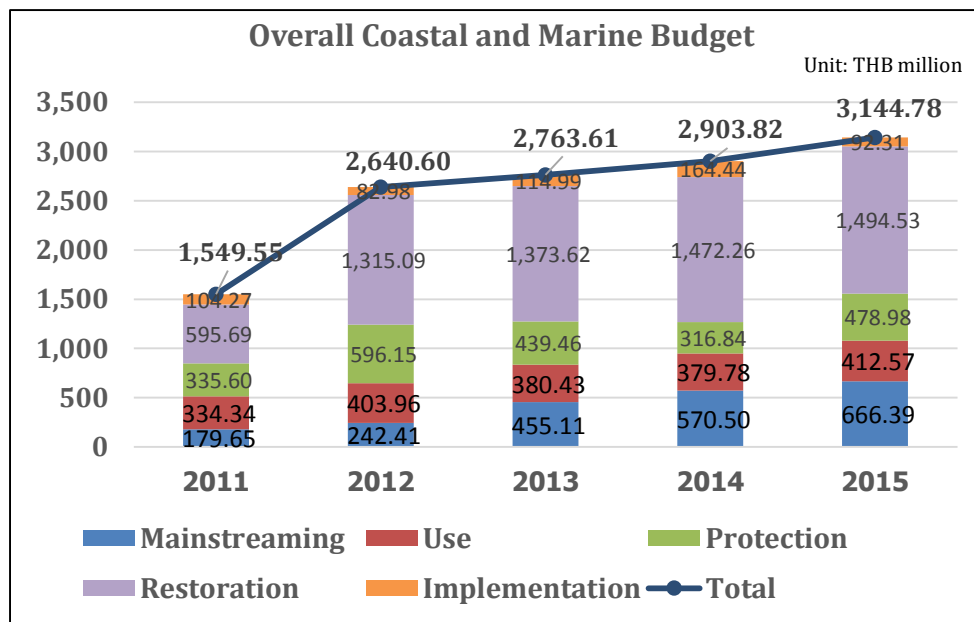
Government agencies whose work programs in the budget may have adverse effects on biodiversity of the marine and coastal ecosystem are the Fisheries Department and the Marine Department. Harmful expenditures relate to the usage of marine resource and infrastructure construction. Nonetheless these two agencies also have budgetary programs that promote sustainable use of biodiversity resource as well as protection and restoration as outlined in Table 4. A new Fisheries Act has also recently been enacted in 2015 with a restriction on aquaculture activities to areas designated by the MOAC or the Provincial Fisheries Committee. The Fisheries Department is responsible for the management of fishery resources for sustainable use and diversity conservation with the participation from local communities. The department’s work plan on environmental conservation and management covers programs on the management and control of fisheries as well as the cultivation and restoration of marine species through marine nursery and artificial coral reefs. On the infrastructure side, the Marine Department of the MOT has work programs related to water transportation infrastructure development as well as maritime training.

Figure 3: Total Budget for Department of Marine and Coastal Resources, 2011-2015



Source: Thailand’s National Budget for the Fiscal Year 2015

Figure 4: Total Coastal and Marine Budget, 2011-2015



Source: Thailand's National Budget for the Fiscal Year 2015

### Terrestrial ecosystem in Thailand

The main agencies concerning biodiversity conservation and restoration of the terrestrial ecosystem are the Royal Forest Department (RFD) and the DNP with 2015 biodiversity-related budget of THB 4.18 billion (US\$ 316 million) and THB 10.44 billion (US\$ 127 million) respectively. Both agencies belong to MONRE and have their work programs on Strategies 1, 2 and 4 of the NBSAP as shown in Table 5. A significant amount of DNP budget is devoted to protection programs that also includes a smaller amount on coral reefs and coastal management for the coastal ecosystem as mentioned earlier. In 2015, DNP was also involved resolving protected area land use issues and water management with total program budget of THB 610.75 million in 2015. Major budget programs for the RFD, on the other hand, relate to sustainable use of forest resource including community forest management totaled THB 2.8 billion in 2015 followed by protection and restoration programs with budget values of THB 658.6 million and THB 595.2 million respectively.

Apart from the traditional works on conservation and restoration, other main agencies that promote sustainable use and development of biodiversity-based economy (NBSAP Strategy 3) include the Biodiversity-Based Economy Development Office (BEDO) and Department of Thai Traditional and Complementary Medicine (DTAM) under the MOPH. BEDO, a GEF funding recipient with 2015 government budget allocation of THB 161.1 million (US\$ 4.9 million), is a public organization under MONRE that was established in 2007 to empower local communities through sustainable use of biodiversity resources for business development, in addition to implement mechanisms and measures for biodiversity-based economic development. DTAM synthesizes,

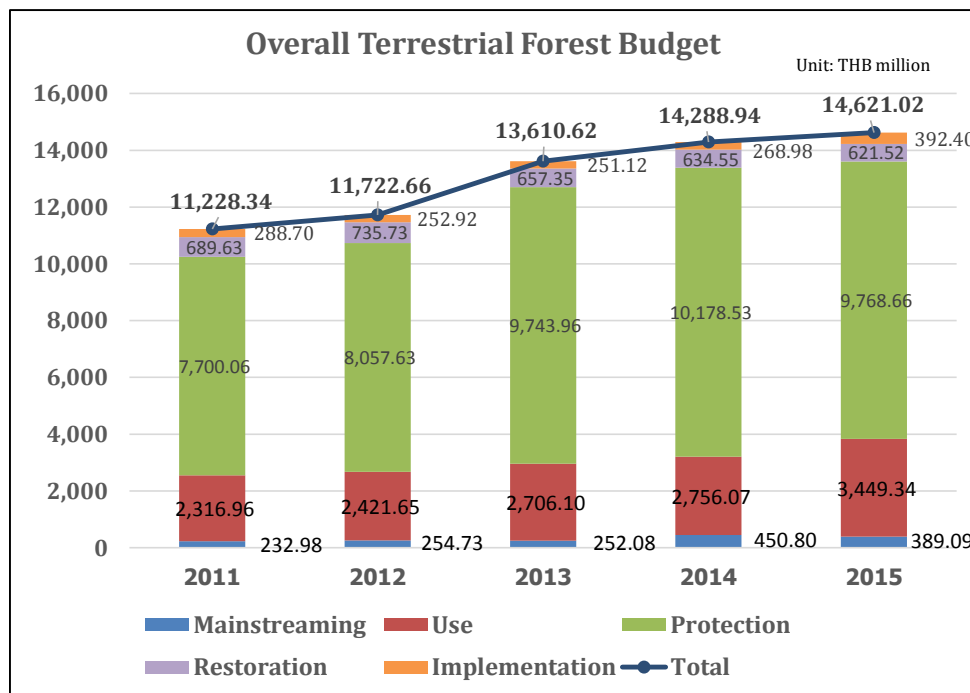
develops, and transfer local knowledge that leads to the development of traditional and herbal products, medicines, treatments and therapies that are based on the country's biodiversity resources. Its annual budget allocation for 2015 was THB 300.7 million (US\$ 9.1 million). Other mainstreaming agencies whose budget is not directly related to biodiversity but may have negative and/or positive biodiversity impacts through their economic and environmental policies include agencies and state-owned enterprises such as the Electricity Generating Authority of Thailand (EGAT), Industrial Estate Authority of Thailand (IEAT), Thailand Board of Investment (BOI), the Bank for Agriculture and Agricultural Co-operatives (BAAC), and the Tourism Authority of Thailand (TAT) for example.

Table 5. 2015 Budget for the main government agencies related to Terrestrial Ecosystem

				Unit: THB million
Agency	NBSAP Strategy	BIOFIN Category	Program	2015 Budget
RFD	1. Integration of Biodiversity Value and Management	Implementation	• Asean Economic Community (Timber and product certification, knowledge sharing center)	19.4
		Use	• Environmental Protection and Management (Community forest management)	45.5
	2. Conservation & Restoration	Mainstreaming	• Environmental Protection and Management (Forestry management and development)	2,676.3
		Use	• Environmental Protection and Management (Forest land management)	116.8
		Protection	• Climate change mitigation (Forest fire and smoke prevention)	123.8
			• Environmental Protection and Management (Forest protection)	534.8
	Restoration	• Integrated water management (Forest planting)	81.0	
		• Environmental Protection and Management (Forest restoration)	514.1	
	4. Knowledge and Database System	Implementation	• Environmental Protection and Management (Biodiversity database)	3.0
			• Research and Development (Forestry research)	62.7
• Climate change mitigation (Forestry climate change research)			5.1	
DNP	1. Integration of Biodiversity Value and Management	Mainstreaming	• Tourism and service development (Ecotourism)	389.1
		Use	• Asean Economic Community (Border area and heritage site management, forest fire and smoke cooperation)	142.4
	2. Conservation & Restoration	Mainstreaming	• Integrated water management (Watershed area)	498.8
			• Climate change mitigation (REDD+ enhancement)	16.9
		Protection	• Environmental Protection and Management (Forest conservation and protection, Participatory protected area management)	8,967.7
			Restoration	• Climate change mitigation (REDD+ communities)
	Use	• Environmental Protection and Management (Resolve land issue in protected areas)	111.9	
		Implementation	• Climate change mitigation (Study change in ecosystem and forest carbon sink)	3.7
	• Environmental Protection and Management (Develop CIT system)		70.1	
	• Disaster recovery and prevention (Information center in forest conservation area)		18.7	
4. Knowledge and Database System	Implementation	• Environmental Protection and Management (Develop database and geographical information system)	50.6	
		• Research and Development (Forestry, flora and fauna)	159.0	
				<b>14,621.0</b>

Source: Thailand's National Budget for the Fiscal Year 2015

Figure 5: Total Terrestrial Forest Budget, 2011-2015



Source: Thailand's National Budget for the Fiscal Year 2015

### 3. Private sector and its main sources of funding for biodiversity in Thailand

On the private sector side, the financial channel benefiting biodiversity that has been widely practiced is corporate donation through Corporate Social Responsibility (CSR) programs by major companies, notably in the construction, mineral and petrochemical sectors. Major users of biodiversity resource are in bio-industry, notably the pharmaceutical sector that conducts substantial research and development. Other companies that are members of Thailand Business Council for Sustainable Development (TBCSD) include those in the financial services, agriculture and consumer product industries. Several companies issue their sustainability disclosure reports and Thailand Stock Exchange has also published a "Thailand Sustainability Investment" list of 51 listed companies that satisfied economic, social and environmental criteria for investment purposes in accordance with international practices. Another current biodiversity financing vehicle that the private sector may be able to make a contribution is the Environmental Fund under Thailand's National Environmental Quality Act B.E.2535 (1992) mentioned in the previous section.

### 4. External funding from international organizations

For a financial mechanism that directly addresses biodiversity-related incentives, the implementation of Payment for Ecosystem Services (PES) in Thailand has been promoted by

international organizations through external funding including from the GEF and UNDP for their supported programs and the EU and GIZ (German government) for the ECOBEST project. The main implementation agencies include BEDO, DNP and the RFD (See Nabangchang, 2014, a review of the legal and policy framework for payments for ecosystem services (PES) in Thailand, Center for International Forestry Research, Working Paper 148 for a detailed summary).

## Workplan and Expected outputs of Workbook 1C

A timeline which maps out activities covering full implementation of workbooks 1C from the last quarter of 2015 to end of 2016 is provided in Table 5. A complete Policy and Institution Review (PIR) Report is expected by 21 December 2015. The UNDP/BIOFIN in Thailand identified the preparation of at least three Policy Briefs slated to be produced within 2016 involving the three National BIOFIN Technical Advisory Team as well as experts to be hired.

Spearheaded by the Environmental Economist/Team Leader and the Public Finance Expert, Workbook 1c consists of an overall and biodiversity-related expenditure review that will be used to estimate future funding baseline under a 'business-as-usual' scenario. Since a major source of Thailand's biodiversity financing comes from the national budget, the expenditure review will mostly concentrate on the main biodiversity-related government agencies as outlined in the latest NBSAP. It will also be supplemented by information from other domestic and foreign financial actors and donors such as public and private agencies and institutions whose activities are deemed relevant for the ecosystem (positive or negative) trends and drivers as identified in Workbooks 1a and 1b.

Annual budgetary allocation for the government agencies will be sourced from budget documents and database according to their corresponding ministries, programs' functional goals/objectives and expenditure types (personnel, operations, capital, subsidy and other expenditures). Further information on allocated and actual expenditure will be obtained from consultation meetings with planning and/or evaluation offices in the ministries where the NBSAP agencies are located. This includes program performance indicators, activity/project description and costs for each expenditure item for the purpose of determining its respective Workbook category, relevancy for biodiversity and effectiveness at the program level, in addition to an indication of finance-related capacities (budget allocation, institutional role and responsibilities, strategic planning, financial management and reporting, communication, and human resource) for each agency. Information from other biodiversity relevant agencies and institutions are gathered through focus group discussions on a thematic basis. Project level and expenditure data for ODA will be sourced from the GEF database as well as local implementation offices such as UNDP, UNEP, BEDO, GIZ and WWF.

Data collection is ongoing and will extend through March 2016. Focus Group Discussions (FGDs) will also be organized regularly during the period to cull specific agency data on actual expenditures, relevance, and effectiveness. The National Experts will also discuss the strategies, measures, physical targets and the likelihood that the budgets specified in the NBSAPs can in

practice, be actually earmarked and allocated. Table 6 outlines a tentative list of the core and non-core biodiversity agencies to be involved in consultancy meetings and/or FGDs.

**As mentioned in the introduction, the expenditure review process is undertaken through the following steps:**

- a. Select major finance actors based on their activities and inclusion in the NBSAP.
- b. Screen the budget for the actors and biodiversity-related expenditure at the program, output/project and activity level.
- c. Organize the data into a database with a Workbook category/NBSAP strategy expenditure tagging system.
- d. Conduct a preliminary budget analysis to identify the proportion of each program's expenditure that is attributable to biodiversity based on their activities that are classified according to the NBSAP strategies and Workbook categories.
- e. Conduct meetings with agencies for actual expenditure data from budgetary and non-budgetary (including external) sources, determination of relevancy and effectiveness at the program level (based on information on performance indicators and any issues/obstacles that may arise), any negative impacts on biodiversity, current financing situation and likely future trends.
- f. Obtain information for non-budgetary actors from annual/project reports, studies, consultation and focus group discussions.
- g. Completion of Workbook 1C to estimate the future funding baseline under a 'business-as-usual' scenario.
- h. Presentation and confirmation of findings and recommendations with the BIOFIN working group and representatives from concerning agencies and stakeholders.

**Main activities taken:**

- a. Deskwork
  - Identification of major biodiversity finance actors
  - BIOFIN Workbook category/NBSAP strategy expenditure tagging system established
  - Preliminary analysis on the budget of core government agencies in MONRE and for the marine and coastal ecosystem
- b. Small meeting with ONEP for information on NBSAP and the environmental fund
- c. Obtain information on external funding from UNDP
- d. Meeting with the Budget Bureau for budget information

**Activities going forward:**

- a. Meetings with main agencies for expenditure data, determination of relevancy and effectiveness, current situation and likely future trends

- b. Meeting and Focus Group Discussion (FGD) with other agencies for information on biodiversity related expenditures, activities undertaken, their impact and likely future trends
- c. Completion of Workbook 1C
- d. Verification of Workbook 1C results with concerning agencies and stakeholders through FGDs
- e. Presentation of findings and recommendations to the BIOFIN working group and project board.

Table 6. Outline of agencies involved in meetings and Focus Group Discussions

<p><b><u>Meetings</u></b></p> <p>MONRE: ONEP Policy and Planning (NBSAP) Environmental Evaluation, Environmental Fund (September 2015), DMCR, DNP, RFD, BEDO (November 2015)</p>
<p><b><u>Focus Group Discussions</u></b></p> <p><b>FGD 1:</b> BEDO, Pollution Control Department, Department of Environmental Quality Promotion, Botanical Garden Organization, Zoological Park Organization (December 2015)</p> <p><b>FGD 2:</b> MOAC Fisheries Department, Department of Agriculture, National Bureau of Agricultural Commodity and Food Standards, Royal Irrigation Department, Department of Livestock Development, Rice Department, Department of Agricultural Extension, Agricultural Research Development Agency, Office of Agricultural Economics, Land Development Department, Agricultural Land Reform Office, Royal Irrigation Department (December 2015)</p> <p><b>FGD 3:</b> MOPH, DTAM, MOST, MOC (Department of Intellectual Property), NRC, NSTDA, BIOTEC, Department of Medical Sciences, National Science Museum, Food and Drug Administration, Thailand Institute of Scientific and Technological Research, National Science Technology and Innovation Policy Office, Thailand Research Fund, Plant Genetic Conservation Project, National Biological Control Research Center, Universities and Educational Institutions (MOE), Biodiversity Research and Training Program, Thailand Biodiversity Centre, Center of Excellence on Biodiversity, BEDO, Thai Chamber of Commerce (January 2016)</p> <p><b>FGD 4:</b> MOF, Fiscal Policy Office, State Enterprise Policy Office, Bank for Agriculture and Agricultural Co-operatives, Customs Department, MOI, Thailand Board of Investment, Department of Primary Industries and Mines, IEAT, MOT, Office of Transport and Traffic Policy and Planning, Department, Ministry of Tourism and Sports, TAT, Tourism Council of Thailand, Department of Public Works and Town &amp; Country Planning, Marine Department, FTI, TBCSD and the private sector (February 2016)</p> <p><b>FGD 5:</b> Community Development Department, Department of Public Works and Town &amp; Country Planning, Office of the Royal Development Projects Board, Department of Local Administration, Thai Wetlands Foundation, Thai Water Partnership, IUCN, GIZ, UNEP, BEDO, WWF, Botanical Garden Organization, Bird Conservation Society of Thailand, Green World Foundation, Earth Net Foundation, BIOTHA Foundation, Thailand Environment Institute Foundation, Sustainable Agricultural Foundation of Thailand, Federation of Thai Fisher Folk Association, Thai Social Enterprise Office, Thai Organic Trade Association (February 2016)</p>



Issues that will be discussed with both the main agencies and other biodiversity relevant institutions include, for example, 1) their roles and responsibilities in the NBSAP formulation process and/or environmental protection and conservation; 2) funding sources and budgeting procedure; 3) other government agencies, local government, private and public companies/institutions and/or international organizations that they have been involved with, and any co-financing projects and expenditure; 4) most pressing problems with the ecosystems that they encountered, whether the problems have been adequately addressed or exacerbated (by whom), and what prevents the advancement of a solution/intervention; 5) current policy environment with regards to access to biodiversity resource, public/business/political involvement in the management of natural resource, laws and regulation, evaluation and monitoring of the use of biodiversity resource; 6) any tradeoffs between economic development and environmental conservation/protection within their lines of responsibility; 7) biodiversity-related expenditure in the past to present, areas for investment in biodiversity and funding sources, indication of likely future expenditure and funding within and outside the NBSAP, whether the agencies have enough resource to implement/finance NBSAP activities, or any issues regarding funding availability and disbursement.

Once the information obtained are processed and organized, elements of Workbook 1c such as correspondence with the NBSAP and Workbook category, relevancy to biodiversity, expenditure effectiveness, potentially harmful expenditure, recommendations on enhancing efficiency and effectiveness of biodiversity-related expenditure, as well as on ways to prioritize and integrate biodiversity-related expenditure into the national budgeting process will be discussed with the national BIOFIN working group committee as they are being completed.

## Term of Reference of Public Finance Expert for BIOFIN Thailand

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**Responsibilities:** Lead completion of BIOFIN part 1C. To be part of national BIOFIN team that will develop Public and Private Expenditure Review and the public finance elements of the Strategy for Mobilizing Public and Private Resources. Provide key technical backstopping on Public Finance and substantial technical expertise. Facilitate coordination of national BIOFIN and NBSAP processes for mutual reinforcement. Steer the implementation of the Resource Mobilisation Strategy under Component 4 (Step 8). Develop a set of measures activities addressing legal, institutional, entrepreneurial, financial, awareness, capacity matters to put the BIOFIN results into action. Report to UNDP Programme Specialist on Inclusive Green Growth and Sustainable Development through the National Expert on Environment Economist and Team Leader.

**Deliverables:** (I) Public expenditure review - study and workbook completion with government; (II) final recommendations report with summary for policy makers; (III) summary feedback on methodological framework; (IV) contributions to all other national deliverables, especially the public finance component of the resource Mobilisation strategy; and (v) The Workbook 1C with the baseline of existing biodiversity-related expenditures, with both positive and negative impacts on biodiversity, and the effectiveness of those expenditures.