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**COMPILATION OF VIEWS, EXPERIENCES, AND OPTIONS IN THE IMPLEMENTATION
OF THE PROGRAMME OF WORK ON INCENTIVE MEASURES**

Note by the Executive Secretary

I. INTRODUCTION

1. The present document complements the compilation of views, experiences and options submitted after the deadline indicated in notifications 2007-032 and 2007-33 of 13 March 2007 and reminders sent on 9 November 2007 (notifications 2007-139 and 2997-140), provided in document UNEP/CBD/COP/9/INF/38. Because of its late submission, the contribution could not be included in the summaries of views, experiences and options provided by Parties as well as by international organizations and stakeholders, contained, respectively, in documents UNEP/CBD/COP/9/12 and UNEP/CBD/COP/9/12/Add.2. The submission is reproduced as it was received by the Secretariat.

* UNEP/CBD/COP/9/1.

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II. COMPILATION OF VIEWS, EXPERIENCES, AND OPTIONS PROVIDED

Thailand

Thailand Report on In-depth Review of Thailand Incentive Measures for Conserving the Biological Diversity Resources Submitted to the Secretariat of the CBD May 2008.

Content of The report

- Part I: Background
 - Part II: Main report
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Part I. Background

Referring to SCBD/SEL/ML/GD 566662 dated 13 March 2007, there are a few incentive measures apply in Thailand. The reported measurements are listed as follow:

- 1) Monetary positive incentives consist of:-
 - a. Tax deduction for charity and donation to the 2 national reforestation programmes and to the registered non-profitable agencies and NGOs.
 - b. Supporting funds for conserve, research and development in biodiversity resources from Environmental Fund, Plant Varieties Fund, and Traditional Thai Medical Intelligence Fund
- 2) Social incentive measures consist of several awards recognized and given by
 - a. The royal award, i.e. Her Majesty the Queen's Flag on Protect Forest for Life Saving, and the Volunteer for Forest Protection
 - b. Governmental agencies, e.g. the Royal Forest Department and the National Park, Wildlife and Plant Conservation Department.
 - c. Private sector, i.e. Green Globe Award Programme organized by PTT: Petroleum Thailand
- 3) Perverse incentive is land management system.

In this report, each of the measure will be first explain, what it is, and then briefly analyze each measurement guided by SCBD notification dated 13 March 2007.

Part II. Main Report

Monetary Positive Incentive Measure I (a): Tax deduction:

Summary information

The article 47 (7) of the Fiscal Code B.E. 2481¹ (1938) says that tax deduction for any individual or corporate who donates or contributes to (a) the public health care center and public schools and (b) listed charity organizations or projects which to be declared by the royal gazette endorsed by the Minister of Finance. Amount of the donation or contribution is tax shield which can be fully deducted from taxable income, but at the maximum of 10% of taxable income. (Dharmniti, 2005)

1. Dharmniti Publishing Development Company Limited, 2005. *Fiscal Code-Completed Version B.E. 2548*, Bangkok, Thailand.

Up to 10 August 2007, total number of listed charity organization or foundation was 633. Among these organization/foundations, there are only 19 of them² are relevant to biodiversity conservation, protection, management, research and development. Others are dealing with education, health, religion and welfare. The full list of these organizations (in Thai) can be downloaded from www.rd.go.th.

In January 2008, there are ten projects which listed as tax deductible projects. Project types are differed, e.g. the donation for creating a “Saun Somdej Park³, and the donation to the Lunch Fund for Primary School Students. Among these ten programmes, three of them are relevant to biodiversity resources but only in the aspect of forest restoration⁴. These three tax deductible forest restoration programs are as follow:

1. Reforestation to Cerebrate the King’s Mother 90th years old at Doi Tung Royal Development Project in Chiangrai Province. This cerebration is time binding, but the donation of reforestation at Doi Tung is not.
2. Reforestation to Cerebrate the Jubilee (50 years) Coronation of H.M. the King Bhumiphol (issued in B.E. 2541 (1998)). This project comprised of two phases: Phase I from B.E. 2540-2545 (1997-2002) and Phase II from B.E. 2546-2550 (2003-2007). Amount of deductible donation are limited to be not over than 3,000 baht per rai⁵ within 3 years after donation. The maximum deductible donation for the first year is 2,000 baht/rai and the second and third year is 500 baht/rai.
3. Reforestation to Cerebrate H.M. the Queen’s 72 years old declared in B.E. 2547 (2004). This project focused only on the reforestation of mangrove forest and there is no time frame.

Analysis

Income tax deduction is a national programme which has been declared since B.E. 2481 (1938). Most individual tax payer aware that donation to particular organizations/foundation are tax deductible. Especially, the donation of non-profitable organizations concerning education, public health, and religion are very well aware. Nevertheless, they may not know exactly which organizations or projects are eligible for tax deduction, unless they used to claim it before. In order to ensure that this list is informed to a tax payer, the Revenue Department on line the list on its website for downloading⁶. In addition, every year the printed version is sent to individual tax payer together with the annual income tax payment form.

2. These 19 organizations are Thai Rice Foundation (No. 542), Wildlife Fund Thailand Foundation (No. 22), Return an Elephant to Nature Foundation (No. 508), Royal Project Foundation (No. 226), Rajapruek Foundation (No. 254), Foundation for Local Community Development (No. 290) , Chaiyapreuk Foundation (No. 380), Chai Pattana Foundation (No. 169), Elephant of Thailand Foundation (No. 553), Mountainous Community Development Foundation (No. 292), Rural Community Development Foundation (No. 249), Khao Yai National Park Protection Foundation (No. 495), Foundation for Environment (No. 474), Mae Fah Luang Foundation (No. 92), Foundation for on Duty Injured and Accident for Royal Forest Department Staff (No. 185), Foundation for Thailand Development Research Institute (No. 23), Royal Park Foundation (No. 47), Foundation for Thai Environment (No. 322), Foundation of Environment for Life (No. 354), Sueb Nakasatein Foundation (No. 344), and the Siam Society Foundation (No. 136).

³ Saun Somdej Park is an urban recreation park which created to cerebrate the 80 years old of the King Bhumiphol’s mother.

⁴ There are many more reforestation programmes which have not been listed as tax deductible.

⁵ 1 rai = 1,600 square meter.

⁶ www.rd.go.th

In the matter of fact, there are many more non-profitable agencies and projects should be listed but they do not. This due to the registration process is seen to be too complicated. According to the law, unless an organization applies for and be declared in the royal gazette, it will be eligible for the tax deduction. Due to the national process, many of the potential agencies or projects just do not apply for it. But since the law says it needs to be declared in a royal gazette, it already sounds complicated. This is in particular to those who deal with biodiversity which normally is community based and especially those which do not have strong administration staff.

Rather than keep the process to be only at the national level, it would be a great challenge to decentralize this process to the regional or local tax responsible authorities. In which could directly increase contribution of local tax payer to support their local biodiversity resources. What need to be done is to conduct a comprehensive study for the new or amended the existing law and regulations.

In general, this measurement directly helps a tax payer to pay less tax. However, there is no study to confirm how effective this measurement impact to people participation or contribution in biodiversity conservation or protection. Since only limited and very specific projects and organizations have been listed and without any campaigning. Thus, this measurement has not been seen as a tool for promoting of biodiversity resources management. It would be interesting to conduct a study on its impact and effectiveness toward biodiversity management. At the same time the study could (if possible) find out how to relate tax deduction measurement to the National Strategy Plan for Biodiversity Conservation and Utilization (2008-2012).

Monetary Positive Incentive Measure I (b): Supporting Funds:

Summary information

There are several supporting funds initiate by Royal Thai Government. The objectives of these funds are differed, e.g. education, health care, religion, science, technology, innovation. Among them, there are only three funds that relate to biodiversity resources conservation and promotion. They are listed as follow.

The Environmental Fund was created by the Enhancement and Conservation of National Environmental Quality Act B.E. 2535 (1992). Administration of the fund is under the national committee, secretariats by the Office of Natural Resources and Environmental Policy and Planning (ONEP), Ministry of Natural Resources and Environment (MoNRE). The corresponding office is called the Office of the Environmental Fund⁷ which is situated in ONEP.

Source of the Environmental Fund are partially from the Oil Fund⁸, governmental budget, services and fines from the enforcement of the Enhancement and Conservation of National Environmental Quality Act B.E. 2535 (1992), donations from enterprise or donors, and its interests or profits generate from the fund.

The fund has divided into 2 parts: grant and loan.

- 1) **Grant** is managed by the Comptroller General's Department (Ministry of Finance). Four project types are eligible for grant, as follow:-
 - Pollution management of local government authority (LGA). This type of project means to support LGA to have enough investment for improving, solving, and installing and maintaining facilities for solid waste or waste water management. The

⁷ <http://envfund.onep.go.th/index.php?option=content&task=view&id=48&catid=45&Itemid=53>

⁸ The Oil Fund was established in 1979 to enables the country to stabilize domestic oil prices during global oil price turmoil.

fund will provide only maximum to 65-75 % of the total investment, LGA has to invest minimum of 30-35% of the total investment.

- Promote people participation in natural resources and environment conservation submit by governmental organization (GO) or LGA. The grant means to be an extra or urgent budget which could ensure people participation to resolve any emergent issue, or for GO.LGA to conduct a pilot case which can be outreached later. There is no particular ceiling for budgeting.
- NGO's project for natural resources and environmental management and monitoring. This grant aims to promote and support NGOs⁹ to work with local communities and stakeholders to be involved in natural resources and environment management and protection. The expected outputs, indicators, and timing need to be precise. Project budget is limited to 5 million baht.
- Action research submits by either GO, NGO or enterprise. This fund aims to be extra source of budget for solution finding, testing and data collecting from the real site and situation. Maximum budget is limited to 5 million baht per project. For the GO, the project needs to be synthesized with the MoNRE's strategy plan. For the NGO, the project needs to be localized and participatory approach. For enterprise, research question has to be the interest of the enterprise, researcher has to come from academic or government research institute, and the fund will provide only 50% of total study project (maximum of 5 million baht).

- 2) **Loan** is managed by Krung Thai Bank PCL, which has been designated to be the fund manager since 2006. Aim of this soft loan is to be an incentive for LGA, State Enterprise, and Autonomous Public Organization (APO) to invest in installing or improving its pollution and waste management facility in order to prevent or remedy environmental/pollution problems. It is also eligible for enterprise either compulsory or voluntary to install waste or pollution treatment facilities for its environmental performances. More detail of the loan criteria and condition can be downloaded from

Regulation and management procedures are declared by the Environmental Fund Committee. In order to increase its effectiveness, Thai government has improved its regulation and shortening its procedures in 2001. For example, the project approval duration has been shorten from 90 days to be 60 days and the 50% deposit as collateral security has been replaced by the local government council's resolution to the loan and guarantee budget in the future to pay back the loan.

In 2008, the fund has 14,108 million baht. It has already supported 206 projects¹⁰ in the form of either grant or loan at the total amount of 10,122 million baht. Today the balance of the fund is 3,986 million baht.

Plant Varieties Protection Fund was created by the Plant Varieties Protection Act, B.E. 2542 (1999). Administrator of the Act is the committee, secretariat by the Department of Agriculture (DoA), Ministry of Agriculture and Cooperatives (MoAC). The Act aims to protect of local domestic plant varieties, new plant varieties characterized by their uniformity, stability and distinction, instituting the Plant Variety Protection Commission. New plant varieties must be registered and certificated and their intellectual property will be guaranteed to the breeders. In the Chapter VI, the act states that the patent fee for registering a new plant variety and its intellectual property certificate will be put into the Plant Varieties Protection Fund. Other sources of fund are the benefit sharing of the registered plants,

⁹ The NGOs have to be registered as organization working on natural resources and environment protection with the Department of Environmental Quality Promotion (DEQP), MoNRE.

¹⁰ <http://envfund.onep.go.th/index.php?option=content&task=view&id=112>

governmental seed money, donation, and its interests or profits generate from the fund. The main objective is to assist and support activities related to the conservation, research and development of plant species. In addition, this fund also aims to be distributed or paid back to the communities or local government organizations for activities that promote to the plant conservation, research and development.

In 2007, the fund was established completely with governmental fund to make its functions and tasks started. However, due to the limited government budget for seed money, the fund has only 5 million baht. While the regulation on benefit sharing which needs to be allocated to communities or local governmental organization just been approved by the Cabinet on 27 February 2007. This indicates why this fund has not been fully functioned¹¹.

Thai Traditional Medicine Wisdom Fund was created by Protection and Promotion of Thai Traditional Medicine Wisdom Act B.E. 2542 (1999). It is administrated by the Committee, and secretariat by the Department of Medical Sciences (DMSc), Ministry of Public Health (MoPH). The Fund sets up as a revolving fund for the expenses for activities concerning the protection and promotion of Thai traditional medicinal knowledge, which includes the protection of endangered and valuable medicinal plants as well¹².

First 10 million baht was seeded to the Fund in 2005. In 2007, the Fund has received a total of 74.6 million baht¹³. It is expected to be distributed to the MoPH's service units throughout the country, but only the one that already provides traditional medicinal practice. This is an extra budget for the unit to ensure its services effectiveness by having its revolving fund for promoting and strengthening its capabilities on these services.

Analysis

Among the three existing financial mechanisms, the Environmental Fund has longer experiences and much more budget than the other two. Its management has been fully function and widely known among the eligible organizations and NGOs. Due to the change of socio-economic environment, the Environmental Fund has revised its management a couple times in order to ensure its effectiveness. While other two funds have not been fully functioned, it is not possible to analyze.

Due to the complication of the Plant Varieties Protection Fund which relates to the patent registration and certification and its benefit sharing of the new plant variety, the establishment of this Fund delays. From the current management capability, there is a gap of knowledge and information to make the written rule and regulation become real and applicable. Learning from other country experiences could speed up its implication process.

In order to measure how effective these funds contribute to biodiversity conservation and protection, the implicit study should be conducted.

¹¹ http://www.acfs.go.th/news_detail.php?ntype=09&id=1861, which quoted the interview of the Acting Director General of DoA published in the Neaw Nah Dairy Newspaper dated 16 November 2007.

¹² Dr Vichai Chokevivat et al, (2005), *The Use of Traditional Medicine in the Thai Health Care System*. Paper presented at World Health Organization: Regional Consultation on Development of Traditional Medicine in the South East Asia Region, 22-24 June 2005, DPR Korea.

¹³ <http://www.biothai.org/cgi-bin/content/rights/show.pl>, which quoted the interview of the Secretary General of the Office of National Public Health Assurance published in the Kom Chat Luek Website dated 7 January 2008.

Measure II: Social incentive measures

There are several social incentive measures that support biodiversity conservation and protection. However, most of them originally initiate to support forest resources rather than biodiversity resources. In order to make this report comprehensive, this report has categorized them into 3 categories: royal initiative, governmental agencies initiative, and private sector initiative.

Social Incentive Measure II (a): The Royal Initiative

Summary information

Protect Forest for Life Saving Flag. The Flag is an award which initiated and given by Her Majesty Queen Sirikit of Thailand. It started in 1985 when she visited to the Umnajcharoen Province in northeastern part of Thailand¹⁴. The Flag is given to express her appreciation and recognition on the positive outcomes from the work of Forest Guard Volunteer in their villages.

The selection criteria and process was carried out by a national committee which comprised of several government agencies and the army. After these volunteers proved themselves supporting forest protection, their village will be given the Flag from Her Majesty directly. The Flag has divided into 3 categories¹⁵: Level 1, 2 and 3, symbolize by one, two and three elephants on the Flag. The different levels is defined by the size protected forest and duration of the community's regulation to protect the forest. For example, the Flag Level 3, three elephants, means the minimum protected forest area of 1,000 Rai with at least 10 years of community management schemes. The Flag Level 2 means minimum of 500 rai with duration of 5-10 years management. And the Flag Level 1 means minimum of 300 rai with 1-5 years management.

The Flag had been awarded by the Queen to selected villages till 2005. Only in Northeastern Part of Thailand, there has been 173 communities/villages received the Flag with the areas of more than 400,000 rai¹⁶. For the villagers, having an opportunity to receive the Flag from the Queen makes them very proud and further committed doing go for the forest.

Under the same programme, Her Majesty has also awards the Protect Forest for Life Saving Pin for an individual. The Pin is award for good-doer in 5 groups, i.e. community leader, private sector, journalist, officer in GO, and the executive officer from GO or private sector. The Pin award was given from 1998 - 2004.

Social Incentive Measure II (b): Government agencies initiative

Summary information

Number of governmental agencies offers social incentive to promote people positive attitude and behavior toward natural resources protection and conservation. Awards are the most popular tools among the governmental agencies. Normally, awards for good doers are announced and given at the ceremony of the department's anniversary. Awards which are related to the

¹⁴ <http://www.rta.mi.th/22200u/w2051.html>

¹⁵ http://www.civilarmy2.net/rdpca2_web/FlagProject1.htm

¹⁶ http://www.civilarmy2.net/rdpca2_web/flagproject902.html

biodiversity conservation and protection are regularly given by Royal Forest Department and the National Park, Wildlife and Plant Conservation Department. Both are under the administration of MoNRE. Each year there are about 4-5 people who were awarded as good-doers for forest resources.

Social Incentive Measure II (c): Private sector initiative

Summary information

Green Globe Award is the only national level program that offers social incentive to promote or support biodiversity conservation and protection. Initiated in 1999, the Award has been operated by PTT Public Company Limited¹⁷. With the objective to admire, support, and create the public awareness of the decent examples of the natural resources and environmental preservation and for having these devoting people for other communities to follow, the Award has been one mechanism that stimulates a sustainable network of conservation creations.

In order to achieve these objectives, Green Globe Award is held annually as a channel to honor those outstanding creative works of forest protection and conservation. Up to 2007, there have been 201 award winners whose works has been expanded to benefit the learning of the society. Each award comprises of the certificate, plaque, and cash. The Award does not only aim at finding the best practices in natural conservation works, but also supporting knowledge exchanging through the Green Globe network, centralized and regional. In addition to the network, the Green Globe clinic is also another road shows mechanism to educate the people about forest management.

PTT PLC annually invite noble man and are specialists from various sectors such as non-governmental development organization, conservationists, academic, writers, and mass media to be a committee of the Green Globe Award. In 2008, PTT PLC has already launched for the 10th Green Globe Award, under the title of “Sufficiency Lifestyle: Sharing and Bonding of Soil, Water, and Forest”. The Award has been divided into 7 categories:

- (1) **Community**: The submission must ready to be best practice case for learning and outreaching. The applicant can be either a community or a network of community who has been applying their wisdom or practices via social movement toward soil, water and forest protection to ensure the sustainable ecosystem and toward sufficiency lifestyle. In case of the network applicant, their works must contribute to the common goals in soil, water or water conservation, e.g. watershed conservation. In case of the urban community applicant, the work must be related to the development of urban forest together with the environmental management, e.g. reduction of pollution and waste, and must have public awareness raising and empowerment of the community.
- (2) **Individual**: The person must be role model for further learning and outreaching and be submitted by others not by him or her self. His or her work must be continuous for 5 years and impact to people ways of living which harmony to soil, water, and forest resources and hence sustaining the ecosystem. His/her work must be initiated from commitment with good intention and welcomed by the community. His/her way of living must correspond to sufficiency economy.
- (3) **Writer**: His/her publication has to be original in Thai and be published or distributed to the public already. The content must be creative for conservation of nature, soil, water and forest resources which indicate human dimension in sustaining the ecosystem and

¹⁷ PTT PLC is a public corporate which privatized from the Petroleum Authority of Thailand in 2001. Its website is www.pttplc.com.

integrated with sufficiency economy. If the publication is a manuscript or feature, it must have references and traceable citations. In case the publication published with pseudonym, it has to be submitted with the evidence showing the author's name and surname.

- (4) Youth Group: Allow only Thai youth under 25 years old who have been involved in nature, soil, water, and forest conservation or with waste/pollution problem solving/management. Their activities must be correspondent with the sufficiency economy philosophy and emphasize on local or community participation approaches.
- (5) Youth Essay: Allow only the Thai youth under 25 years old who write about his/her idea, feeling, experiences on environment and nature conservation. The content should be integrated with sufficiency economy philosophy. The length should be more than 3 pages of A4. One essay per person only.
- (6) Press: Submission work can be any kind of media, e.g. television, publication, radio, website, or organizational public relation work. The content must promote and support conservation of nature and environment and presenting the relevant problem that leads to solution. It should promote and enhance public awareness on responsible behaviors of human being to the ecosystem. His/her work must be continuously well recognized by the general public.
- (7) 5 Years of Sustainability: This is a special category to give an award to the community which used to win Green Globe Award for the last 5 years and has maintained their virtue on conserving the nature and being innovative to their practices and knowledge toward the surrounding changes. This sustainability award was initiated in 2006. There will be only the selection process, not by application, by the assigned regional committee. The award calls "Sipanont Ketutad¹⁸, 5 Years of Sustainability".

Analysis

All of the three incentive measurements are executed at national level, but through the selection and nomination process from local and regional level. The mechanisms of these awards have been implemented by concern authorities or agencies voluntarily. They all have positive impact to higher commitment from both the awarded persons and communities.

The impact from both the Queen's Flag on Protect Forest for Live Saving and the Green Globe Award have been very effective in term of recipient's pride, even though their approaches are totally different. This is unlike the governmental initiatives, in which the awards are given without clear procedures and no campaigning of the awards. There is no historical record of those who got the awards and have not been publicize to the public. This is opposite to what the Green Globe Award is doing. With the strong commitment of the PTT PLC on administration of the Green Globe Award, the ten years programme becomes well known among the communities and active conservation agencies.

Part III: Potential new incentives

As mentioned above, all of exist the incentives both financial and social focuses on the forest resources and the environmental aspects, in particular the pollution and waste, rather than other ecosystem types or biodiversity aspects. Currently, there is no active project or national work plan which directly focuses on the development of incentives to biodiversity.

¹⁸ The name was given to commemorate Prof. Dr. Sipanont Ketutad, the founder of the Green Glove Award.

However, there are several programmes that aim to develop or introduce either financial or social incentives that indirectly relate to biodiversity conservation and protection. This is in particular toward the production, processing and marketing of agricultural products. Samples of these national programme or discussion are as follow:

- The Sustainable Consumption and Production (SCP) Programme. This has been included in the 10th National Economic and Social Development Plan. Department of Environmental Quality Promotion, MoNRE has been assigned to be the focus agency to ensure the national strategy plan for SCP. Within this national programme, Cleaner Technology, Cleaner Production, Eco-labeling and introduction of financial mechanism to promote SCP will be included.
 - Organic agriculture development and promotion has been declared as National Agenda in 2005. Several financial incentives have been proposed to be introduced for supporting farmers and food processors who invest in organic industries. However, these mechanisms have not been finalized due to political changes and the needs for integration from several ministries concerning organic agriculture and industry.
 - The introduction of new law on “Economic Instruments for Natural Resources and Environment Management”. This draft law was initiated by the cooperation of the Fiscal Policy Office (FPO) Ministry of Finance and the Asian Development Bank. This cooperation project subcontracted the Social Research Institute, Chiang Mai University to conduct the study, draft with expert consultation, and conducted public hearings in 2007. The last consultation was conducted in December 2007. The draft law has introduced the Ministry of Finance to apply 7 financial mechanisms, e.g. environmental tax, fee for clean-up cost from pollution, pledge bond, financial guarantee for exceeding pollution standard. The draft aims to create tax incentive and penalty for polluters. In order to make this draft activate, it would require not only technical information, but also a long and diverse debate on how the administration and monitoring mechanisms will be, and the impact to the potential affected stakes.
 - Department of Industrial Work (DIW), Ministry of Industry is conducting a programme to study how to introduce a voluntary standard on CSR for SMEs. With its standards, DIW plans to award and label the industries, who outstanding in being responsible to society and environment. These Award and Label would then become a social incentive. Currently, most of the current CSR projects of the Thai enterprises are forest rehabilitation, reduction of chemical substance, handling chemical substance properly, and etc. These standard criteria would then indirectly support and promote biodiversity conservation and protection. In addition, once the CSR is adopted to be DIW standard, there will be more enterprises who could initiate social and financial incentive for biodiversity like the Green Globe Award of the PTT PLC.
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