



PROJECT IDENTIFICATION FORM (PIF)

PROJECT TYPE: FULL-SIZED PROJECT

THE GEF TRUST FUND

Submission Date: February 3, 2010

PART I: PROJECT IDENTIFICATION

GEF PROJECT ID¹: 3445

PROJECT DURATION: 48 months

GEF AGENCY PROJECT ID: PIMS 4033

COUNTRY(IES): Thailand

PROJECT TITLE: Integrated community-based forest and catchment management through an ecosystem service approach (CBFCM)

GEF AGENCY(IES): UNDP

OTHER EXECUTING PARTNER(S): Regional Environment Offices (REOs) and Office of Natural Resources and Environmental Policy and Planning (ONEP) under Ministry of Natural Resources and Environment (MONRE)

GEF FOCAL AREA (S)²: Biodiversity and Climate Change

GEF-4 STRATEGIC PROGRAM(S): BD- SP4 & CC-SP6

NAME OF PARENT PROGRAM/UMBRELLA PROJECT (if applicable): SUSTAINABLE FOREST MANAGEMENT

INDICATIVE CALENDAR*	
Milestones	Expected Dates mm/dd/yyyy
Work Program (for FSP)	March 2010
CEO Endorsement/Approval	May 2011
Agency Approval Date	September 2011
Implementation Start	October 2011
Mid-term Evaluation (if planned)	October 2013
Project Closing Date	June 2015

* See guidelines for definition of milestones.

A. PROJECT FRAMEWORK

Project Objective: To create an enabling policy and institutional environment for scaling-up of integrated community-based forest and catchment management (CBFCM) practices through harnessing of innovative financing mechanisms in Thailand

Project Components	Indicate whether Investment, TA, or STA ^b	Expected Outcomes	Expected Outputs	Indicative GEF Financing ^a		Indicative Co-Financing ^a		Total (\$) c = a + b
				(\$ a)	%	(\$ b)	%	
1. Strengthening of systemic capacities in sustainable forest and catchment management	TA	Enhanced policy support and incentives for CBFCM from biodiversity friendly PES and biocarbon schemes and mechanisms, demonstrated by 15% increase in total CBFCM area coverage (including 5% of important habitat blocks) and 20% increase in funding over baseline by end of project	<ul style="list-style-type: none"> - Harmonized policies and legal instruments (incl., PES Code of Conduct in Ramsar Sites and land tenure) to support CBFCM and PES and biocarbon schemes - Functional multi-sectoral platform for CBFCM in place with participation of all Regional CBFCM Networks, REOs, ONEP and Royal Forest Department that facilitates effective policy feedback, knowledge sharing, self-capacity development and access to PES and biocarbon financing opportunities. - Landscape-wide ecosystem services valuation (incl. biocarbon) and assessment of benefits, trade-offs and opportunity costs of land-use options in selected landscapes - Capacities of national, regional and local govnt staff increased in participatory performance 	600,000	13	4,000,000	87	4,600,000

¹ Project ID number will be assigned initially by GEFSEC.

² Select only those focal areas from which GEF financing is requested.

			<p>monitoring, using identified ecosystem services and C-stock monitoring methodologies</p> <ul style="list-style-type: none"> - National CBFCM database (incl. natural resources consumption, biodiversity, PES and biocarbon data), generated through baseline studies, participatory monitoring and identification of best practices (see Component 2) - Land-use based and biodiversity friendly PES & biocarbon financing strategies for CBFCM with result-based, equitable, transparent and unified payment distribution structure in place in 4 REO regions 					
2. Expansion of CBFCM coverage through pilot testing and up-scaling of best practices	TA	<p>Improved connectivity between areas of high biodiversity conservation value through placing approx. 15,000 ha under CBFCM</p> <p>At 4 pilots, 10% increase in total carbon stocks in ecosystems and 5% increase in local livelihood quality from ecosystem services benefiting communities</p>	<ul style="list-style-type: none"> - Four demonstration areas, bridging existing community forests - one per CBFCM Network region - to pilot defined PES and carbon financing schemes with landholders and clearly defined payment mechanisms (incl. identification of key ecosystem services, sellers and buyers, stakeholder consultations to define and apply optimal land use options, participatory monitoring and documentation of lessons learnt in pilot areas for scaling-up and feeding into National CBFCM database) - Biocarbon emissions reduction credits verified and trading & purchasing agreements negotiated - Terms and conditions b/w PES sellers and buyers negotiated and agreed for payment schemes to be operational - Payments schemes operationalized in pilot areas - Local landholders in pilot areas trained in land-use options that enhance ecosystem services - Capacities of local authorities & landholders enhanced to ensure market-based payments and harness innovative financing for improved livelihoods - Stakeholder consultations for feedback on payments levels in relations to opportunity costs, effectiveness of financing mechanisms/approaches and livelihood benefits from PES and biocarbon financing for scaling-up 	988,182	14	6,000,000	86	6,988,182
3. Project management				170,000	18	760,000	82	930,000

Total project costs		1,758,182	14	10,760,000	86	12,518,182
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^a List the \$ by project components. The percentage is the share of GEF and Co-financing respectively to the total amount for the component.

^b TA = Technical Assistance; STA = Scientific & Technical Analysis.

B. INDICATIVE CO-FINANCING FOR THE PROJECT BY SOURCE and BY NAME (in parenthesis) if available, (\$)

Sources of Co-financing	Type of Co-financing	Project	\$
Project Government Contribution	Cash	REOs of MONRE	5,000,000
	Cash/In-kind	ONEP of MONRE	5,000,000
GEF Agency(ies) (UNDP Thailand)	Grant	UNDP CO TRAC Fund	50,000
	In-kind	UNDP-UNEP Poverty and Environment Initiative	400,000
	In-kind	Mangroves for the Future Initiative	300,000
Local Governments	In-kind	Local Forest Networks	10,000
Total Co-financing			10,760,000

C. INDICATIVE FINANCING PLAN SUMMARY FOR THE PROJECT (\$)

	Previous Project Preparation Amount (a) ³	Project (b)	Total c = a + b	Agency Fee
GEF financing	0	1,758,182	1,758,182	175,818
Co-financing	0	10,760,000	10,760,000	
Total	0	12,518,182	12,518,182	175,818

D. GEF RESOURCES REQUESTED BY AGENCY (IES), FOCAL AREA(S) AND COUNTRY(IES)¹

GEF Agency	Focal Area	Country Name/ Global	(in \$)		
			Project (a)	Agency Fee (b) ²	Total c=a+b
UNDP	Biodiversity	Thailand/RAF-4	1,323,636	132,364	1,456,000
UNDP	Climate Change	Thailand/RAF-4	434,546	43,454	478,000
Total GEF Resources			1,758,182	175,818	1,934,000

¹ No need to provide information for this table if it is a single focal area, single country and single GEF Agency project.

² Relates to the project and any previous project preparation funding that have been provided and for which no Agency fee has been requested from Trustee.

PART II: PROJECT JUSTIFICATION

STATE THE ISSUE, HOW THE PROJECT SEEKS TO ADDRESS IT, AND THE EXPECTED GLOBAL ENVIRONMENTAL BENEFITS TO BE DELIVERED:

Background

At the landscape level, Thailand is divided into 4 hydrological regions, which can be further subdivided into 24 large catchment basins that sustain various flora and fauna and ecosystem functions. These functions provide a variety of life-sustaining ecosystem services to both upstream and downstream beneficiaries and include provisioning services (e.g., fresh water and Non-Timber Forest Products (NTFPs)), regulating services (e.g., food, water and climate regulation and water purification), cultural services (e.g., social, spiritual and aesthetic values) and supporting services (e.g., soil formation and nutrient cycling). There is a clear correlation between the ecosystem functions that upstream forests and catchments provide and ecosystem services that downstream users depend on such as the regulation of water quality and quantity, siltation control and flood and landslide prevention. Despite this, deforestation and catchment degradation due to unsustainable land-use practices and land conversion pose an increasing threat to the maintenance of these ecosystem services in Thailand.

Reduced in size by nearly half in the past four decades, the country today has a total forest cover of 14.5 million hectares (29% of its total land area) of which nearly 45% is classified as primary forest while semi-natural and production forests comprise 34 % and 21% respectively. There are several different types of forest including rain forest, evergreen forest, deciduous forest, mangrove forest, shrub forest, savannah forest and peatland forest, which are home to a large portion of the

³ Include project preparation fundings that were previously approved and exclude PPGs that are awaiting for approval.

country's biodiversity – 15,000 plant species accounting for 8% of species found globally, at least 292 mammals of which 6 are endemic, 938 bird species, 318 reptiles and 122 amphibians. Many of these species are globally threatened. Thailand in addition harbors several of key WWF Eco-regions, including Northern Indochina Subtropical Moist Forest, Kayah-Karen/Tenasserim Moist Forests, Peninsular Malaysian Lowland and Mountain forests and Cardamom Mountains Moist Forests. Although the annual rate of deforestation has gone down to 0.4% from 0.7% since 1990 as a result of the ban on forest concessions in 1989, roughly 14% of the country's forest and woodland habitat was lost between 1990 and 2005 due to land conversion by plantation expansion.

Illegal logging, agricultural encroachment and infrastructure extension, caused by economic and poverty factors, continue to drive deforestation and land degradation in many catchment areas, reducing the structural integrity and functions of ecosystems and their capacity to deliver ecosystem services at landscape level. As a result, loss of ecosystem services are not only affecting production sectors and livelihoods but also the country's biodiversity, exacerbated by declining quality and quantity of surface and ground water, increased erosion and sedimentation in downstream areas, poor nutrient cycling and pollination of crops and natural vegetation, not to mention the reduced carbon sink capacity. In order to maintain and restore ecosystem services important for the long-term conservation of biodiversity and storage and sequestration of carbon, as well as for livelihoods of local communities, there is an obvious need to monetize and assign values to some of the most critical services. The long-term solution is therefore to ensure that sufficient institutional and local capacities are available to harness innovative financing opportunities provided by biocarbon finance and PES mechanisms that can provide incentives to local land users to conserve and sustainably manage the catchments and ecosystems under their jurisdiction. Benefits from such mechanisms can out-weigh the opportunity costs for destructive land uses, and make biodiversity conservation and sustainable management of catchments and ecosystems financially more attractive. To establish these enabling conditions, the removal of the following key barriers is first required:

1. Capacity constraints:

Although there are several forest and catchment management related legislations in force including the Forest Act (1941), the National Reserve Forest Act (1964), the Wild Conservation and Protection Act (1992), the National Environmental Quality Act (1992) and the Ground Water Act (2003), weak law enforcement and system-wide lack of capacity and incentives for CBFCM continue to put vital ecosystem functions at risk. This is particularly alarming since approximately half of the country's labor force is engaged in forestry and agriculture, and about 14% of the country's population of 60 million people, expected to increase by 15% by 2025, live below the poverty line, and the majority of these poor are highly dependent on forest resources and live in rural areas in and around old growth forests, forested catchments and protected area buffer-zones.

However, the longstanding tradition of CBFCM safeguards more than 320,000 hectares of forests and roughly 2.1 % of the country's entire forest coverage is under local community stewardship. There are effectively more than 1,000 communities that practice this tradition and are linked through various community forest networks and associations. Although the issues of land access and rights remain a challenge as over 80% of forestland is under public ownership, the traditional CBFCM structure offers tremendous opportunities for locally driven and long-term sustainable forest and catchment management. But, due to weak capacity in integrated land-use planning and monitoring at community level, as well as lack of understanding of the costs to local and national economies of continued loss of ecosystem services, degradation and encroachment continue to pose a risk to ecosystem functioning, connectivity of critical biodiversity habitats and carbon sinks as well as to livelihoods of local communities.

2. Lack of integration of CBFCM into national, regional and local policy and planning processes:

The Small Grants Programme for Operations to Promote Tropical Forests (SGP-PTF) funded by the European Commission and executed by UNDP served as a monetary mechanism to provide support for community forest and catchment management in Thailand between 2003 and 2007. As a direct result, the capacities of 49 community forests have been enhanced, and regional community forest networks in alignment with the regional administrative divisions of the Regional Environmental Offices (REOs) under the Ministry of Natural Resources and Environment (MONRE) have been formed to further their collaboration and knowledge exchange through cross-regional activities. It has been confirmed through this initiative that there is a rich resource of indigenous and local knowledge to capitalize on with regard to CBFCM, for example, in watershed management, ecological rehabilitation, buffer-zone management, medicinal plants, mangrove forest management, sustainable use of forest biodiversity, etc.⁴ However, due to lack of systemic efforts, local knowledge has not yet been fully harnessed to benefit national and regional policy development and planning processes.

⁴ <http://www.sgptf.org/countries.asp?Country=Thailand>

This tradition and local knowledge of CBFCM should therefore be further fostered and mainstreamed into national, regional and local policies and programmes. Innovative financing tools such as Payment for Ecosystem Services (PES) and biocarbon financing including LULUCF/REDD and A/R can play an instrumental role in supporting such a process by providing incentives for scaling up of good practices and should hence be integrated into national policy and budgetary structures, as an integral component of CBFCM. For instance, the country has a total estimated forest carbon stock of over 2,000 megatons in both vegetation and soils⁵ of which about 8 million tons are held in community forests based on IPCC's carbon stock estimation figure⁶. The carbon stock value of the community forests alone would equate to somewhere between US\$ 16 million and US\$ 40 million with the current carbon-trading terms. This suggests a tremendous financing potential and opportunities for sustainable forest and catchment management by local communities under the voluntary carbon market and anticipated REDD regime that is yet to be realized.

3. Scaling up and replication of best CBFCM practices:

As a result of the limited integration of experiences and knowledge of CBFCM into national, regional and local policy and planning processes, successful scaling-up of best CBFCM practices in the wider landscape remains a challenge as well as an opportunity for generating multiple benefits with regard to ecosystem structure and functioning through greater connectivity of high quality forest/woodland habitats, enhanced catchment functions and maintenance of ecosystem services, such as carbon storage and sequestration, water regulation and soil retention.

To remove these barriers, the proposed project aims to create an enabling policy and institutional environment for scaling-up of integrated CBFCM practices through harnessing of innovative financing mechanisms in Thailand, and the objective of the project will be achieved through the following two components:

- 1) Strengthening of systemic capacities in sustainable forest and catchment management at the local, regional and national levels, which involves establishment of improved technical information and operational knowledge management system, including deforestation and land degradation baselines, National CBFCM database and defined monitoring & reporting mechanisms, as well as harmonized policies and legal instruments for CBFCM and PES and biocarbon schemes that facilitates effective policy feedback, knowledge sharing, self-capacity development and access to PES and biocarbon financing opportunities; and
- 2) Expansion of CBFCM coverage through pilot testing of defined PES and biocarbon financing mechanisms and up-scaling of best practices at selected locations to operationalize the mechanisms, tools and strategies developed in the first component in order to set in motion the process of CBFCM expansion to deliver multiple environmental benefits. Specific pilot areas will be selected during the project preparation process, and selection criteria will include biodiversity and ecosystem service value (including carbon stocks), habitat connectivity potential, forest and land-use type and category as well as management effectiveness of community forests within each of the four REO regional administrative divisions of Thailand (i.e., northern, northeastern, central and southern regions).

During the process, the project will explore ways in which CBFCM, biodiversity conservation and local livelihoods concerns can be most effectively and realistically addressed through alternative financing means, particularly through PES and biocarbon financing.

The main thrust of the project rests on strong models of community mobilization in Thailand – one of the first and most famous being the “Assembly of the Poor”, which has exerted strong influences on government policy since the late 1990s – to establish both “horizontal” networks, linking community forest management practitioners, and “vertical” network, helping communities to influence CBFCM related policy at the national level. Moreover, the project will make full use of the existing networks of community forests, partly supported through the SGP-PTF, to undertake various capacity strengthening, awareness-raising and extension activities while in parallel working closely with the REOs and Office of Natural Resources and Environmental Policy and Planning (ONEP) under MONRE, other relevant ministries and local governments to create favorable institutional settings and an enabling environment for promoting CBFCM in a wider landscape, and to establish sustainable financing mechanisms to directly support CBFCM. Direct linkages with interest groups including the private sector such as water utility and irrigation companies, hydro power plants and carbon traders will be explored, particularly during the identification and testing of suitable innovative financing tools and mechanisms as buyers of ecosystem services.

By establishing an enabling environment for CBFCM through institutional and local capacity building and harnessing of innovative self-financing mechanisms, the project will generate multiple global environmental benefits for sustainable forest

⁵ FAO (2005) *Global Forest Resources Assessment 2005*, FAO, Rome, Italy, <http://fao.org/forestry/site1191/en/>.

⁶ IPCC. (2000). *Land Use, Land-Use Change and Forestry*, Cambridge, UK: Cambridge University Press

management, biodiversity conservation and climate change mitigation. By assigning an economic value to CBFCM activities and thereby creating incentives for local communities to preserve critical ecosystem services, the current pressure for unsustainable land-use practices and land conversion will be significantly reduced. It will also afford greater protection for the country's key eco-regions, including Northern Indochina Subtropical Moist Forest, Kayah-Karen/Tenasserim Moist Forests, Peninsular Malaysian Lowland and Mountain forests and Cardamom Mountains Moist Forests, that harbor a large portion of the globally significant biodiversity, found in Thailand. Simultaneously, reduced land degradation and improved protection of forest ecosystems will result in enhanced carbon storage and sequestration at the landscape level. In particular, the project intends to deliver these benefits through: i) a 15% expansion of CBFCM area coverage, encompassing 5% of critical biodiversity habitat blocks, to improve the integrity and functions of forest and catchment ecosystems and connectivity between critical biodiversity habitats; ii) pilot demonstration in four different eco-regions, covering a total of 15,000 ha, to build momentum for CBFCM expansion through field-testing of supporting tools; and iii) a 10 % increase in total carbon stocks in forest and catchment ecosystems at pilot sites.

There will be significant local benefits due to additional economic opportunities, created through payments for CBFCM activities and improved ecosystem functioning, resulting in, among others, increased production and quality of water and non-timber forest products and protection against floods and droughts. The project aims to increase the average local livelihood quality by 5% through demonstration activities at pilot sites.

A. DESCRIBE THE CONSISTENCY OF THE PROJECT WITH NATIONAL/REGIONAL PRIORITIES/PLANS:

Thailand is a signatory to the CBD, UNFCCC and UNCCD under which the proposed project is consistent with the country's National Biodiversity Strategy and Action Plan, Second National Communication to the UNFCCC and National Action Programme of the UNCCD so as to contribute to biodiversity conservation, climate change mitigation and adaptation and sustainable land management in the wider landscape. These strategic documents will provide the necessary foundations during the project design in order for the project to contribute to the achievement of the respective conventions objectives, particularly through the establishment of scientific baselines, community participation and mainstreaming of the convention objectives into development and planning frameworks. The key national forestry policies and plans include the National Forestry Policy (1985) that aims to achieve 40% national forest coverage of which 25% is allocated for conservation purposes, and the National Forestry Development Plan (1997).

The project is anchored on MDG #7 to ensure environmental sustainability, target 9, which aims at integrating the principles of sustainable development into country policies and programmes and reverse the loss of environmental resources. The goal, objective, and outcomes will support the goals of the *United Nations Partnership Framework with the Kingdom of Thailand 2007-2011* (UNDAF) by promoting capacity building at local levels for environmental management, more sustainable resource use, and cleaner energy. Specifically, the project will contribute to the UNDAF outputs related to "Access to quality social services and protection", "Decentralization and provincial/local governance", and "Environment and natural resources management".

The project is also consistent with Thailand's GEF strategy of providing support to the implementation of the 10th National Economic and Social Development Plan, 2007-2011. The plan focuses on holistic development within the framework of sustainable development and uses the *Sufficiency Economy Philosophy* as a guideline for balanced development stressing stability, transparency, accountability, equal development distribution, sustainable natural resources and environmental management and enhancement of national competitiveness. The plan also puts strong emphasis on development of alternative forms of capital including environmental and social capital and mainstreaming green accounting into the national budgeting process under the leadership of the MONRE, which allocates nearly 90% of its annual budget to water resources management, natural resource conservation, and participatory development. In particular, the ONEP's approaches and experiences in implementing the Law on Wetland have been considered best practices in terms of mainstreaming and operationalizing the valuation of natural resources and ecosystem services through the establishment and demonstration of valuation methodologies with which the project will seek to establish close linkages.

The MONRE has also established 16 REOs across its four regional administrative divisions, which to large extent overlap the country's hydrological regions, to support the decentralization process with regard to environmental management. Under the framework of the Five-Year Regional Environmental Management Plan of MONRE, each REO is mandated to play a coordinating role among a group of respective provinces and other relevant government agencies including the Royal Department of Forestry, and the Department of National Parks, Wildlife and Plant Conservation through applying an

ecosystem approach in order to mainstream various environmental concerns such as biodiversity conservation, water quality management, watershed management, land-use planning and sustainable livelihoods into production landscapes.

At the provincial level, the new provincial planning decree places stronger emphasis on integration of environment and sustainable development criteria into development planning and budgetary processes at the local level, and this is further backed by the Decentralization Act, requiring local governments from the provincial to sub-district levels to take greater responsibility over natural resources and environmental management. Furthermore, the current constitution protects the rights of local communities to manage and protect local natural resources, while the pending Community Forestry Act puts CBFCM in a stronger position.

Additionally, the Government of Thailand has submitted a Readiness Plan Idea Note (R-PIN) to the World Bank and become one of the pilot countries of the Forest Carbon Partnership Facility (FCPF). In this regard, the project is strongly aligned with the national interest, and will not only contribute directly to Thailand's effort to position itself for future opportunities for REDD but also support its role in addressing regional leakage in the context of REDD through demand-side management within the Greater Mekong Sub-region with Vietnam and Lao PDR that are already part of FCPF or/and the UN-REDD programme.

B. DESCRIBE THE CONSISTENCY OF THE PROJECT WITH [GEF STRATEGIES](#) AND STRATEGIC PROGRAMS:

Under sustainable forest management, the project integrates priorities across three focal areas, and is aiming for synergies between biodiversity, climate change and land degradation to address threats to, and to enhance systemic capacities for sustainable management of forests and catchments in Thailand. Through integrating biodiversity conservation concerns into CBFCM practices and related national policies, as well as mainstreaming the ecosystem service approach into production landscapes, the project is eligible for funding under the Strategic Program 4 of the Biodiversity focal area: Strengthening the Policy and Regulatory Framework for Mainstreaming Biodiversity. Also, since it seeks to identify and develop innovative financing tools through management of LULUCF as a means to protect carbon stocks (i.e., REDD), it is also eligible for funding under the Strategic Program 6 of the Climate Change focal area: Management of LULUCF as a Means to Protect Carbon Stocks and Reduce GHG Emissions. Lastly, the project will also contribute to the reduction of forest fragmentation in a wider landscape to restore the forest ecosystem integrity and services, thereby contributing to the Strategic Program 2 of the Land Degradation focal area.

C. JUSTIFY THE TYPE OF FINANCING SUPPORT PROVIDED WITH THE GEF RESOURCES:

GEF resources will support capacity development, policy mainstreaming and pilot demonstration activities of best practices in CBFCM. The GEF resources will not only help restore the overall health of forest ecosystems and catchment functions but also develop innovative financing options through LULUCF for pro-poor and biodiversity-friendly CBFCM. GEF grant funding for technical assistance is therefore considered to be the most suitable financing option, as the project does not involve investments or the generation of actual carbon credits.

D. OUTLINE THE COORDINATION WITH OTHER RELATED INITIATIVES:

The project will benefit from the results and experience of the SGP-PTF and establish links to build on lessons from past, current and future initiatives by national and international counterparts in areas relevant to this project. Such initiatives will include:

- GEF-UNDP project: "Pre-investment Study on Conservation Forest Area Protection, Management and Development";
- "Joint Management of Protected Areas" project by DANIDA, covering 24 protected areas across Thailand;
- "Greater Mekong Sub-region Biodiversity Conservation Corridor Initiative" by ADB to promote sub-regional biodiversity conservation corridors;
- GEF Enabling activity on National Capacity Self Assessment (NCSA) by Thailand's national focal points of CBD, UNFCCC and UNCCD;
- Sustainable Management of Biodiversity in Thailand's Production Landscape with the Biodiversity-based Economic Development Office of MONRE;
- GEF-UNDP Full-sized Project: "Catalyzing sustainability of the PA system" by the Department of National Park, Wildlife and Plant Conservation (preparatory phase);
- Large and small grant projects of the Mangrove for the Future (MFF) under the Department of Marine and Coastal Resources (preparatory phase);
- Thailand Country Programme of UNDP-UNEP Poverty and Environment Initiative (PEI) (preparatory phase);

- World Bank Forest Carbon Partnership Facility (FCPF);
- Past and current GEF SGPs in sustainable forest and catchment management and innovative financing areas;
- The Community Forest Act (pending).

Consultations with these initiatives will be undertaken during the PPG phase to identify concrete opportunities and linkages for collaboration and coordination. The project will also take full stock of the results of the GEF Carbon Benefits Project: Modelling, Measurement and Monitoring by the UNEP and World Bank and the GEF Capacity Development for Climate Change Mitigation through SFM in non-Annex I Countries Project by the World Bank, so as to avoid any unnecessary duplication of work or inconsistency in approach.

E. DISCUSS THE VALUE-ADDED OF GEF INVOLVEMENT IN THE PROJECT DEMONSTRATED THROUGH INCREMENTAL REASONING :

Without this project, there would be a continued disconnect between practices on the ground and policy related to CBFCM in production landscapes in Thailand. Furthermore, the capacity of communities to influence policy and planning processes at the national and regional levels would continue to be limited without systematic harnessing of the existing local CBFCM knowledge and experiences, and this would also constrain the scaling-up of best CBFCM practices. As a result, the opportunity to learn and apply innovative CBFCM techniques would be missed as would opportunities to access innovative future carbon financing options for CBFCM that would benefit local communities. The business as usual scenario would thus be continued degradation of Thailand’s forest ecosystems and catchment functions with associated loss of biodiversity and carbon stocks. The GEF funding can overcome these problems by providing catalytic support to the removal of policy barriers and creation of mechanisms for vertical and horizontal networking, so as to promote knowledge-based policy development, exchange of best practices and implementation on the ground of CBFCM best practices. Moreover, the GEF support will also build critical capacity at the community level and institutional readiness needed by the country to fully capitalize on emerging opportunities presented through innovative financing schemes such as PES, voluntary carbon trading and REDD for increased support to CBFCM practices and local benefits. GEF support will ensure incremental global environmental benefits from the restoration of critical ecosystem services at the landscape level, leading to greater connectivity of biodiversity rich forest/woodland habitats, reduction of deforestation and land degradation and associated soil erosion and sedimentation, and enhancement of carbon stocks in forest landscapes, including wetlands and mangroves.

F. INDICATE RISKS, INCLUDING CLIMATE CHANGE RISKS, THAT MIGHT PREVENT THE PROJECT OBJECTIVE(S) FROM BEING ACHIEVED, AND IF POSSIBLE INCLUDING RISK MITIGATION MEASURES THAT WILL BE TAKEN:

Risk	Rating	Risk Mitigation Strategy
Institutional Support	L-M-H	
Weak coordination within and between local and national government institutions responsible for forest and land management, together with limited capacity especially at lower levels to interact with land users on forest management	L-M	The project will support and facilitate activities to ensure improved institutional coordination, capacity building and awareness -raising at the national, provincial and district levels
Policy		
Inconsistent national planning, budgeting, and policies concerning forestry, environmental protection and rural development, combined with additional inconsistency in provincial and district regulations and enforcement practices	L	Co-financing with PEI, the project will support harmonization of relevant legislation/ regulations and procedures.
Local Support		
Sustainable forest management does not lead to sufficient economic gains for households at the project sites and climate change may have negative effects on the services ecosystems provide.	L-M	Only practices identified by local communities themselves as socio-economically sustainable will be disseminated for adoption on a broader scale. The project will further reduce this risk by encouraging sustainable harvesting of NTFPs and by rapidly building the capacity of communities to engage in PES and carbon financing.
Land ownership and land access rights are not sufficiently clear with regard to community forests. Hence, the project strategy and incentives developed by the project will not be effective.	L-M	The project will address this risk by strengthening the policy framework on communities’ right to access forest resources. In fact, this is a key result of the project – the creation of vertical linkages to allow practices on the grounds to effect changes in national policy.
Regional		

Increase in illegal logging in and imports from neighbouring countries (i.e., Cambodia, Laos, Myanmar)	M	While identifying deforestation/degradation baseline scenarios, the project will also assess on domestic and cross-border leakages to recommend a set of measures to, and work closely with relevant national and local institutions to effectively address leakage risks and demand-side management issues.
Environmental		
Effects of climate change (CC) including temperature and sea level rises, ENSOs and natural disasters (forest fire, drought, flood, etc) might increase the natural loss of carbon stocks and biodiversity at the landscape level.	L	Given CC is likely to affect forest ecosystems, catchment functions and biodiversity over time, the project will assess and consider risks regarding CC during assessment and capacity building activities, particularly through climate proofing. The project will also coordinate with relevant authorities to support disaster risk management to minimize natural disaster risks affecting forests and catchments.

G. DESCRIBE, IF POSSIBLE, THE EXPECTED COST-EFFECTIVENESS OF THE PROJECT:

The project will build on the cost-effective approach piloted through the SGP-PTF, which has initiated action by strongly motivated communities to continue and improve their CBFCM practices. The project will address the identified key barriers, which have not been addressed by the SGP-PTF or other related initiatives. Therefore, further analysis of cost effectiveness of CBFCM practices, PES and biocarbon financing options will be undertaken in the PPG phase, and the unit cost of CO₂ stored and sequestered will be calculated.

H. Justify the COMPARATIVE ADVANTAGE of GEF agency:

UNDP has been assisting the Kingdom of Thailand in implementing a number of global environmental conventions including the Convention on Biological Diversity (CBD), the United Nations Framework Convention on Climate Change (UNFCCC), and the United Nations Convention to Combat Desertification (UNCCD) as seen also through its support to the NCSA process. The project will contribute to helping the Thai Government in meeting its obligations under these conventions and to address synergies between conventions in sustainable forest and catchment management, given the project's crosscutting nature and the fact that it brings together support to sustainable forest management, biodiversity conservation, climate change mitigation and poverty reduction. Applicable lessons-learned from the SGP-PTF and relevant GEF SGPs, both administered by UNDP, will also be fully considered during the project design.


PART III: APPROVAL/ENDORSEMENT BY GEF OPERATIONAL FOCAL POINT(S) AND GEF AGENCY(IES)

A. RECORD OF ENDORSEMENT OF GEF OPERATIONAL FOCAL POINT (S) ON BEHALF OF THE GOVERNMENT(S): (Please attach the [country endorsement letter\(s\)](#) or [regional endorsement letter\(s\)](#) with this template).

NAME	POSITION	MINISTRY	DATE (Month, day, year)
Mr. Saksit Tidech	Permanent Secretary	Ministry of Natural Resources and Environment	16 March 2009

B. GEF AGENCY(IES) CERTIFICATION

This request has been prepared in accordance with GEF policies and procedures and meets the GEF criteria for project identification and preparation.

Agency Coordinator, Agency name	Signature	Date (Month, day, year)	Project Contact Person	Telephone	Email Address
John Hough UNDP-GEF Deputy Executive Coordinator		January 27 2010	Anna Tengberg UNDP Regional Technical Advisor, Asia- Pacific	+66 2288 2730	Anna.Tengberg@ undp.org