

Abstract

Project Code: RDG4730013

Project Title: Enhancing the Effectiveness of Thailand's Implementation Strategy on the Clean Development Mechanism (CDM) Project

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The objective of the research report entitled “Enhancing the Effectiveness of Thailand’s Implementation Strategy on the Clean Development Mechanism (CDM) Project” is to present Thailand’s strategy for implementing the CDM project especially in the field of laws and regulations. This will be used as the main database for negotiations and a basis for decision-making concerning the selection of the projects for the benefit of the people and country. To carry out the study, the researchers organized for the exchange of views and knowledge on CDMs both in the public and private sectors. Other research methods used consist of the review and analysis of related laws as well as the collection of data on CDMs in industrialized countries.

The outcome of the study shows that the implementation of CDM has enabled Thailand, which enjoys great potential for attracting foreign investments, to increase her capability of achieving sustainable development in line with the requirements of the Kyoto Protocol. Two main issues to be considered are, firstly, the fact that Thailand may have legally-binding targets for reducing greenhouse gas emissions in the future; secondly, the country may also lose other opportunities, should it expedite the implementation of CDM without careful consideration. It is therefore imperative to establish a basic guideline relating to the selection criteria for CDM projects to ensure that there are sound modalities and procedures as well as clear rules on the rights to issue Certified Emission Reductions (CERs) as far as national entities and CDM project owners are concerned. Besides, these rules should enhance the reliability and transparency of the CDM implementation process as well as provide the CDM process with institutional mechanisms to check the performance of related agencies and organizations.

Research recommendations are:

- (1) The CDM national entity should be an organization with state authority. It should be a governmental agency, which may or may not have a status of a legal entity. The CDM national entity must act on behalf of Thailand under the Kyoto Protocol. The national authority should be accountable and should have clear and transparent procedures with regards to the conduct of its business. It should possess expertise in the issuance of CERs certificates. It must be an autonomous and independent agency. The researchers are of the opinion that a Minister should be entrusted with full power to issue CERs certificates, which will have legally binding effects. Acting on behalf of Thailand and having the authority to enforce relevant laws, the Minister can exercise his or her executive power to supervise the CDM national agency, which must be legally and politically

accountable. The researchers would like to recommend the Ministry of Natural Resources and Environment to function as Thailand's CDM national agency.

- (2) CDM projects should be approved and their activities be closely monitored. CDM project activities should thereafter be evaluated and validated. The baseline and monitoring principles are sustainable development, long-term benefits of CDM additionalities, participation by the people, evaluation of environmental impacts, and the advantages to Thailand. The CDM national agency, which should play an advisory role, should be decentralized and should assist related agencies in establishing their legal frameworks.
- (3) The guidelines for consideration of CDM projects should take Thailand's potential and national interests into account. CDM projects can be categorized into (1) projects which can be conducted by Thailand by using simple technologies, and (2) projects which require high technology and substantial capital investment. This report recommends that those CDM projects that should be prioritized should relate to energy efficiency improvement in the industrial sector, recycled energy in the industrial and electricity generation sectors, bio-gas conservation in the waste management sector, and energy generation by waste incineration. The CDM projects that should receive low priority include carbon capture and sequestration projects.
- (4) Consideration criteria for CDM projects should include
 - 4.1 Additionalities in the area of
 - 4.1.1 Environmental additionality

CDM projects must be able to reduce greenhouse gas emission in the long term and to measure the quantity of emitted greenhouse gas in conformity with the baseline.
 - 4.1.2 Financial additionality

Supporting funds for CDM projects must not derive from Overseas Development Assistance (ODA) or from bilateral funding.
 - 4.1.3 Technological additionality

The implementation of CDM projects should include technology transfer without any hazardous effects on the environment.

4.2 Sustainable development

Any proposal of CDM activities should include an analysis of the economic, social and environmental impacts.

4.3 Impact analysis on the environment and health-care

Proposes of CDM projects should analyze both pre- and post-impacts on the environment and health-care as the result of implementing the project. Impact analysis on the environment and health-care should be compatible with the baseline and conform with the relevant regulations. It should be transparent and encourage the participation of all the stakeholders.

Keywords : CDM, Clean Development Mechanism, Strategy on the CDM