



Project Document

Strengthening Inclusive Planning and Economic Decision-making for Environmentally Sustainable Pro-poor Development

Poverty Environment Initiative (PEI) Framework in Thailand

Government of Thailand
Ministry of Interior

United Nations Development Programme

United Nations Environment Programme

Agreed by
Office of the Permanent Secretary for Interior, Ministry of Interior

Handwritten signature of Manit Wattanasen in black ink.

Mr. Manit Wattanasen
Permanent Secretary
Date 26 March 2010

Agreed by
United Nations Development Programme

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Ms. Gwi Yeop-Son
Resident Representative
Date 31 March 2010



**United Nations Development Programme Thailand
Project Document**

Project Title

Strengthening inclusive and economic decision making for environmentally sustainable pro-poor development

UNDAF Outcome(s) : Improved sustainable utilization and management of natural resources and environment at national and community levels.

Expected CP Outcome(s):

1. Efficient community network in sustainable use of local natural resources and energy with engagement in policy and decision making processes;
2. Increased capacity of national focal points in addressing policy and removal of barriers in pursuing local sustainable management of natural resources and environment in selected ecosystems and promotion of area-based renewable energy application;
3. Alternative knowledge management of community learning based on indigenous livelihoods and evidence-based empirical studies in enhancing support of pro-poor \ policy.

Implementing Partner: Ministry of Interior
Responsible Parties: National Economic and Social Development Board, Ministry of Natural Resources and Environment, Community Organization Development Institute, Provincial Administration Offices, Nan Provincial Administrative Organization, Samut Songkram Chamber of Commerce

Brief Description:

The project aims to improve planning and budgeting at national and provincial level for natural resource and ecosystem management for pro-poor growth by addressing gaps and building on potentials at all levels to achieve the following outcomes :

- Increased coherence of national development plans and policies which do not undermine pro-poor environment and natural resource management;
- Provincial and local government administration system and institutions are better able to integrate pro-poor environmental priorities in the development decision making and budgeting processes;
- Communities have strengthened their capacity in advocating for pro-poor natural resources and environmental management concerns in the provincial planning and budgeting processes;
- Lessons-learning and sharing among member states of ASEAN and other development partners to integrate pro-poor environment and natural resource management in planning and budgeting processes.

Programme Period: Oct 09 – December 11
Key Result Area (Strategic Plan):
4.1 Mainstreaming Environment and Energy
Atlas Award ID: _____
Start date: November 2009
End Date: December 2011
PAC Date: 22 Sept 2009
Management Arrangement: NEX

2009 AWP budget:

Total allocated resources:	USD 661,550
PEI	USD 400,000
SGA (UNEP)	USD 178,550
UNDP TRAC	USD 83,000*
Of which USD 73,000 is allocated under ONE AWP 2009	

1.SITUATION ANALYSIS

Thailand has achieved remarkable economic growth, but this has occurred with high social and environmental costs. Poor communities, particularly rural poor who rely mostly on their nature surroundings for livelihoods have been adversely affected by the state administration focusing on centralization and development trends decided central state agencies which have restricted access to an use of natural resources. The alienation of such poor and marginalized groups from sharing the benefits of development has meant that some segments of society have in fact been made worse off during this period of significant growth and development of Thailand.

1.1 Poverty and pro-poor growth

Thailand made a remarkable recovery from the Asian financial crisis of 1997 but still faces major development challenges. Thailand's population is currently over 66 million and by 2025 will reach over 90 million. Coupled with vigorous export-led industrialization and rising per capita consumption levels, demands for food and raw materials will more than double during this period. Meeting these demands will require management of natural resources and environmental systems that is far more efficient, equitable, and sustainable than is practiced today.

According to the National Economic and Social Development Board (NESDB), poverty incidence reduced from 34% (18.4 million people) in 1990 to 8% or (5.4 million people) in 2007, a 27% reduction. However overall distribution of income Thailand is uneven and incidence of poverty remains high amongst certain groups. Around 87% of the poor and farmers in rural areas and farming, forestry and fishing still provide over half of all jobs and livelihoods for those still living under the poverty line. Poverty levels differ greatly by region in the north and northeast 16% and 17% of the populations fall the poverty line respectively.

1.2 Natural resource use and ecosystems linked to pro-poor growth

The intense exploitation of forest, land and water resources, especially during the rapid economic growth of the 1990's, has led to severe deterioration of natural resources. According to the World Bank, forest cover fell drastically from 53% in 1961 to 25% in 1998. Measures taken by government in the late 1980s to prohibit logging have since begun to pay dividends. Between 1998-2000 land under forest cover increased to 33%. However, the legacy of deforestation is creating other environmental problems, such as conversion to dry lands, sedimentation of rives and loss of natural habitats. In the fisheries sector, overharvesting of marine fisheries has reduced fishing yields by 90%, and coastal areas have been seriously degraded by expansion of capture fishing, shrimp aquaculture, industry and tourism. Of particular is water scarcity, which occurs against a backdrop of low availability, high pollution and increasing per capita consumption. There is tremendous pressure on Thailand's water resources, as the country ranks the lowest in Asia for annual per capita water availability, but it ranks 14th in the world in industrial organic water pollution. These trends will be magnified with further intensification of agriculture. The impact of environmental degradation falls disproportionately on the poor whose livelihoods closely depend on locally accessible natural resources such as Non-Timber Forest Products (NTFPs). NTFPs are a highly important source of income for poor people who sell them in local markets. In many villages with community forests, the sale of NTFPs represents 50% of incomes with the other 50% from the proceeds of agricultural activity.

The pressure on rural land has also intensified as a result of the Government's ambitious conservation targets. The National Forest Policy set a target of 40% forest cover by 2006. The 20-Year (1997-2016) Enhancement and Conservation of National Environmental Quality Plan aims to increase total forest cover to 50% of land area. In 1990, one third of villages in Northern Thailand were found to be inside newly designated forest reserves thus rendering their long history of cultivation illegal. This decision was based on domestic and international pressure to protect Thailand's depleted „forests“ and meet the requirements of a number of international agreements. This decision and subsequent rezoning of cultivated areas as protected forest has been criticized as an “administrative denial of local resource-use realities.” Landlessness is one of the major causes of poverty; today well over a million rural households are landless, and 5-10 million people reside – illegally – in national forests, parklands, and protected watersheds.

1.3 Private investment trends in natural resources and pro-poor growth

Agriculture the mainstay of the rural economy of Thailand. Farming, forestry fishing still provide over 40% of all jobs in Thailand. The expansion of cash crops such as corn, sugar cane, pineapple and banana is associated with demand from the growing Chinese market as well as expansion of the domestic market for food products and animal feed products. Rapid growth of industries such as pulp and paper production has also contributed to intensification of agriculture (e.g. eucalyptus plantations) in Thailand.

Another growing sector within Thailand's diverse agro-industries is the manufacture of biofuels, Which has prompted the government to draft a new bio-fuel plan. The opportunities for investment in this sector are already gaining recognition, with the Bureau of Investment (BOI) approving 40 projects in 2007 for biofuel plants.

The expansion and intensification of agriculture has placed enormous strain on ecosystem functioning and diminished the natural resource base and biodiversity. The increased demand for water and recurrent pollution, deforestation, erosion and salinisation have resulted in a competition for resources, which tends to pit small-holders against more influential groups such as large-scale private investors and large-scale public development programmes. The traditional practice in rural Thailand has been small-scale farming on family owned farms or through share cropping. Whilst Thailand has led the structural transformation of agriculture in southeast Asia from subsistence farming to commercial systems, many poor households still cultivate land for self-consumption as part of the informal sector and as their primary source of food. These small-scale farmers and particularly the poorer and landless amongst them have been particularly affected by the competition for resources; it is these groups that are most vulnerable to falling below the poverty line. Intensification of agriculture has also led to a number of social problems, contributing to the skewed consolidation of wealth while increasing landlessness, joblessness and urban migration of the unskilled and unsuccessful Hence there is a strong link between changes in agricultural sector and poverty in the rural areas of Thailand.

1.4 The political and public sector reform and the State Administration Plan

Since the adoption of the Constitution of the Kingdom of Thailand 1997, the state administration concentrated on the participatory administration and decentralization to the local administration. In 2002 the Office of Public Sector Development Commission (OPDC) was established and the concepts of good governance and New Public Management have been introduced to the public sector. By the virtue of the Constitution, the Royal Decree on Criteria and Procedures for Good Governance 2003 was targeting the state administration to meet the responsiveness, result-based management, effective and value for money, lessening unnecessary steps of work, reviewing mission to meet changing situation, providing convenient and favorable and regular evaluation. Several management tools. Have been experimented and adopted, especially change management, strategic planning, knowledge management and key performance (KPI), i.e. performance agreements.

1.5 The State Administration Plan and Budget allocation

Based on the the Royal Decree on Criteria and Procedures for Good Governance 2003, the Council of Ministers has to make the State Administration Plan, the 4-year plan prepared and proposed by the Secretariat of the Council of Ministers together with the Office of the Prime Minister, the Office of the National Economic and Social Development Board and the Budget Bureau. In making of such plan, the policy of the Council of Ministers, the directive principles of the fundamental State policy, and all national development plan shall be taken into consideration.

After the announcement of the State Administration plan, government agencies shall make 4-year Performance Plan accordance with the 4-year State Administration Plan and in each fiscal year, they have to prepare and propose its annual performance plan to the Minister in charge for approval and the Budget Bureau shall allocate annual budget to the specific mission in such plan. The Budget Bureau shall not allocate annual budget for any mission that is not proposed by a government agency or approved by the Minister in charge.

1.6 The Office of National Economic and Social Development Board (NESDB) and the National Economic and Social Development Plan (NESDP)

The preparation of the NESDPs has been the primary responsibility of the National Economic and Social Development Board (NESDB) in collaboration with other central economic agencies. More recently other line agencies and ministries have contributed to the NESDP in line with the decentralization commitment. NESDPs in Thailand have typically been “indicative” in nature – specifying development priorities but not committing budget allocations. Therefore national and regional specific development priorities will be the policy framework or be taken into consideration for government agencies at all level and also the State Administration.

Over the past five decades, NESDB has produced 10 national development plans. The vision of the NESDP-10 (2007-2011) is to achieve “Green and Happiness Society,” by focusing on holistic development within the framework of sustainable development; using the royal philosophy of „sufficiency economy“ ; putting an emphasis on resolving the economic crisis and human resource development issues through sustainable natural resource use and enhanced national competitiveness.

The theme for NESDP-11 (2012-2016) is to build “creative economy”. The process of planning of the 11th NESDP (2012-2016) has just begun in July 2009 with broad public participation. NESDB has analyzed world development trends in 9 major aspects. These include:

- 1) Low to moderate world economic growth, resulting from current economic recession.
- 2) Growth centers are shifting increasingly toward Asia. However, stiff international competition leads increasingly to protectionism.
- 3) BRIC countries (Brazil, Russia, India and China) are expanding their influences in the regional financial and capital markets.
- 4) World energy consumption continues to grow rapidly, thus energy costs increase.
- 5) Population growth continues and poses threats in terms of food security.
- 6) Unemployment resulting of economic recession puts heavy burden on governments and the society with potential social and political disruptions.
- 7) Climate change presents new challenges for all countries, particularly for poorer ones.
- 8) Technology advancement contributes to adjustments of capitalism towards sustainability.
- 9) World politics continues to be consumed by ideological conflicts, threatening peace and draining much of resources.

At this stage, NESDB proposes a number of strategies, including restructuring towards green and creative production, sufficient and moderate society, and “new social contract” in which people must be center of development. Until the final stage of the planning process in 2012, the public will have opportunities to participate and voice their opinions to help shape the national plan.

The NESDB has commissioned two studies on sustainable development indicators to use in NESDP-11 to assess environmental conditions and trends and to encourage greater emphasis on green” economic opportunities. One of this effort is the establishment of Biodiversity-Based Economy Development Office: BEDO (Public Organization) in 2007 to responsible for the linkage between environment-poverty.

1.7 Ministry of Interior (MOI) and provincial and local administration

The MOI is one of the government agencies under the public sector reform; in 2003 the MOI restructured the authorities and responsibilities into 8 departments and 5 state enterprises. The 8 departments comprises the Office of the Minister, the Office of the Permanent Secretary responsible for the preparation and proposal of the 4-year ministerial performance plan and the annual performance plan as well as the promotion of their implementation in sub-national level; Provincial Administration Department responsible for maintaining public order and keeping internal security, Community Development responsible for community planning, Local Administration Department responsible for promoting and strengthening the local administration, the Public Works and Town and Country Planning Department responsible public construction and physical and land use planning MOI is also responsible for land titling under the Land Department and for disaster management under the Disaster Prevention and Mitigation Department. With the practice of integrated performance plan for best result, MOI divided the authorities and responsibilities into 3 clusters namely; (1) the Internal Security Cluster comprising Department of Provincial Development Department and Department of land; the community development; (2) the Community Development and Local Administration Promotion Cluster comprising the Community Development Department and the Local

Administration Department; (3) the Public Disaster and Town and Country Planning Cluster comprising the Department of Disaster Prevention and Mitigation and the Department of Public Works and Town & Country Planning. The MOI functions are represented by the provincial governors and officers in 75 provinces. So the MOI is one of the most powerful Ministries in Thailand and plays a key role in coordination and monitoring governmental planning, budgeting and management in the provinces.

1.8 The Provincial Administration and Provincial Development Planning

Under the state administration category of deconcentration, the provincial administration is headed by a provincial governor and comprises provincial and district's officers of central government agencies, for example, Finance, Industry, Commerce, Agriculture, Transport, Education, Health and environment. The crucial reform of the provincial administration issued in the fundamental State Policy of the Constitution of the Kingdom of Thailand 2007 is to authorize the province to set up its own development plan and to provide financial support for the implementation of such plan for the benefit of the public within that area.

Under the State Administration Act 2007 and the Integrated Provincial Planning and Clustering Decree 2008, the province is a legal entity which can access budget from the Budget Bureau directly through the Integrated Provincial Development Plan. The principle concept of the intergraded provincial administration and planning comprises

- The area-based approach, focusing on the potential, development requirement and the benefit of that area. The Classification of 75 provinces into 18 provincial clusters is one of the evidence of area-based approach;
- the participatory governance approach focusing on the consultation and public hearing process for the provincial development planning because the 4-year integrated provincial and clustering development plan is the indicative plan or the development direction for all functional government agencies and local administration to follow.

Moreover, in order to apply the Royal Decree on Criteria and Procedures for Good Governance 2003 at the provincial level, the administration and planning process must be audited by the Provincial Good Governance Committee.

This new decree has placed a greater emphasis on integrated planning and clustering, a set of committee has therefore been created to guide and issues rules and procedures policy committee (Kor Nor Jor) chaired by the Prime Minister, is responsible the policy framework in order to maximize the profit of the nation as a whole. At the provincial level, the Provincial Development Committee (Kor Bor Jor) is chaired by the provincial governor; the committee members come from representatives of line ministries, private sector and civil society organizations in the province.

To request budget, the Provincial Development Committee must submit the integrated provincial development plan and an the annual performance plan to the Office of Public Sector Development Commission (PSDC), which serves as the secretariat of the national policy committee. In order convince the PSDC, the development activities within the plan should be strategic in nature, or related directly to the province's development strategies. In addition the plan should take into consideration the central government's policies and the balanced coverage of all dimensions of development. Once the plan receives the final approval by the cabinet, the Budget Bureau will allocate the budget accordingly.

In practice, the integrated planning process at the provincial level is sill development and there are numerous challenges faced in its implementation, including inadequate and ineffective community involvement or public consultation, politicians' interference in the allocation of development budgets and plans which are largely based on approximation, feelings and preferences rather than on knowledge and scientific data.

In addition to the key role in planning public investment, the governor has delegated authority to approve and license many private investments, such as industry and agriculture with technical support from line ministries. The governor also controls the regulatory function of land use and physical planning through the officials from the Public Works and Town and Country planning.

1.9 Local Administration and Local Development Planning

Local administration or local government administration is the decentralization of state administration comprising 7,853 units. They are classified into 5 forms, including three general and two specific forms. The three general forms are Provincial Administrative Organization (PAO, -75 units), municipality (1,619 units) and the sub-district or Tambon Administration Organization (TAO – 6,157 units). The three forms of local administrations are also classified into two tiers: provincial (PAO) and communal level (municipality and sub-district or TAO). Although the PAO is the higher tier of local government, it has limited authority over smaller local government units. The PAOs' primary function is on supporting smaller local government over issues that cross the boundaries of these smaller local government units. The other two special forms of local administrations are Bangkok Metropolitan Administration (BMA) and Pattaya City. Each local entity is governed by a local council and local chief executive; both of which are elected by local residents for 4-year term.

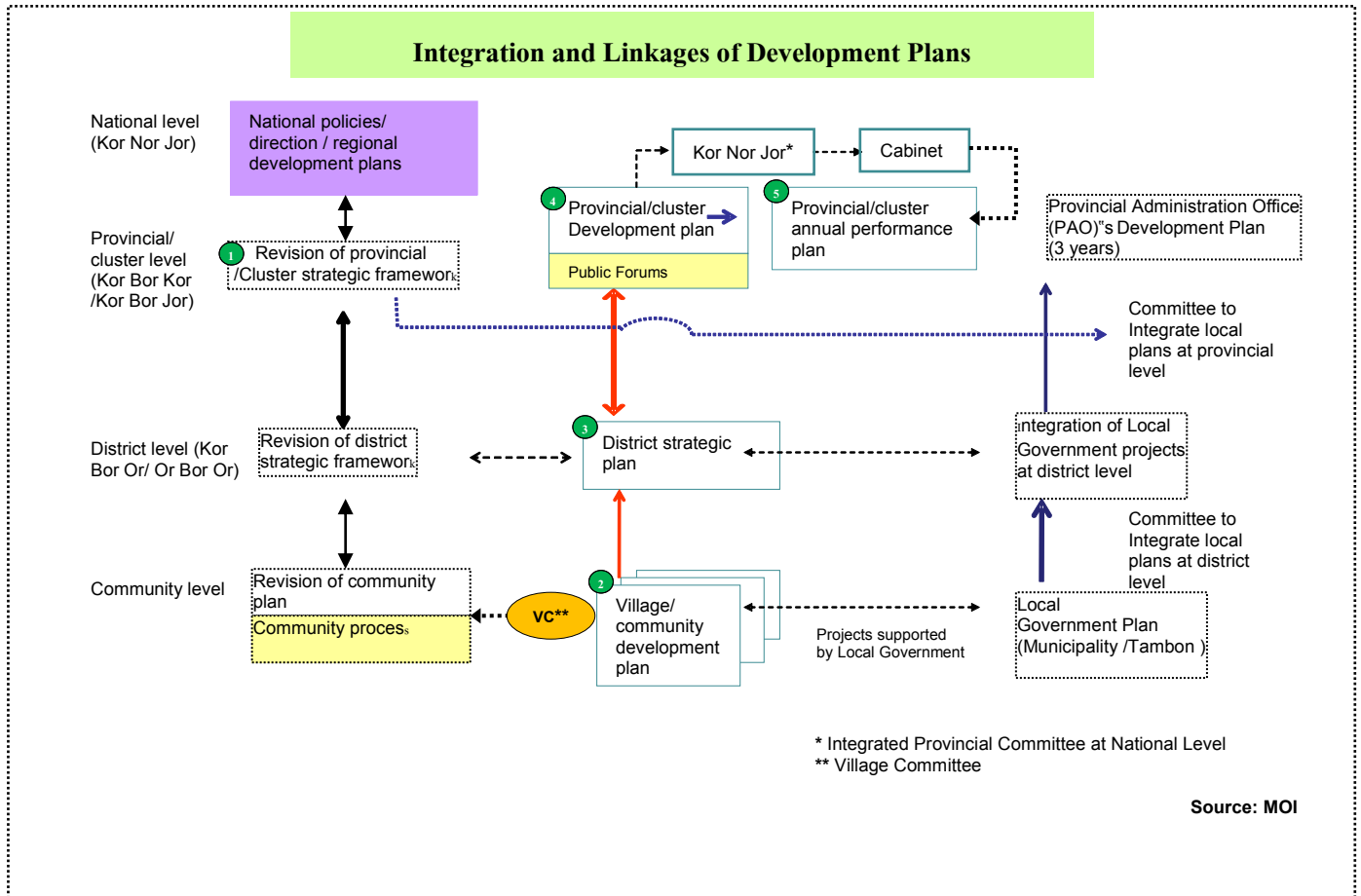
The basic concept of decentralization is the state shall give autonomy to the local administration with the principle of self-government. It means that local administration will be the principle public service providers and participate in the development and problem solution in each locality. In this regard, the local administration shall receive promotion and support to strengthen their autonomous administration and capability to response effectively to the requirement of the people in their localities. The National Decentralization Committee was established to be responsible for considering the delineation of power and duties and the revenue allocation between central, provincial administration and local administration and between local administration themselves.

The decentralization law stipulates that 35% of national revenues must be redistributed to local governments. At present local governments receive only about 25% of national revenues. This is channeled as a grant through the Department of Local Administration of MOI (unlike the provincial administration which can access revenues directly from the Bureau of Budget). A small amount of revenues is collected by local governments through local property taxes etc. Total local government finance is barely enough for funding meaningful development projects. Smaller local governments, i.e. TAOs and municipalities, have to submit their development projects to the PAO and in some cases may receive funding for their implementation. PAO thus implements their own development projects, and, to some extent, those submitted by its smaller counterparts. In practice the PAO is the consolidator and implementer of the local governments' development plan as opposed to the "provincial development plan" prepared, budgeted, and implemented by the provincial administration. In addition to grants from the central government and local taxation, local government can submit project that are beyond its capacity to fund and implement to the provincial administration for funding and implementation. But in order to protect the local interest, the supervision of local administration shall be exercised as it is necessary and must not affect the principle of self-government.

One of the supervision systems is by setting up the standard of performance to be applied to the local government administrations, in accordance with their level of capacity and efficiency. This standard of performance is set up by MOI's Department of Local Administration and the office of the Commission on Local Government Personnel Standard.

According to the MOI's regulation on local development planning, each local government administration shall establish the local development committee responsible for the 3-year local development plan derived from the requirement of local people as laid out in the community plan.

In terms of development planning, Ministry of Interior is therefore a key institution as both provincial administration and local government administration are under their supervision; and at the sub national level; the provincial governor is the key player in planning and budgeting.



1.10 Community and ecosystem planning

Thailand has a long history of strong civil movements and community networks many of which are related to natural resources and environmental issues. Over the past decade many protests have been centred on major environmental conflicts. For example, in many parts of the country, rural communities that rely on forest resources have formed forest user groups. These groups have emerged upon realizing that their collective efforts are more effective in bargaining and negotiation their demands to use and conserve forest resources with government or large scale developers.

Despite legal and constitutional provisions for community involvement in natural resource use, the concern is that the government, at all levels, as well people's organizations still lack ways and means to resolve, let alone to prevent, such conflicts, and the poorest will inevitably come out worst off against more powerful competitors for natural resources.

There are several avenues for community involvement in the planning process. Within the MOI community development planning is facilitated by the Community Development Department. The decree of integrated planning stipulates public hearings for communities to express their views. According to guidelines set by the Policy Committee for Integrative Provincial and Clustering of Province Administration, the provincial development planning procedure must "listen to the opinion of the people", in the process of drafting, and must "bring the draft back to the people once again before finalizing it." This is an opportunity for capable communities to exert their influence on the local and provincial development planning.

However in practice these are often one off events and communities have little meaningful engagement in the planning process. Community needs may also get subsumed and diluted during the consolidation of plans at the provincial level, often with involvement of large development lobbyists. As a result communities often perceive the planning process to be top-down. The planning and development processes also suffer a lack of transparency. Communities are often unaware of development plans in their area, find out too late, or do not understand the implications of land

changes and impact of new developments on natural resources. The process needs a capable stakeholder to champion community concerns.

Another challenge is the proliferation of community planning efforts. Communities also are involved in the planning of local government. In addition, Community Councils have been set up by the Ministry of Human Security and Social Welfare with technical support from the Community Organisation Development Institution (CODI). NESDB has used this channel to feed the community views into the national development plan (NESDP).

Other than communities raising environment concerns, ecosystem planning through formal planning is limited. Currently the social and environmental implications of development projects are not adequately assessed and environmental impact assessments at the ecosystem level do not correlate with the administrative scale of socio-economic planning which is based on provincial boundaries. Attempts to integrate ecosystem-based environmental assessment of development activities in provincial planning and decision making processes were undertaken in Khon Kaen Province with mixed results (see Box) Frequently the economic incentives to pursue large-scale private investments overshadow the environmental impacts (which are longer term and beyond the horizon of elected officials) and the social impacts which mostly affect the poorest segments of society.

Khon Kaen's provincial environmental planning tools

Khon Kaen Province received technical support funded by Danish International Development Assistance (DANIDA) to prepare guidelines and tools in spatial planning for sustainable development. The project lasted 4 years (2000 – 2003) during which a sophisticated GIS based model was developed by Ministry of Natural Resources and Environment in cooperation with the Ministry of Interior and the Regional Environment Office (REO) 10 based in Khon Kaen. The model allowed REO to simulate the impacts of point and non-point source pollution on surrounding watersheds and undertake other simulations such as spatial impacts of industrial and large-scale agricultural projects. Although a useful tool for provincial development planning and decision making, this model has not been effectively used by Provincial governments of the areas. This is partly because key economic decisions are often influenced by political and other factors rather than sound analytical assessments. However, the REO has used the model with some success in influencing zoning and regulations of land uses as well as in assessing impacts of development activities. Recently, the Khon Kaen Provincial administration has identified four districts to pilot integrated planning based on the Sufficiency Economy principles. The planning tool of REO is expected to be used in this exercise.

1.11 Provincial situation analysis

Samut Songkram and Samut Sakorn: Gulf of Thailand: investment in fisheries, agriculture tourism, industry

Despite being the country's smallest province (area 416.7 sq.km), Samut Songkram has continuously secured its place as the province with the highest Human Security Index launched by the Ministry of Social Development and Human Security launched since 2006. In addition, Samut Songkram enjoys a relatively high position in UNDP's Human Achievement Index (HAI Index – No.11 of 76). The reports accompanied indices credited the collaborative efforts between the local government and the civil society organizations in preserving the eco-cultural system as the main reason for the awards.

Samut Songkram is situated at the mouth of the Mae Klong River that flows from the highlands in Kanjanabury into the Gulf of Thailand. At the point of exit, the river branches into over 300 canals spreading the water and sediment throughout the delta, creating a unique wetland locally known as the „Ecosystem of Three Waters,“ that is fresh, brackish and brine waters. It is estimated that the river that originated in the pristine western forest complex near the Myanmar border carries over 90 tons/sq.km of nutrient to the delta. The extensive coastline of the province is dotted with salt farms and mangrove forest (Bruigera, Sonneratia and Rhyzophora). The sandbar of Don Hoi Lod at the mouth of the Mae Klong River is famous for its endemic shell population of *Solen regularis*. The rich mangrove forest becomes a breeding ground for mackerel (*Scombridae*), resulting in the area's

highest catch in both the Andaman coast and the Gulf of Thailand. This unique ecosystem gives rise to fertile lands suitable for fruit orchards. Samut Songkram is therefore well known all over the country for its pampelo, lychee, rose apple and most notably coconut sugar palm.

Unlike its neighboring provinces of Sakorn and Samut Prakarn that have taken the full effect of industrialization, Samut Songkram managed to hold on to its agriculture-based livelihood and traditional way of life. However, a recent surge in tourism poses a serious threat, not only to the traditional life style, but also the unique environment. Due to its close vicinity to Bangkok (75 km. southwest). Samut Songkram has recently turned into a major tourist destination. Commercial boats for tourists to view the locals' „exotic“ life style and the seasonal fireflies along the canals have become immensely popular. The motorized boats cause noise pollution as well as ruining the fragile river banks. The revival of the old floating markets and the influx of vacationers demand the construction of permanent structures for shopping areas and residential housings. The popular mode of construction is reinforced concrete piers and retaining walls that replace traditional raft-houses and stilts, thus denying the marine life of a sanctuary for spawning and nurturing their young. In short, the unique but fragile ecosystem is being destroyed at a rapid rate.

Samut Songkram is also subject to environmental threats initiated by the central government's development mega-projects. These infrastructure projects, although well-intended, are often ill-conceived and lack public participation. In an attempt to regulate incoming sea water, the Royal Irrigation Department constructed 191 sluice gates along the canals without consulting local residents. These gates severely obstruct the natural ebb and tide cycles of the seawater, resulting in flow stagnation and heavy sedimentation. The initial purpose of expanding agriculture land was instead substituted by permanent loss of wildlife and water-logged land.

However, these environmental problems including the sluice gate operation are being addressed by a group of concerned citizens in Samut Songkram. These prominent individuals chose the Chamber of Commerce as their platform under the leadership of Mr. Surajit Chiravet, the current Senator of Samut Songkram. The Chamber of Commerce not only facilitates dialogues among the private, government and community sectors, but also organizes forums for public debates on environmental solutions.

Samut Sakorn and Samut Songkram are both coastal areas with contrasting social, economic and environmental conditions. Although both are geographically close, the first has the second largest GDP in Thailand and intensive industrial development, the latter has one of the highest Human Development indicators and best environmental conditions. Amongst the main issues for analysis are tourism development and impact on river resources; coastal management; land use change, erosion, and industrial pollution.

Nan Province, Northern Thailand: investment in maize contract farming

Tucked away in far northern corner of Thailand with only one access route (Highway 101), Nan can be considered one of the most remote provinces in Thailand. Nan is the second poorest province of the North, with GPP of 21,259 million Baht and an average income of 43,800 Bath per person/ year in 2008. Up to 87% of its area of 11,472 sq km is heavily forested with mountainous terrain, leaving only 12% for agriculture/farming and 1% for residential. The sparse population of 476,000 consists of indigenous Lanna natives as well as various ethnic minority groups, most of them hill tribes such as Hmong, Wa, Kamu, Luo, Tin and the unique Mrabri. These indigenous people make up about 17% of the total population. With its abundant forest and catchment areas, Nan enjoys numerous river networks. The most important rivers are Nan, Wa, Sa, Samun, Pua and Yang Rivers.

Nan residents have a long history of living off the forest and rivers in a subsistence economy. In effect, they have developed community-based measures integrating traditional beliefs to protect their ecosystem for generations. Examples of these measures are Muang-fai indigenous water management group, tree ordination ceremony, water spirit worship, etc. The integration of cultural and spiritual practices into ecosystem management has proven a success in mobilizing people of different faiths to preserve the environment. In 2003, UNDP and the GEF Small Grants Programme cited Nan as the number one province in public participation among its 49 project sites.

In 1990, a group of concerned citizens led by a Buddhist monk, Rev. Pitaknantakun, consolidated the community efforts to protect its environment. In the beginning, the group rallied

against logging and the exclusion of community access rights to the eight national parks established by the central government. That movement has become the basis for modern community-based forestry practices. The group has since grown into one of the most respected and well-regarded civil society organizations in Thailand. In 1998, it was officially registered as "Hak Muang Nan Foundation". The scope of current interventions includes community forestry, fish sanctuary, community learning center, saving groups, youth groups, HIV/AIDS and community radio stations.

One of the greatest threats to Nan forest is the rapid expansion of industrial agriculture. The rates of deforestation have been increasing rapidly during the past decade as demands for bio-fuel and animal feeds rise. In the past 4 years, maize alone has cleared about 400,000 rai (about 153,846 acres) of forestland, resulting in destructive land use change and sub-catchment degradation. The deforestation not only reduces biodiversity that is essential to the livelihood of the Nan people, it also causes extensive, landslides, loss of valuable top soil and depleting fresh water run-offs. This problem no longer affects the survival of one individual community. It is a problem that needs to be addressed nationally, if not globally. The Hak Muang Nan Foundation sees the solution starting at the reform of the provincial administrative system particularly at the development planning stage to include grassroots environmental issues.

Local governments in Nan are generally strong and responsive. Nan Municipality is working with 6 neighboring Tambon Administrative Organizations (TAO) to co-manage community waste, with co-financing from MONRE. Several TAOs, for example Rim, Pa Sing and Nam Kien, have been well recognized for their service provision relating to the protection of natural resource and environment. Nan Provincial Administration Organization (PAO) has received a national, good governance awards for the past 3 consecutive years. By law, PAO is the only local government with a mandate to provide services across TAO and municipality boundaries, which is appropriate to work Community-based Natural Resources Management (CBNRM) in a watershed.

Khon Kaen, North eastern Thailand : ethanol industry investment

Located in the center of the northeastern region, Kaen enjoys the services of two of Thailand's major river basins, namely Upper Nam Chee and Namphong. Forests in the north bordering Chaiyapum also provide fertile land, while the vast plain on the southern part of the province provides much arid agricultural land.

Under the new clustering of provincial administration, Khon Kaen leads cluster 12, which comprises of 4 provinces including Roi-et, Mahasarakam and Kalasin. With a population of 1,752,414 the province's size is about 10,886 sq km or 6.8 million rais of land cover, of which 4,971,961 rais are used for agriculture, including 2,688,343 rais of paddy, 1,992,474 rais of horticulture crops, and 172,195 rais of orchards. Even with sizable agriculture in terms of land use, its share in the 2006 GPP of 107,906 mil THB is only about 13.63% while non-agriculture, largely urban economy of commerce, service, transport and manufacturing contributed 86.37% In terms of GPP, Khon Kaen is the second largest economy in the Northeast. However, in terms of average income, which is about 65,558 THB per person/year, Khon Kaen fared the highest in the Northeast.

These official statistics should not obscure the fact that the livelihoods of the majority of the population are dependent on land and water. Land use and land ownership in Khon Kaen, typical for the Northeast and the North, has a lot of problems. Much of the newly open agricultural land is obtained from forest clearing. As a measure for the protection of the forests, the government established national parks, which often overlap with community land on which the poor depends for livelihoods. Construction of dams is another development that drives the poor out of their land. Often they do not accept compensation, which is usually considered as too low. Recent investments in infrastructure and manufacturing projects also often push the poor into landlessness. Paper and pulp industry not only generates point source pollution in surface water, rivers and farmers' cultivated land, but also forces these farmers to sell their land to the company for eucalyptus plantation, the major raw materials for pulp industry. Sugar industry also plays a similar role in regards to land use pollution. These investments not only incur environmental costs but also generates social tensions and conflicts, and poverty resulting from the loss of cultivation land.

Recent poverty-environment linkages in Khon Kaen and neighboring provinces result from the government's energy policy, which promotes renewable energy. The production of crop-based ethyl

alcohol or ethanol has been encouraged. Investment incentives have been given through Board of Investment (BOI) Under the scheme, EIA for ethanol production is waived to make it expedient to start production. Ethanol production releases molasses, similar to those of pulp and paper, and sugar industry. Spillages affects the land and rives, especially the Nam Chee and Nam Phong. Often in dry season, these rivers are badly polluted. Some 40,719 households depend on these rivers and ponds for aquaculture for their livelihoods. In the past decade, damage done to these farmers is estimated in hundreds of millions baht.

The cultivation of sugarcane and cassava as raw materials for the ethanol industry benefits farmers, thus contributes to the reduction of poverty. At the same time, it increases pressure on land. Regulators and planners of economic development have difficulty in making policy decisions that may contribute to poverty reduction, While at the same time not harming the environment and livelihoods of environment-dependent farmers.

2.STRATEGY

The PEI programme for Thailand focuses on inclusive planning processes for environmentally sustainable pro-poor development. Recent reforms to the subnational planning process provide important opportunities for local communities to influence public and private investments that affect natural resource use. These reforms are supervised and monitored by the Ministry of Interior who be the implementing agency for this programme. Activities will be undertaken with MOI staff in Bangkok as demonstrated in three provinces which exhibit different but related concerns over investment and natural resource use. Inputs will also be made to the drafting of the 11th five year National Socio-Economic Development Plan policies which directs provincial investment priorities.

Outcome 1: Increased coherence of national development plans and policies which do not undermine pro-poor environment and natural resources planning and budgeting

This outcome will be achieved through the delivery of the following four outputs as described below.

As NESDB is beginning a 2-year process of formulation the 11th NESDP in 2009, it is a very opportune moment for PEI to engage in the new five-year plan formulation process. PEI will provide technical support in developing the guiding principles and specific policy measures for the 11th NESDP to avoid public policy undermine pro-poor environment and natural resources management. In this respect, PEI will seek to support the development of selected key policy reviews. Firstly, PEI will provide policy guidance and coherence on selected poverty-environment issues national significance (e.g. bio-fuels, tourism, and commercial agriculture) through policy-relevant analysis and macro-economic modeling to support the transit to a green economy. Economic analysis will also be supported to review public expenditure on environment and to promote environmental fiscal reforms. Various assessments and analysis to be undertaken as part of the PEI project selected provinces will be presented as concrete country evidence on linkages between ecosystem services and human well-being to promote environmentally sound development policies and strategies in the 11th Plan. Direct involvement of the NESDB and NESDP drafting team will be sought in some of these assessments such as the Sub-global Assessment of the Millennium Ecosystem Assessment to be conducted in Samut Sakron and Samut Songkram. Finally technical support will be provided to improve indicator systems of the NESDP that better reflect the linkages between human well-being and ecosystem services.

Another important component of PEI's support to the national level planning and budgeting process focuses on selected functions of the MOI. PEI will aim to ensure space for pro-poor natural resource and environmental management in integrated provincial development planning and budgeting by facilitating the enforcement of MOI's supervision and monitoring This output will build on the experiences gained from selected provinces. Capacity development activities will be undertaken targeting provincial development and local administration planning officers in supervising and monitoring MOI directives in integrated provincial planning process related to pro-poor environmental and natural resource management. Technical support will be provided to the development of Key Performance Indicators (KPI) to reflect environmental management measures that matter too the poor. KPI is a type of performance agreement that has to be based on the provincial development plan. The performance agreement requires all functional agencies, including the provincial administrations and local governments to propose annually the performance targets of their functions, and to be agreed by the highest level of the hierarchy of the line. The Policy and Planning Bureau of

MOI plays a key role in consolidating KPI agreements of Ministerial and Cluster performance and also the focal point on Rural Development and Poverty Eradication of ASEAN. While the Bureau of Provincial Administration Development and Promotion plays a key role in consolidating KPI agreement of provincial administration. In this capacity, this output will be implemented in close cooperation with Policy and Planning Bureau of MOI PEI will also promote an ecosystem-based approach in the “Provincial Clustering” reforms with the objective to support the integrated management of land, water and living resources that promotes conservation and sustainable use in an equitable way across boundaries of provinces.

In addition to the above national-level policy support, PEI will develop a conflict resolution mechanism on confliction public policies which negatively affect local environmental and natural resource base through relevant Senate sub-committees e.g. Environment and Healthy Living and policy advocacy mechanism through Senate Commission of Government and relevant independent agency such as the National Economic and Social Advisory Council.

Recognizing the increasing social and environmental impacts of the Thai private sector investment, PEI will seek to enhance policy incentives to promote Corporate Social Responsibility initiatives of the private sector for pro-poor environmentally friendly business practices. In the framework of national development priorities, national level policies and strategies that promote private sector investment in key development sectors will be reviewed to assess their environmental and social impacts. Specific evidence drawn from selected provinces will be provided to CSR networks to facilitate suitable options for CSR supporting activities.

Outcome 2: Provincial planners and local governments are better able to integrate pro-poor environmental priorities in the development planning and budgeting processes

During the PEI Thailand preparatory phase, three provinces have been identified in discussion with government – Samut Songkram, Nan and Khon Kaen – through a set of selection criteria including key poverty and ecosystem issues and provincial planning processes. The table below illustrates the key poverty and environment issues, planning and public investment processes and private investment issues identified in each province.

Provinces and location	Poverty Ecosystem issues	Planning and public Investment process	Private investment issues
Samut Songkram Province (Central, coastal)	Coastal land and “3 waters” Ecosystem disequilibrium Sector development and Rapid growth of tourism	Local chamber of commerce with local community as champion	Chamber of commerce favours agriculture fishing in opposition to mass tourism and land speculation for industry development
Nan province (North, mountainous)	Deforestation, land use Change and cash crops Expansion	PAO and local community	PAO and local community Seek to reduce BOI Incentives for maize contract farming in context of weak land tenure
Khon Kaen Province (Northeast, agricultural land)	Land use change and point Source pollution due to Investments in ethanol, pulp and paper industries	REO and Provincial Governors office	REO and local community Opposes ethanol expansion Without EIA

Each province exhibits different stakeholder coalitions. In Samut Songkram, the major stakeholders are communities allied with the private sector’s organization, i.e. chamber of commerce to influence the provincial development plan and its implementation at district level. In Khon Kaen, the lead stakeholder is the regional environmental agency, REO 10, in a coalition with the provincial administration. In Nan, the lead stakeholders are civil society organizations and the provincial administrative organization (PAO).

PEI will aim to ensure that provincial development and local government decision – making institutions are better equipped with technical expertise in appropriate tools for planning and budgeting to ensure environmentally sustainable and pro-poor development. Attention will be given to help bridge the current gap between physical planning and development planning at the provincial and local levels. PEI will help the provincial development and local government administration officers improve existing planning tools through reviewing them and introducing appropriate planning tools, e.g. spatial planning. Geographic Information System, scenario planning. Applicable tools will also be developed for fiscal planning and public spending to promote sustainable nature resource use. Emphasizing the critical importance of science and evidence-based policy making, technical assessments and analysis, e.g. integrated ecosystem assessment, economic analysis will be supported to feed into evidence-based provincial plans. In these selected provinces, PEI seeks to generate knowledge based on evidence of scientific as well as local knowledge to influence the provincial development plan and the planning process of which is obligated by the government decree on provincial and cluster of provinces administration. The process will solicit community’s participation and public opinions through community forum, local governments (TAO, municipality and PAO) and provincial administration. This knowledge and experience will be documented with policy implications and recommendations to be shared with MOI.

Provincial Level Approaches

The project will focus on the three following approaches at the provincial levels:

Ecosystem Assessments : as part of the PEI Thailand, Millennium Ecosystem Assessment (MA) Sub Global Assessment (SGA) will conducted in all pilot provinces, to provide specific evidence and help demonstrate the value of the environment to the economy and human well-being. Armed with evidence, practitioners will be able to craft the arguments to have an impact on a targeted policy process. This involves direct engagement with a targeted policy process in order to ensure that poverty-environment issues are integrated into policy documents and measures, taking into consideration a number of entry points indentified, and supported by country-specific evidence on the nature of poverty-environment linkages in the country.

What is SGA?

There are many forms of assessment which differ in both their aims and approaches. Common examples include environment impact assessments and strategic environmental assessments. As an example, EIAs are used for assessing the impacts that activities associated with a particular project may have on the environment and society. SEAs have been used at a more strategic level, for developing policies, plans and programs for nature resource management at national and sometimes regional levels, and often incorporate sustainable development goals.

The last twenty years have seen the emergence of international assessments that provide objective scientific information of relevance to policy-making. These assessments are context-dependent, relating to a particular issue at a particular time and in a given geographical domain. They are often referred to as assessments that form an “interface between science and policy”, examples include the IPCC and the Ozone Assessment. The MA is the most recent example of such an assessment, aiming to provide assessment information to multiple conventions and the private sector, among others.

In the case of assessments that link science and policy, “assessment” is defined as a process through which scientists, decision-makers, and advocates interact to define relevant questions or issues, mobilize experts and expertise, and provide options for decision-makers to consider.

The MA conceptual framework defines an assessment as “a social process to bring the findings of science to bear on the needs of decision-makers” The process is thus as important as the quality of the end product in determining the effectiveness of an assessment. An important feature of the type of assessment is to reduce complexity and add value by summarization, synthesis, and sorting what is known and widely accepted from what is not known or not agreed upon. Levels of certainty on the findings are often expressed, either qualitatively or quantitatively, based upon the collective judgment of the authors.

All the assessments to be undertaken by PEI-SGA will ensure ownership of the assessment process and results by key stakeholders including provincial and local governments and communities through engaging them and developing their technical capacity throughout the assessment process.

Improved Governance: complementary to the technical support in the planning tools and assessments, PEI will aim to improve governance measures (coordination, participation, transparency, accountability) to ensure pro-poor environment and natural resource management incorporated in physical and development planning and budgeting. PEI will seek to enhance coordination between provincial, line ministries, PAOs, TAOs, and district offices to address identified poverty-environment issues. Support will also be provided to enhance communication channels for participation of local communities in planning and budgeting; to increase transparency through information disclosure of planned public and private investment and to strengthen accountability of planners through feedback mechanisms. PEI will propose and advocate the benefits of reforms to improve provincial regulatory and fiscal policy to promote pro-poor environment and natural resource management.

Lessons-learning process: In order to facilitate the replication and scaling-up of proven good practices in planning and budgeting in other provinces, lessons-sharing events will be organized and exchanges of experiences will be promoted among Nan, Samut Songkram Samut Sakorn, Kon Kaen and other provinces. These sub-national lessons in planning and budgeting will also be advocated to the national level agencies, in particular, MOI, MONRE and NESDB.

Outcome 3: Communities have strengthened their capacity in advocating for pro-poor natural resource and environmental management concerns in the provincial planning and budgeting processes.

It is widely observed that there is a strong need for further enhancing participation of communities in provincial and local government development planning and budgeting processes in Thailand in order to ensure pro-poor natural resource and environmental management. PEI will support selected provinces. PEI will aim to improve the organizational capacity of selected communities in influencing poverty-environment related policies and measures in the provincial and local development planning processes. The focus will be made on their organization capacity gaps to influence the natural resource use and management decisions in the provincial and local planning processes.

The local level consultations conducted during the PEI preparatory phase revealed the urgent need of communities for improving their technical expertise and skills to advocate pro-poor environmental priorities and influence provincial planning and economic decision-making processes. The selected communities will be actively engaged in undertaking assessments and analysis as user groups and advisory and technical committee members and will receive targeted training in identified assessment techniques and planning tools. Proven good practices in community engagement and advocacy in planning and budgeting will be shared through lessons-sharing events and national level advocacy for scaling-up and replication.

Outcome 4: Lessons-learning for ASEAN partners and other Asian countries to integrate pro-poor environment and natural resource management in planning and budgeting processes

As a middle-income country, Thailand is emerging as important „donor of the South“ providing significant ODA contributions to its neighbors. Over 80% of Thai ODA is in the form of concessionary loans to support basic infrastructure projects in Cambodia, Lao PDR, Myanmar and the Maldives. In 2005 Thailand became the first non-OECD donor to report on its contribution to the Global Partnership for Development (MDG 8).

ASEAN and other countries in the Asia Pacific region are often facing common challenges and opportunities in the areas of poverty reduction and environmental and natural resource management. Through PEI's on-going national-level and regional-level activities, joint learning and exchange of experiences have been identified as useful mechanism to enhance regional cooperation in better managing environment and natural resources for pro-poor economic development and to scale-up proven good approaches and tools in development planning processes at the regional level.

Recognizing the increasing role of Thailand in the region's economic growth, PEI will support lessons-learning by ASEAN and other countries with Thailand on how public and private investment plans and economic decision making impacts on pro-poor natural resource and environmental management. Good practices in natural resource & ecosystem management will be compiled and documented from the region and Thailand and disseminated through regional forums and media coverage.

The Thai private sector is rapidly emerging as one of the key investors in countries in the region such as Lao PDR with social and economic impacts in the recipient countries. PEI will aim to support pro-poor environment friendly business practices through promoting CSR measures and incentives for the Thai private sector operating in other countries. Technical support will be provided to review national level policies and strategies that influence the environmental and social impacts of Thai private investment in other countries. In the context of the above analysis, corporate social responsibility measures and incentives will be proposed to promote sustainable overseas private sector investment. These analysis and advocacy activities will be undertaken in close cooperation with the CSR network and Thailand Business Council for Sustainable Development.

PEI - RESULTS AND RESOURCES FRAMEWORK

Intended Outcome as stated in the Thailand Country Programme Action Plan (CPAP) 2007-2011:

Improved sustainable utilization and management of natural resources and environment at national and community levels.

1. Efficient community network in sustainable use of local natural resources and energy with engagement in policy and decision making processes,
2. Increased capacity of national focal points in addressing policy and removal of barriers in pursuing local sustainable management of natural resources and environment in selected ecosystems and promoting of area-based renewable energy application,
3. Alternative knowledge management of community learning based on indigenous livelihoods and evidence-based empirical studies in enhancing support of pro-poor policy

Outcome indicators as stated in the Regional Programme Results and Resources Framework including baseline and targets:

Indicators: Improved livelihoods of poor people depending on natural resources and less vulnerable to climate change through integrating environment

Concerns into national, sectoral, and sub-national economic decision-making and planning processes

Baseline : Public and private investment undermining pro-poor natural resource use through focus on short term economic gain

Target : Changing private and public investment to be more supportive of pro-poor natural resource management at national, Provincial and regional levels

Applicable Key Result Area (from 2008-11 Strategic Plan):

Key result area : 4.1 Mainstreaming Environment and Energy

Partnership Strategy

UNDP-UNEP working with provincial and national governments and selected community based organizations

Project title and ID:

Strengthening inclusive planning and economic decision-making for environmentally sustainable pro-poor development
(ATLAS Award ID to be assigned)

1. Increased coherence of national development plans and policies which do not undermine pro-poor environment and natural resources planning and budgeting

Timeframe : October 2009 – December 2011

INTENDED OUTPUTS	INDICATIVE ACTIVITIES	STAKEHOLDERS	PARTNERS ACTIVITIES
<p>1.1 11th NESDP guiding principles and Measures are developed to avoid public Policy which undermine pro-poor Environment and natural resources management</p>	<ul style="list-style-type: none"> • Provide evidence on linkages between Ecosystem services and human well-being to Promote environmentally sound development Policies and strategies (i.e. through involvement in SGA process; and macro-economic modeling for green economy) • Undertake analysis to provide policy guidance and coherence on selected poverty-environment issues of national significance (e.g., bio-fuels, tourism, commercial agriculture) • Support public expenditure review and environmental fiscal reforms based above analysis • Support NESDB to improve indicator systems that better reflect the linkages between human well-being and ecosystem services 	<p>Lead : NESDB Cooperating: MONRE, Ministry Of Finance, Energy, Agriculture, Tourism</p>	
<p>1.2 regulatory measures enforced and incentives applied in ensuring space for pro-poor environment and natural resources management in integrated provincial development action plan and budgeting building on the experiences from selected provinces.</p>	<ul style="list-style-type: none"> • Capacity strengthening of provincial development planning officers in enforcing MOI directives in integrated provincial planning process to facilitate pro-poor environmental and natural resource management • Support the development of KPI to reflect environmental management measures that matter to the poor • Promote an ecosystem-based approach in “Provincial Clustering” reforms 	<p>Lead: MOI Cooperating MONRE, CODI</p>	
<p>1.3 Parliamentarian mechanism developed through relevant Senate sub-committees e.g. Environment and Healthy</p>	<ul style="list-style-type: none"> • Provide proven evidence to the Senate sub-committee on Environment and Healthy Living • Support Senate sub-committees advocacy 	<p>Lead : Senate sub-committee on Environment and</p>	

Living on conflicting public policies which negatively affect local environmental and natural Resource base	activities to influence public and private investments with significant implications on poverty and environment <ul style="list-style-type: none"> Facilitate public space for community voices in parliamentary process 	Healthy Living And other related sub-committees Cooperating Community Networks	
1.4 Policy incentives enhanced to promote Corporate Social Responsibility initiatives of the private sector for pro-poor Environmentally friendly business practices	<ul style="list-style-type: none"> In the framework of national development priorities, review national level policies and strategies to assess environmental and social impacts In the context of the above analysis, propose corporate social responsibility measures and incentives to promote sustainable private sector investment Provide proven evidence on environmentally friendly practices to CSR network as options for CSR supporting activities 	Lead: NESDB, CSR Network Cooperating: Thailand Business Council for Sustainable Development	
2. Provincial planners and local governments are better able to integrate pro-poor environmental priorities in the development planning and budgeting processes.			
Timeframe : October 2009 – December 2011			
INTENDED OUTPUTS	INDICATIVE ACTIVITIES	STAKEHOLDERS	PARTNER ACTIVITIES
2.1. Provincial development officers and local government planners are better equipped with technical expertise in appropriate tools for planning and budgeting to ensure environmentally sustainable and pro-poor development	<ul style="list-style-type: none"> Propose appropriate planning tools (i.e. spatial planning, GIS, scenario modeling, etc.) Develop applicable tools for fiscal planning and public spending to promote sustainable natural resource use Support assessments and analysis (i.e. integrated ecosystem assessment, economic analysis, etc.) to develop evidence-based provincial plans 	Lead: Provincial Office, Local government	
2.2. Improved governance measures (coordination, participation, transparency, accountability) to ensure pro-poor environment and natural resource management incorporated in planning and	<ul style="list-style-type: none"> Enhance coordination between provincial offices, line ministries, PAOs, TAOs, and district offices to address identified poverty-environment issues Enhance communication channels for 	Lead: Provincial Office, local government Cooperating	

budgeting	Participation of local communities in planning and budgeting <ul style="list-style-type: none"> • Increase transparency through information disclosure of planned public and private investment • Strengthen accountability of planners through Feedback mechanisms 	REO, provincial line agencies	
2.3. Provincial regulatory and fiscal policy is Improved to promote pro-poor environment And natural resource management	<ul style="list-style-type: none"> • Review regulatory and fiscal policy and propose reforms using the assessment and analysis undertaken; • Advocate the benefits of proposed reforms for pro-poor environment and natural resource management, through national and parliamentary channels. 	Lead: Provincial Office, local Government Cooperating: REO, provincial Line ministries	
2.4. Replication and scaling-up of proven Good practices in planning and budgeting in Other provinces	<ul style="list-style-type: none"> • Undertake lessons-sharing and promote exchanges of experiences among Nan, Samut Songkram, Samut Sakorn, Kon Kaen and other provinces • Advocate the lessons to MOI, MONRE NESDB and other relevant agencies 	Lead: Provincial Office, local Government Cooperating: MONRE, NESDB MOI	
3. Communities have strengthened their capacity in advocating for pro-poor natural resource and environmental management concerns in the provincial planning and budgeting processes. Timeframe: October 2009-December 2011			
INTENDED OUTPUTS	INDICATIVE ACTIVITIES	STAKEHOLDERS	PARTNER ACTIVITIES
3.1. Communities have improved their Organizational capacity to influence poverty-Environment related policies and measures In the provincial and local development Planning processes.	<ul style="list-style-type: none"> • Assess the organizational capacity of the communities and recommend measures to address the organizational capacity gaps focusing on the capacity to influence the natural resource use and management decisions in the provincial and local planning processes • Facilitate the establishment of a coalition of champions in mainstreaming natural resource and ecosystem management plan • Create social networking forums (including) internet and exchange workshops/field trips) to encourage communication and information 	Lead: MOI Community Development Division Cooperating Selected community-based organizations, CODI	

	exchange.		
3.2 Communities in selected provinces are Better equipped with practical tools and Evidence to advocate pro-poor Environmental priorities and influence Provincial planning and economic decision-Making processes.	<ul style="list-style-type: none"> Engage the selected communities in undertaking assessments and analysis as user groups and advisory and technical committee members; Provide targeted training for the selected communities in identified assessment techniques and planning tools; Establish a resource pool of experts in relevant Areas to natural resource and ecosystem management such as forest inventory, GIS/GPS, participatory land-use planning, watershed management, community-based tourism, river basin administration, economic valuation tools, ecosystem assessment, scenario development modeling, etc. 	<p>Lead: MOI Community Development Division</p> <p>Cooperating Selected community-based organizations, CODI</p>	
3.3 Replication and scaling-up of proven good practices in community engagement and advocacy in planning and budgeting in other provinces	<ul style="list-style-type: none"> Undertake lessons-sharing and promote exchanges of experiences among Nan, Samut songkram, Samut Sakorn, Kon Kaen and other provinces Advocate the lessons to MOI, MONRE, NESDB and other relevant agencies 	<p>Lead: MOI Community Development Division</p> <p>Cooperating Selected community-based organizations, CODI</p>	
4. Lessons-learning for ASEAN partners and other Asian countries to integrate pro-poor environment and natural resource management in planning and budgeting processes			
Timeframe: October 2009-December 2011			
INTENDED OUTPUTS	INDICATIVE ACTIVITIES	STAKEHOLDERS	PARTNER ACTIVITIES
4.1 Lesson-learning by ASEAN and other countries with Thailand on how public and decision making impacts on pro-poor natural resource and environmental management	<ul style="list-style-type: none"> Compile good practices in natural resource & ecosystem management from the region and Thailand Organize regional workshops for knowledge sharing 	<p>Lead: MOI, NESDB</p> <p>Cooperating: ASEAN, CRS Asia</p>	

	<ul style="list-style-type: none"> • Support key media coverage of regional knowledge sharing for wide regional dissemination 		
4.2 CSR measures and incentives for the Thai private sector operating in other countries to support pro-poor natural resource and environmental management in neighboring countries	<ul style="list-style-type: none"> • Review national level policies and strategies to assess environmental and social impacts of Thai private investment in other countries • In the context of the above analysis, propose corporate social responsibility measures and incentives to promote sustainable overseas private sector investment • Provide proven evidence on environmentally friendly practices to CSR network as options for CSR supporting activities with neighboring countries 	<p>Lead: MOI, NESDB</p> <p>Cooperating: CRS Asia, CSR Network in Thailand, TBCSD</p>	
TOTAL (1+2+3+4) \$ 661,550 PEI contribution \$ 400,000 SGA contribution \$ 178,550 UNDP TRAC \$ 83,000			

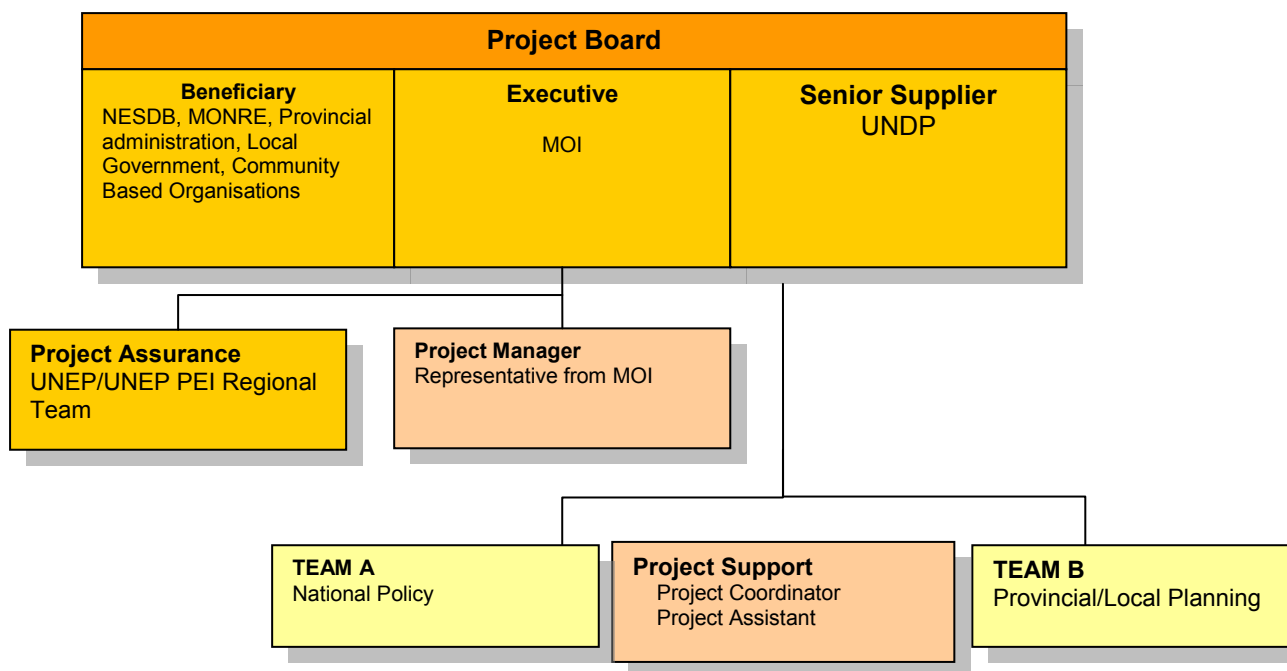
4. Management Arrangements

This project will be implemented through the National Execution modality (NEX). Since the project is multi-sectoral involving several different national counterparts, the project will have the Bureau of Policy and Planning of the Office of the Permanent Secretary of the Ministry of Interior as the co-signer of the project document. Participating agencies include the Office of National Economic and Social Development Board, Regional Environment Office of Ministry of natural Resources and Environment, Provincial administration and Local governments, Community Organization Development Institute under Ministry of Social Development and Human Security, Senate Sub-committee on Environment and Healthy Living, and Thailand International development Cooperation Agency. The Ministry of Interior is responsible for signing/approving the project document on behalf of the government (as well as on behalf of all the participating agencies).

In order to ensure coherence of the project results to the national policy, the Ministry of Interior, will inform the progress and obtain policy guidance and recommendation from the advisory committee to the project board.

The project institutional set up is illustrated below to reflect participation and ownership of the project by all participating agencies.

Project Management Structure



The Project Board

By the signature of the project document, Ministry of Interior will be the Executive of the Project Board. The Project Board is responsible for making executive management decisions for the project, including approval of project revisions. The Project Board will also provide overall guidance and approve the activities under the project document, including corresponding budget, technical feasibility of the project, and ensure the realization of project benefits to the project beneficiaries. The Project Board meetings shall be held twice a year or subject to necessity.

Beneficiaries' role represents the interests of all those who will use or be affected by the project and its activities. The beneficiaries' responsibility is also to monitor what is being produced as per the work plan and ensure that it will meet the needs of the beneficiaries and that the expected benefits are materialized. The project Beneficiaries will also provide substantive inputs to the progress reports submitted to the Project Board.

Supplier's role is to provide technical and procurement support to the project to ensure technical feasibility of the project and delivery of the outputs under the project document. In this case, UNDP will perform the supplier's role to provide support services for activities under this project. The Standard Letter of Agreement between UNDP and Ministry of Interior for the Provision of Support Services, will be signed as a legal basis for UNDP to provide technical and procurement services.

Project Management Team

The Project Management Team is composed of the National Project Manager to be assigned by MOI and a project coordinator and a project assistant to be recruited under UNDP contractual agreement. The project management team is responsible for the overall management and coordination of the project on a day-to-day basis within the guidance laid down by the Project Board. The Project Manager's prime responsibility is to ensure that the project produces the results specified in the project document, to the required standard of quality and within the specified constraints of time and cost.

UNDP will monitor the project management and coordinate the consultation with the national advisory body including the reporting system to the members of the Project Board. Regular meetings between the UNDP and project management team will be held to regularly monitor the planned activities and their corresponding budgets in the project document.

Under UNDP contracts, the technical support team will provide technical services for the delivery of the programme (eg. technical assessment and review of the governance process of the project.)

The Project Assurance

The Project Assurance supports the Project Board by carrying out objective and independent project oversight and monitoring functions. This role ensures appropriate project management milestones are managed and completed.

In line with the United Nations reform principles, especially simplification and harmonization, the project document will be operated with the harmonized common country programming instruments and tools, i.e. the UNPAF results matrix, M & E and the Harmonized Approach to Cash Transfer (HACT).

At the operational level, UNDP Programme Assistant will be responsible for project administration using ATLAS system for timely and efficient delivery of the activities and for effective financial monitoring under the project document.

5. Monitoring Framework and Evaluation

In accordance with the programming policies and procedures outlined in the UNDP User Guide, the project will be monitored through the following:

Within the annual cycle

On a quarterly basis, a quality assessment shall record progress towards the completion of key results, based on quality criteria and methods captured in the Quality Management table below.

An Issue Log shall be activated in Atlas and updated by the Project Manager to facilitate tracking and resolution of potential problems or requests for change. Based on the initial risk analysis submitted (see annex 1), a risk log shall be activated in Atlas and regularly updated by reviewing the external environment that may affect the project implementation.

Based on the above information recorded in Atlas, a Project Progress Reports (PPR) shall be submitted by the Project Manager to the Project Board through Project Assurance, using the standard report format available in the Executive Snapshot; a project Lesson-learned log shall be activated and regularly updated to ensure on-going learning and adaptation within the organization, and to facilitate the preparation of the Lessons-learned Report at the end of the project; a Monitoring Schedule Plan shall be activated in Atlas and updated to track key management actions/events.

Annually

Annual Review Report. An Annual Review Report shall be prepared by the Project Manager and shared with the Project Board and the Outcome Board. As minimum requirement, the Annual Review Report shall consist of the Atlas standard format for the QPR covering the whole year with updated information for each above element of the QPR as well as a summary of results achieved against pre-defined annual targets at the output level.
Annual Project Review. Based on the above report, an annual project review shall be conducted during the fourth quarter of the year or soon after, to assess the performance of the project and appraise the Annual Work Plan (AWP) for the following year. In the last year, this review will be a final assessment. This review is driven by the Project Board and may involve other stakeholders as required. It shall focus on the extent to which progress is being made towards outputs, and that these remain aligned to appropriate outcomes.

6. Legal Context

The Royal Thai Government and the United Nations Special Funds have entered into the Agreement to govern assistance from the Special Fund to Thailand, which was signed by both parties on 04 June 1960. Pending the finalization of the Standard Basic Assistance Agreement (SBAA) between UNDP and the Government, the Agreement will govern the technical assistance provided by UNDP Thailand under the Country Programme Action Plan (CPAP), which was signed between the Government and UNDP Thailand on 10 January 2007.

Under the UNDP-funded programmes and projects, the responsibility for the safety and security of the implementing partner and its personnel and property, and of UNDP's property in the implementing partner's custody, rests with the implementing partner in accordance with the aforementioned Agreement between the UN Special Fund and the Government of Thailand concerning Assistance from the Special Fund 1960.

The implementing partner shall:
put in place an appropriate security plan and maintain the security plan, taking into account the security situation in the country where the Programme is being carried;
assume all risks and liabilities related to the implementing partner's security, and the full implementation of the security plan.

UNDP reserves the right to verify whether such a plan is in place, and to suggest modifications to the plan when necessary. Failure to maintain and implement an appropriate security plan as required hereunder shall be deemed a breach of this agreement.

The implementing partner agrees to undertake all reasonable efforts to ensure that none of the UNDP funds received pursuant to the Project Document are used to provide support to individuals or entities associated with terrorism and that the recipients of any amounts provided by UNDP hereunder do not appear on the list maintained by the Security Council Committee established pursuant to resolution 1267 (1999). The list can be accessed via <http://www.un.org/Docs/sc/committees/1267/1267ListEng.htm>. This provision must be included in all sub-contracts or sub-agreements entered into under this Programme Document.

ANNEX 1: RISK ANALYSIS

Project Title: Strengthening Inclusive Planning Processes and Economic Decision Making for Environmentally Sustainable pro-poor development	Award ID:	Date: 09.09.09
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#	Description	Date Identified	Type	Impact & Probability*	Countermeasures/ Management Response	Owner	Submitted, updated by	Last Update	Status
1	Ineffective multi-stakeholders coordination: The project involves various stakeholders and requires intensive coordination both between the central, provincial, local, and community level, and among stakeholders within the selected provinces.	9 September 2009		I = 5 P = 2	<ul style="list-style-type: none"> - The project board is designed to comprise beneficiaries, key drivers and project assurance of the project provide consultative ground, including check and balance mechanism to ensure good coordination and result-based management - The Project management unit will serve primarily as facilitator and coordinator among various stakeholders to ensure overall coordination. 				
2	Lack of ownership and insufficient participation from stakeholders	9 September 2009		I = 5 P = 2	<ul style="list-style-type: none"> - The project preparation phase has conducted series of discussions and dialogues to develop commitment of government counterparts and key 				

* Probability (P) and impact (I) scales range from 1 (low) to 5 (high)

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					<p>stakeholders in each participating provinces to create sense of ownership at the conception, formulation, and design stages.</p> <p>- The project will make use of the existing structure of each stakeholder as the working group for the project.</p>				
3	Limitations on influencing policy and planning process from evidence-based cases in selected provinces	9 September 2009		I = 5 P = 3	<p>The project emphasises the involvement of key actors at national, provincial and local levels in the working team in each province to ensure dialogues.</p> <p>The project supports the application of innovative tools and means that response to needs and issues of concerns at the local level to bring up to the policy and planning process at provincial and national levels.</p>				

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4	Limitations on up-scaling and replication	9 September 2009		I = 4 P = 2	Communication and lessons-learned process is an integral part of all components to ensure incentives, information dissemination and exchanges.				
5	Decision making process may take longer than usual due to involvement of multiple governments.	9 September 2009		I = 3 P = 2	The project management unit and UNDP will ensure that effective relationships and regular communications are established with government counterparts to facilitate decision making process.				
6	Political instability and institutional uncertainty - this risk is associated with the recent political instability in Thailand, the possibility of future restructuring, and the conflicting and overlapping mandates of government agencies that can result from such a process.	9 September 2009		I = 3 P = 2	The project works with various government agencies and at different levels to diversify the risks of the shifting political landscape.				

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