

## TERMS OF REFERENCE

<b>POST TITLE:</b>	Biodiversity Finance Advisor– Legal and organizational framework for BIOFIN Phase II
<b>AGENCY/PROJECT NAME:</b>	UNDP/ The Biodiversity Finance Initiative (BIOFIN)
<b>COUNTRY OF ASSIGNMENT:</b>	Thailand

### 1 GENERAL BACKGROUND

The United Nations Development Programme (UNDP), in October 2012, launched the Biodiversity Finance Initiative (BIOFIN) as a new global partnership seeking to address the biodiversity finance challenge in a comprehensive manner – building a sound business case for increased investment in the management of ecosystems and biodiversity, with a particular focus on the needs and transformational opportunities at the national level.

During BIOFIN Phase II (2018 – 2022), BIOFIN is supporting the Royal Thai Government and other key stakeholders from the private sector and civil society in implementing Thailand’s **Finance Plan for Biodiversity**.

- **Thailand’s Finance Plan for Biodiversity** identifies a mix of suitable biodiversity finance solutions to reduce the biodiversity finance gap in Thailand. The last component of the BIOFIN process is the implementation phase. The BIOFIN national teams make a selection between the prioritized finance solutions and provide technical support for their implementation.

Biodiversity finance solutions will provide impacts designed to reach national biodiversity targets (i.e., NBSAP, 20-year National Strategy, etc.) through four main results:

1. **Generate revenues**, i.e. any existing or innovative mechanism or instrument that can generate and/or leverage financial resources to allocate to biodiversity. Examples include the attraction of impact investment in conservation projects, etc.;
2. **Realign current expenditures**, i.e. any measure that can reorient existing financial flows towards biodiversity.
3. **Avoid future biodiversity expenditures**, i.e. any measure that can prevent or reduce future investment needs by eliminating or amending existing counter-productive policies and expenditures.
4. **Deliver financial resources more effectively and efficiently**, i.e. any measure or instrument that can enhance cost-effectiveness and efficiency in budget execution, achieve synergies and/or favour a more equitable distribution of resources.

BIOFIN Thailand, together with a diversity of actors and experts, has developed the prioritized set of finance solutions for biodiversity which are now undergoing implementation (2018 – 2022). Finance solutions that are seen as the most promising and realistic were chosen and judged as being significant in terms of ‘impact on biodiversity’ and ‘impact on finance’ as well as ‘likelihood of success’.

Thailand’s prioritized Biodiversity Finance Solutions are the following:

1. User charges
2. Environmental trust fund

3. Conservation license plates
4. Realignment of local government budgets for biodiversity
5. Ecosystem service bond
6. Biodiversity impact investment
7. The Lion's Share
8. Nutrient trading
9. Biodiversity offsets
10. Earmarking for urban green space

The objective of Phase II is to **support Thailand with the implementation of the Biodiversity Finance Plan and related finance solutions** (see Annex I).

## 2) OBJECTIVE OF THE ASSIGNMENT

During Phase II (2018 – 2022), Thailand will implement prioritised Biodiversity Finance Solutions endorsed by the National Steering Committee and BIOFIN Global team. **The objective of this assignment of the Biodiversity Finance Advisor – Legal and organizational framework for BIOFIN Phase II is to support UNDP Thailand in implementation of prioritised finance solutions –user charges and environmental trust fund in the pilot site of Koh Tao Island, Surat Thani province.** S/he will develop sound legal and organizational framework to support the Royal Thai Government in implementing the Plan. In close consultation with (i) BIOFIN Thailand National Steering Committee (NSC), (ii) BIOFIN Project Management Unit (PMU) in Thailand and (iii) BIOFIN Global, the Biodiversity Finance Advisor will report directly to UNDP Thailand.

The Consultant is responsible for implementing the following flagship finance solutions of UNDP BIOFIN Thailand:

### **Finance Solution # 1: Increasing sources of revenue for coral reef & species rehabilitation and management and pollution management in Koh Tao Island**

Concise description: Koh Tao is one of the 10 World's Best learn-to-dive Destinations. While the island is visited by approximately 300,000-500,000 visitors/year, its natural capital within both terrestrial and marine environments requires very well-functioning and effective management to ensure the island's sustainable future. Through consultation with local stakeholders, the finance solution will implement a new model of earmarking revenue collected from user charges in order to ensure an effective revenue stream for biodiversity conservation. Specifically, the finance solution – termed an 'environmental management charge' – is to be imposed on visitors to Koh Tao. Strong interest and political will of the Koh Tao Municipality, local businesses, and civil society groups, together with the strong brand-name of Koh Tao as the world diving destination and its rich biophysical resources all offer great potential for ensuring uptake of the finance solution. The expected financial impact is substantial. For the pilot project in Koh Tao, the rate proposed is THB100/visitor, which would amount to approximately THB50 million (USD 1.5 million) in revenue per year based on the number of tourist visits to Koh Tao. Key lessons learned will be shared from the pilot project with other tourism island destinations that do not have the status of a Protected Area. Furthermore, existing Marine Protected Areas will also benefit from the experience of collecting user charges that are earmarked for specific conservation activities.

### **Finance Solution # 2: Improving delivery mechanism towards actions addressing coral reef restoration and management in Koh Tao through the establishment of a Conservation Trust Fund**

Concise description: Ample evidence suggests that if people are to be persuaded to participate in new charge schemes – such as that being proposed for Koh Tao– they must be assured that the money they give will be directly re-invested in on-the-ground conservation activities. This requires a mechanism for administering funding which allows for increased transparency, accountability and participation. To this end, the finance

solution involves the establishment of an independent Conservation Trust Fund—Blue Guardian Fund for Koh Tao as a mechanism for receiving, retaining and allocating financial resources for coral reef restoration and effective pollution and waste management on the island of Koh Tao. It should be noted that the development of the Blue Guardian Fund responds to interests that have already been stated by decision makers at local and provincial levels, with the overall goal of providing a long-term, stable source of funding to strengthen the objectives of the ‘Strategic Plan: Integrated Coastal Management for Koh Tao’.

### 3) SCOPE OF WORK

The Biodiversity Finance Advisor for BIOFIN Phase II – Legal and organizational framework for implementing Thailand’s Biodiversity Finance Solutions in Koh Tao Island will play a key supporting role in legal aspects and organizational framework development.

The scope of work:

1. To provide technical backstopping in the inception workshop for UNDP Thailand to officially kick off the implementation of pilot project in Koh Tao.
2. To support UNDP Thailand in completion of the legal and organization framework regarding the launching of the proposed financing solutions for Koh Tao.
3. To coordinate with other contributing experts of BIOFIN Thailand to implement the flagship finance solution of UNDP BIOFIN Global.
4. To represent UNDP BIOFIN Thailand and follow the UNDP procedures when engaging with the following key stakeholders: Local partners are: Koh Tao municipality, the local NGO ‘Save Koh Tao’, and representatives of the business sector located in Island of Koh Tao; Regional level are: Office of the Provincial Governor of Surat Thani, District Office of Pha-ngan Island; National level are: Department of Marine and Coastal Resources, Pollution Control Department, Department of Treasury, Royal Thai Navy, and 4<sup>th</sup> Army Area Commander; and any other related stakeholders.

### 4) DURATION OF ASSIGNMENT, DUTY STATION AND EXPECTED PLACES OF TRAVEL

Duration of Assignment: **20 March 2019 to 20 October 2019 with maximum 145 man-days.**

Duty station: Home-based in Thailand with expected places of travel in Thailand, including the project site in Surat Thani province and the Regional BIOFIN Workshop for Asia and the Pacific in 2019.

Travel arrangement -- The consultant should propose the cost for following foreseeable trips in the ANNEX III Offeror’s letter to UNDP confirming interest and availability for the Individual Contractor (IC) assignment:

- 4 official mission to Koh Tao Island in Surat Thani province. (07 days per mission)  
\*\*\*To be authorized by the National BIOFIN coordinator
- 2 official mission to Surat Thani province. (03 days per mission)  
\*\*\*To be authorized by the National BIOFIN coordinator
- 1 official mission to attend the Regional BIOFIN workshop in Chiang Mai for the period of September 2019 (07 days).  
\*\*\*To be authorized by the Global BIOFIN team.

For any unforeseen official mission apart from this TOR mentioned, the Consultant will be requested to submit the concept note of mission for approval by UNDP’s BIOFIN Thailand 07 days prior to undertaking any mission in Thailand or abroad. The concept Note will elaborate the key points as follows:

- (1) mission purposes,
- (2) main activities,
- (3) tentative programme,
- (4) list of mission members, and
- (5) expected outputs.

The complete document (max 2 pages) will be sent to the Project Management Unit of BIOFIN Thailand for approval. Upon receipt of approval from the National BIOFIN Coordinator, the Consultant should arrange his or her own travel as planned. Upon completion of the mission, the Consultant shall submit the following documents:

- (1) Mission report
- (2) List of persons met
- (3) Summary of cost incurred for reimbursement.

For any unforeseen travel cost incurred, the Consultant shall be responsible for an advance payment. The reimbursement shall be proceeded in accordance with the UNDP procedures upon submission of the mission report. The reimbursed cost shall be transferred directly into the registered bank account of Consultant under the UNDP vendor system. After submission of complete document, the reimbursement process shall be done within 10 working days.

## 5) EXPECTED OUTPUTS AND DELIVERABLES

A Consultant will be responsible for three majors tasks as follows:

***Task # 1: Participating in UNDP workshops (a) inception workshop on implementing the biodiversity finance solutions in Koh Tao Island, Surat Thani province and (b) regional BIOFIN workshop for Eurasia and the Pacific in Chiangmai province.***

UNDP BIOFIN Thailand will design a one-day programme of inception workshop in order to kick off the pilot project implementation in Koh Tao Island. The provisional programme will be approved by the Co-Chairperson of the National Steering Committee of BIOFIN Thailand. Upon approval, a complete list of stakeholders/participants (max 30 persons) from government agencies, private sector and civil society organizations at both the national and local levels will be identified by UNDP BIOFIN Thailand. In this regard, the Consultant will be required to provide the following technical supports:

- Deliverable 1.1: The Consultant will receive a tentative programme with list of invitees from UNDP BIOFIN Thailand around 15 days before the workshop so that s/he will be able to develop key points for discussion, materials and presentation. The Consultant, in close consultation with UNDP BIOFIN Thailand, will prepare the workshop materials in Thai and English languages on legal and organization framework. S/he will submit the workshop materials and presentation to UNDP 07 days before the workshop for final approval. This sub-task will be delivered by 29 March 2019.;
- Deliverable 1.2: The Consultant will participate in a full day inception workshop as the Biodiversity Finance Advisor – legal and organization framework to provide technical backstopping on any related legal issues. S/he is required to moderate only one specific session on legal and organizational framework for implementing the finance solutions – Environmental management charge and Trust Fund. This sub-task will be delivered by 5 April 2019;
- Deliverable 1.3: Upon completion of the inception workshop, the Consultant is required to submit an inception report which emphasizes on legal and organization framework on environmental

management charge and trust fund. A complete inception report will be submitted to UNDP Thailand within 10 days after the workshop. This sub-task will be delivered by 19 April 2019.

- **Deliverable 1.4:** The Consultant will participate in the 2019 Regional BIOFIN workshop for Eurasia and the Pacific from 23 to 27 September 2019 in Chiangmai province, Thailand. S/he will be a resources person of BIOFIN Thailand to present the case of Koh Tao Island and share with other BIOFIN countries the progress, challenges, opportunities, lesson-learnt on legal and organizational framework. This sub-task will be conducted from 23 – 27 September 2019.

### ***Task # 2: Legal and organizational framework for environmental management charge in Koh Tao Island***

BIOFIN Thailand will engage with key government agencies and other decision makers at both the national and local levels for validating and clarifying on any legal issues with regards to implementation of the Koh Tao Pilot Project. Given that the public hearing session was conducted on 20 October 2018 in Koh Tao Island by UNDP BIOFIN Thailand, the majority vote from 56 participated stakeholders could be seen as a greenlight for UNDP Thailand to implement a biodiversity finance solutions in Koh Tao Island. In this regard, the Consultant is expected to follow up on pending issues after the public hearing sessions. S/he will provide technical backstopping to Koh Tao Municipality and local stakeholders on completion of legal and organizational framework for environmental management charge in Koh Tao Island under the finance solution termed 'Increasing sources of revenue for coral reef & species rehabilitation and management and pollution management in Koh Tao Island'. This task will be required to conduct with local stakeholders in the pilot site from 1 April to 30 June 2019.

- **Deliverable 2.1:** The Consultant will **undertake at least 4 missions (07 days per mission) to Koh Tao Island** during the period 15 March to 30 June 2019 **with one supporting assistant**. The Consultant is responsible for recruiting his/her own supporting assistant when undertaking any mission to the pilot site. The consultant will submit a back-to-office report upon completion of each mission. The travel costs for the Consultant and one supporting assistant of each mission will be covered by the BIOFIN Thailand. The Project will cover the following cost incurred (i) roundtrip economy class airfares from/to Bangkok- Surat Thani province, (ii) roundtrip ferry tickets from/to Surat Thani – Koh Tao Island, (iii) Terminal expenses, (iv) lodging in Koh Tao, (v) rented vehicle during mission and (vi) meals, (vii) miscellenous, if any. The mission cost will be reimbursable by the Consultant upon submission of back-to-office report to BIOFIN Thailand. All supporting documents should be attached along with the cost incurred i.e. receipts and boarding passes of airtickets, receipts and ferry tickets, receipts at hotel, receipts of vehicle rented with scanned copied of driver's license, etc. See details for reimbursement of travel cost in Payment Section. This sub-task will be conducted for the period 15 March to 31 May 2019.
- **Deliverable 2.2:** Operational clearance on institutional and legal issues for Koh Tao Municipality to generate revenue without violating any existing rules or regulations and to use the environmental management charge for protection and restoration of coral reefs. The Consultant will support Koh Tao municipality in **issuance of the Municipal Ordinance** for collecting environmental management charge in the Island of Koh Tao; consult and seek advice from the legal office in the Surat Thani Provincial Office regarding the endorsement of the Municipal Ordinance and develop any other regulatory documents as required. This sub-task will be delivered by 31 May 2019.

### ***Task # 3: Legal and organizational framework for establishment of environmental trust fund in Koh Tao***

During the UNDP's public hearing session on 20 October 2018 in Koh Tao Island, one of the major issues being discussed among 56 participated stakeholder is the success of nature-based tourism in Koh Tao (mainly scuba diving). There is an urgent requirement from local people that there must be guarantees for continuity of financial mechanism for the scale and level of intensity of conservation efforts required. Thus, UNDP BIOFIN has proposed an establishment of an *environmental trust fund for Koh Tao* as a solution to this challenge by developing the institutional capacity at the local level for systematic and strategic fund generation and allocation. Initially, the Trust Fund will only manage financial resources generated from the introduction of *environmental management charge*. After this initial period, it is expected that the fund will

be used as a vehicle to mobilize additional resources, e.g., from the private sector. During stakeholder consultations, the local conservation NGO 'Save Koh Tao' and key representatives from local businesses have agreed to proposals regarding the potential benefits of using a trust fund to allocate financial resources for the specific set of conservation activities designed to generate the maximum biodiversity impact for Koh Tao. The agreed conservation activities are the following: (i) Implement coral reef protection and restoration; As land based pollution contributes to the degradation of the coral reefs, conservation activities will also include: (ii) Reduce land-based pollution by improving management of community waste including solid waste; and (iii) Improve the management of wastewater/sewage treatment facilities on the island. This task will be required to conduct with local stakeholders in the pilot site from 1 April to 30 July 2019.

- Deliverable 3.1: The Consultant will develop all legal procedures and regulatory documents in establishing the trust fund. S/he will support UNDP and Koh Tao Municipality in registration of the trust fund and the Foundation. This sub-task will be delivered by 31 May 2019.
- Deliverable 3.2: The Consultant will provide technical backstopping on the legal/governance structure of the fund and board members; S/he will design of all regulatory documents as required: a) Charter/by-laws, b) organizational framework and c) Terms of reference for the Fund's board. This sub-task will be delivered by 30 July 2019.

The four deliverables will be classified as follows:

Output/ Deliverable	Content	Expected days worked	Approximate Date of Output
1	<i>Participating in UNDP's inception workshop on implementing the biodiversity finance solutions in Koh Tao Island, (a) Preparation of meeting materials and participating in UNDP workshop on 1 April 2019 in UNDP Thailand and (b) submission of the inception report on legal and organization framework by 10 April 2019.</i>	30 days	19 April 2019
2	<i>Completion of legal and organization framework for environmental management charge in Koh Tao Island: issuance of municipality ordinance and endorsement by Surat Thani Governor.</i>	45 days	31 May 2019
3	<i>Completion of legal and organization framework for implementing environmental trust fund in Koh Tao with a complete set of a) Charter/by-laws, b) organizational framework and c) Terms of reference for the Fund's board.</i>	50 days	30 July 2019
4	<i>Representing as a Key resources person of BIOFIN Thailand to attend and present the progress of Koh Tao pilot project implementation and possible learning exchanges with other BIOFIN countries / fund management experts at the 2019 Regional BIOFIN Workshop for Eurasia and the Pacific, 23-27 September 2019 in Chiangmai province, Thailand.</i>	20 days	1 October 2019

## 6) PROVISION OF MONITORING AND PROGRESS CONTROLS

The Consultant will work closely with BIOFIN Thailand and report directly to Inclusive Green Growth and Sustainable Development Unit of UNDP Thailand. For any technical clearance or justification on legal and organization framework, the Consultant is required to bring key issues to the attention of the BIOFIN National Steering Committee members and BIOFIN Global, if needed.

## 7) DEGREE OF EXPERTISE AND QUALIFICATIONS

- Master level with degree in law and/or other related fields;
- Work experiences in relevant technical areas for at least 10 years in policy and legal advocacy on environment, politic and economic linkages;
- Specific experience in governmental legal advocacy in Thailand and profound knowledge on Thailand's environment bill and act is an advantage;
- Familiar and up-to-date with national and local programs, projects and initiatives on biodiversity conservation and related areas;
- Experience in working with local communities and local government unit on environmental aspects is an advantage;
- Working level of English and Thai languages.

## 8) REQUIRED DOCUMENTS

Interested candidates must submit the following documents/information to demonstrate their qualification. Please group them into one (1) single PDF document/ or one ZIP File as follows:

- Personal CV, indicating all past experience from similar projects, as well as contact details (email and telephone) of the Candidate, and at least three (3) professional references;
- Letter of Confirmation of Interest and Availability and financial Proposal, using the template provided that indicates the daily rate/fee of the candidate with expenses in Thai Bath.

Incomplete proposals may not be considered. Proposals that fail to meet the required information as described above will not be considered. The short-listed candidates may be contacted, and the successful candidate will be notified.

## 9) CONSULTANT PRESENCE REQUIRED ON DUTY STATION/ UNDP PREMISES

NONE

PARTIAL

INTERMITTENT

FULL TIME

## 10 ) CRITERIA FOR SELECTION OF THE BEST OFFER

Individual consultants will be evaluated based on the following methodology:

### Cumulative analysis

The award of the contract shall be made to the individual consultant whose offer has been evaluated and determined as a) responsive/compliant/acceptable; and b) having received the highest score out of set of weighted technical criteria (70%). and financial criteria (30%). Financial score shall be computed as a ratio of the proposal being evaluated and the lowest priced proposal received by UNDP for the assignment

### Technical Criteria for Evaluation (Maximum 100 points)

- Criteria 1: Relevance of Education –Max 10 points
- Criteria 2: Skill and knowledge on Thailand’s environment bill and act –Max 20 Points
- Criteria 3: Relevance of experience policy and legal advocacy on environment, politic and economic linkages –Max 40 points
- Criteria 4: Relevance of experience in key areas (e.g. leading legal discussions in local, regional and national levels) –Max 30 points

Only candidates obtaining a minimum of 70 points (70% of the total technical points) would be considered for the Financial Evaluation.

## 11) PAYMENT TERMS

Consultant must send a financial proposal based on **Lump Sum Amount**. The total amount quoted shall be all-inclusive and include all costs components required to perform the deliverables identified in the TOR, including professional fee, travel costs, living allowance (if any work is to be done outside the IC’s duty station) and any other applicable cost to be incurred by the IC in completing the assignment. The contract price will be fixed output-based price regardless of extension of the herein specified duration. Payments will be done upon completion of the deliverables/outputs and as per below percentages:

Payment	Output/ Deliverable	Content	Approximate Date of Output
20%	1	Participating in UNDP’s inception workshop on implementing the biodiversity finance solutions in Koh Tao Island, (a) Preparation of meeting materials and participating in UNDP workshop on 1 April 2019 in UNDP Thailand and (b) submission of the inception report on legal and organization framework	19 April 2019
30%	2	Completion of legal and organization framework for environmental management charge in Koh Tao Island: issuance of municipality ordinance and endorsement by Surat Thani Governor.	30 May 2019
30%	3	Completion of legal and organization framework for implementing environmental trust fund in Koh Tao with a complete set of a) Charter/by-laws, b) organizational framework and c) Terms of reference for the Fund’s board.	30 July 2019
20%	4	Representing as aresources person of BIOFIN Thailand to attend and present the progress of Koh Tao pilot project implementation and possible learning exchanges with other BIOFIN countries / fund management experts at the 2019 Regional BIOFIN Workshop for Eurasia and the Pacific, 23-27 September 2019 in Chiangmai province, Thailand.	1 October 2019

In general, UNDP shall not accept travel costs exceeding those of an economy class ticket. Should the IC wish to travel on a higher class he/she should do so using their own resources.

In the event of unforeseeable travel not anticipated in this TOR, payment of travel costs including tickets, lodging and terminal expenses should be agreed upon, between the respective business unit and the Individual Consultant, prior to travel and will be reimbursed.



Travel costs shall be reimbursed at actual but not exceeding the quotation from UNDP approved travel agent. The provided living allowance will not be exceeding UNDP DSA rates. Repatriation travel cost from home to duty station in Bangkok and return shall not be covered by UNDP.

## 11) Annex I

### Executive Summary

This Finance Plan for Biodiversity sets out action that would help to expand and improve Thailand's investment in biodiversity in order to achieve national biodiversity targets.

The Plan calls for an integrated national approach that acknowledges the real value of maintaining biodiversity, including the economic benefits of using biodiversity resources sustainably.

Thailand is one of the most biodiverse countries in Southeast Asia, and derives large benefits from the ecosystems, landscapes and habitats that support its unique biodiversity. Thailand's biodiversity resources play a significant role in supporting local livelihoods and vital economic sectors such as tourism and agriculture depend on the sustainable management of the country's natural capital.

Without concerted efforts to initiate large-scale domestic biodiversity finance, with effective participation of stakeholders from public, private and civil society sectors, Thailand will not be able to maintain the stream of benefits flowing from its biodiversity resources.

The government has the biggest role in financing and improving the sustainable management of biodiversity at home. In particular, three key government agencies account for over 80% of biodiversity spending from the government's budget allocation; these are, the Department for National Parks, Wildlife and Plants (DNP), the Royal Forest Department (RFD) and the Department for Marine and Coastal Resources (DMCR). These agencies will continue to show leadership on conservation, land use around protected areas and marine ecosystem health. Under the guidance of the Office of the National Economic and Social Development Board (NESDB), the Ministry of Natural Resources and Environment (MONRE), and working alongside the Office of Natural Resources and Environmental Policy and Planning (ONEP), they will build awareness of biodiversity financing amongst policymakers, lead on the implementation of the National Biodiversity Strategy and Action Plan (NBSAP) (2015-2021), and innovate to increase resource efficiency to provide benefits to both our environment and economy.

In the current situation and where the public sector is concerned, biodiversity financing in Thailand is characterized by a situation of underfunding, and oftentimes uncoordinated approaches of the concerned public agencies. Limited government budget and funding availability combined with costly conservation targets imposes significant financial constraints for conservation actors.

While funding shortages are critical, more money does not *in itself* translate to better biodiversity outcomes. Therefore, solutions need to address inefficiencies in implementation, institutional overlaps, and anticipating and avoiding future costs.

Since local government in Thailand plays a very important role in biodiversity management, a key aspect of the Plan will look to develop their contribution at the local level. Central, provincial and local government will therefore work in unison on areas where common frameworks around budgeting will lead to stronger realignments for biodiversity. Put together, these actions will help to close the large national biodiversity financing gap that has been identified thanks to the BIOFIN<sup>1</sup> process in Thailand.

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<sup>1</sup> The Biodiversity Finance Initiative (BIOFIN)

## Our goals

By adopting this Plan we will achieve:

1. Increased investment in biodiversity conservation and promotion of its sustainable use in order to achieve national biodiversity targets.
2. Increased participation of the private sector and civil society in biodiversity conservation and management in the country.

In addition, we will reduce existing needs for biodiversity finance by:

3. Improving government biodiversity budget allocation and cost- effectiveness.
4. Moving from a sector-based approach to a results-based budgeting approach.

## Our targets

Current funding levels for biodiversity conservation in Thailand are insufficient and the country will need at least 31.977 Billion Baht over the next three years to adequately restore ecosystems and biodiversity resources, which is double the current expenditure levels for each year. In other words, for every Baht spent on biodiversity-related measures, *Thailand needs twice as much*.

This Plan is a living blueprint for meeting Thailand's biodiversity finance needs, including around the country's current National Biodiversity Strategy and Action Plan (NBSAP) (2015-2021) under the Convention on Biological Diversity (CBD).<sup>2</sup> Meeting finance needs will require a complementary mix of financing solutions, adapted to each context, made up of financial strategies, policy changes, and other mechanisms. In order to bridge the finance gap, solutions can achieve their desired impact through:

- **Generating new revenues** targeted towards biodiversity;
  - **Realigning existing expenditure** to reduce negative impacts and improve outcomes;
  - **Avoiding future expenditures** through strategic investment and policy;
  - **Delivering better** conservation through improved effectiveness, efficiency and synergies.
- (UNDP, 2016)

## Our shared responsibility

We will take action on a number of fronts, looking to join up strategies and develop policies in a way that maximises financial return on investment, increase the diversity of financial instruments in order to be more resilient, and integrate biodiversity outcomes and sustainable development.

It is an ambitious project, made even more so by our use of a 'blended finance' approach to financing biodiversity. While public funding from the government is a very important source of finance, in addition to public finance, it is important to leverage other potential sources of private finance that are available in Thailand from green minded firms, investors and the general public. The Plan will therefore seek to align market opportunities with key biodiversity targets and policies.

As recommended by the BIOFIN National Steering Committee, making the vision of sustainable financing for biodiversity a reality requires strong foundations: good governance, transparency and accountability; a robust delivery framework, and the committed effort of all stakeholders.

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<sup>2</sup> In Thailand, the NBSAP is incorporated in the 'Master Plan for Integrated Biodiversity Management' (2015-2021)

Thailand has a strong commitment to sustainable development with its Sufficiency Economy Philosophy. The Plan is in line with important government strategies and provides linkages to key national agendas– the 20-year National Strategy, the current 12<sup>th</sup> National Economic and Social Development Plan (NESDP) (2017-2021), and Thailand 4.0. As mentioned, the country’s current NBSAP (2015-2021) has been developed in line with the CBD Strategic Plan for Biodiversity 2011-2020 and the Aichi Biodiversity Targets. At its core, this Plan directly contributes to Aichi Biodiversity Target 20 on the mobilization of financial resources, which in turn supports the other 19 Targets, to facilitate the delivery of the NBSAP.

Although the Plan is government-led, everyone in society can play their part. Her Royal Highness Princess Maha Chakri Sirindhorn, at the inauguration of BIOFIN Day in 2017, issued a call that conserving and restoring biodiversity is not solely the responsibility of the public sector. Therefore, building on the ‘business case’ for biodiversity, it is time for the private sector, alongside producers and consumers alike, to take responsibility and invest, to prolong the life of Thailand’s unique biodiversity and conserve its ecosystems.

### **Putting the Plan into practice**

The Plan looks forward to delivering a prioritised set of ‘finance solutions’ – seizing this opportunity as the Royal Government of Thailand embarks on its 20-year National Strategy to explore a wide range of financing options, including the introduction of innovative market-based mechanisms for resource mobilization.

In the following examples we set out a number of innovative finance solutions that capture and monetise more of the benefits from biodiversity in order to generate revenue streams or cost savings.

- **User charges** are a simple way to secure revenues from users of biodiversity and ecosystem services. Nature-based tourism sites such as the island of Koh Tao offer huge potential for revenue generation (approximately 50million BHT per year) from imposing charges amidst the environmental challenges which need to be addressed urgently. The ability to earmark revenues from charges for specific conservation activities should serve to provide the necessary groundwork for increasing both the current level and coverage of charges across Marine National Parks (MNPs), potentially generating an extra 140 million BHT per year. This solution is in line with the DNP’s aim to have national parks across the country generate more revenue from tourism in the face of insufficient government budget.
- **Environmental trust funds** provide a mechanism for administering funding which allows for increased transparency, accountability and participation. Ample evidence suggests that if people are to be persuaded to participate in new charge schemes – such as that being proposed for Koh Tao– they must be assured that the money they give will be directly re-invested in on-the-ground conservation activities. In the long term, the trust fund model can effectively bring together various donors and streams of funding in line with conservation needs and priorities. Lessons learned will be shared with other island tourism destinations in Thailand - both marine protected areas and non-protected areas- who will benefit from the experience of delivering better conservation through improved effectiveness, efficiency and synergies.
- **Conservation license plates** are special license plates that are sold at a higher price to car owners. The extra income is channeled to wildlife conservation. This is an implementable finance solution by the Thai Government given that the Department of Land Transport has experience in the administration of special license plates as well as the collection of fees, notably around the sales of ‘lucky’ license plates in Thailand. The outcome of this finance solution is to give products which are already sold and which generate public revenues a tiger

“brand”, and to earmark a portion of the revenues for tiger conservation in the Western Forest Complex (WEFCOM). A rough estimate of the potential revenue from sales of conservation license plates in Thailand is approximately 92 million Baht per year (2.79 million USD). This is based on the assumption that 92,134 cars, or 1% of registered vehicles in Bangkok, would purchase the conservation license plate and that the additional cost would be 1,000 Baht/plate.

- **Impact investors** in Thailand work closely with the Stock Exchange of Thailand’s social impact investment platform which connects companies, investors and social enterprises. Currently, there are 62 listed companies taking part in the platform. In the two years since the platform’s inception, these companies have invested 64 million BHT into social enterprises in Thailand with over 90 deals being made. However, the platform does not yet explicitly target investments for financially viable biodiversity projects. To attract financing for biodiversity impact, this finance solution will seek to simulate financial returns for sustainable stocks so that individual investors can see for themselves that these stocks can generate good returns. This short-term measure would pave the way for the long-term goal of having individuals invest in sustainable biodiversity-related stocks.
- **‘The Lion’s Share’** is a global UNDP initiative which asks advertisers to contribute a percentage of their media spend to fund wildlife conservation each time they feature an animal in their advert. The objective of this finance solution is to bring on board companies in Thailand to join The Lion’s Share. In Thailand, many major companies feature images of animals for their brands and logos, from companies in the food and beverage sector to airlines and many more. Based on estimates that Thailand spends as much as \$700 million annually on TV advertising featuring animals, the finance solution could potentially generate \$3.5 million per year for wildlife conservation.
- Promoting **investment in green infrastructure** including urban green space means that the multifaceted benefits to society, the environment and biodiversity are realised. Specifically, this finance solution aims to earmark a percentage of the revenue from the upcoming Land and Building Tax (2019) for funding urban green spaces in Bangkok. The result of this finance solution is to improve the financing status at the district level, supporting the implementation of the Master Plan of Bangkok Green Area under the Bangkok Metropolitan Administration (BMA).
- **Biodiversity offsets** can potentially create economic incentives for compliance to Command-and-Control measures by providing options for investors to comply and link the demand for conservation (biodiversity offsets) with the supply of conservation services in specific ecological hotspots through intermediaries such as Mitigation banks and Biobanks. Without these three complementary mechanisms, any negative external impacts on natural resources base, ecosystems and habitats are borne by the public sector. Introducing these mechanisms could potentially reduce public expenditures to address these externalities and at the same time create demand for investments in protection and restoration of ecological hotspots.
- **Nutrient trading** refers to an arrangement which rewards improved wastewater treatment, benefitting the life and health of biodiversity which is contingent upon the improvement of the quality of Thailand’s rivers. The key player alongside Local Government at the national and local level is the Pollution Control Department (PCD). Under its 20 Year Strategic Plan, the PCD is trying to revitalize the principle of on-site treatments, collection of wastewater fees and the use of economic instruments.
- **Ecosystem service bonds** are linked to self-sustained cash-flow generating initiatives from ecosystem related services. The ecosystem services bond will be issued by the Ministry of

Finance with an innovative scheme that offers repayment to ecosystem services providers under the sustainable family forests initiative.