EXPERIMENT REVIEW: METHODOLOGY

The expenditure review is influenced by the definition and classification of climate expenditure. In this CPEIR, the classification of climate expenditure refers to Climate Change Master Plan documents, which provide insights as to how climate actions are defined in Thailand. The expenditure review involved the compilation of all the national budget expenditure codes from budget documents 2009, 2010, and 2011. This produced a 3-year database containing 404 agencies of government with 1,307 functions and 134,341 line items. Each function was then classified according to whether the purpose of the expenditure was related to climate change, based on five thematic areas: mitigation, adaptation, capacity building, and technology transfer.

Based on this sub-set of activities, all line items were then ranked according to the CPEIR classification on climate relevance. For each line item an estimate was made of the proportion of expenditure considered relevant to climate change, on a scale of 0-100%, based on project documentation and expert judgment. All activities were then grouped into the recommended four categories, with the subsequent analysis based on these groupings (from highly to minimally relevant to building climate resilience and contributing to mitigation, technology transfer and relevant capacity building).

The CPEIR found evidence that there is some awareness of climate change at the local government level. However, in the absence of a clear definition of climate change activities (and expenditures) agreed at the national level, and with limited support provided by technical ministries and line agencies, the clarity about what climate change activities and investments are needed depends on the level of knowledge and awareness that local leaders possess.

THE WAY FORWARD

- A 'Handbook on public expenditure on climate change' should be prepared to provide guidance for both central and local government.
- The CPEIR analysis indicates MoAC and MoNRE as where most of the climate change related public expenditure is currently located. Further study at sector level is warranted to gain a better understanding of climate change actions and their coherence with sector policies.
- A review of fiscal measures should be undertaken to determine the potential for climate specific measures in support of the private sector to invest the long-term approach to addressing climate change issues.
- The MoF should address how tax instruments, such as a carbon tax, can be accommodated within the normal taxation system, and the role of subsidies/incentives to be played in support of climate change actions by non-budgetary instruments such as the Energy Conservation Promotion and Environmental Funds.
- The methodology and analytical framework tested by the CPEIR should be expanded further at the sub-national level accommodating local needs and specific circumstances.
- There is a need to design information material suited to local administrations that can provide a clear definition and explanation of climate change interventions both as adaptation and mitigation.

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July 2012
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THAILAND
CLIMATE PUBLIC EXPENDITURE AND INSTITUTIONAL REVIEW

INTRODUCTION

The Thailand Climate Public Expenditure Institutional Review (CPEIR) was carried out to assess existing public spending on climate related activities and to provide recommendations for future improvement. The CPEIR focused on: assessing climate policies and strategies; reviewing institutional arrangements for promoting the integration of climate change policy priorities into budgeting and expenditure management; and reviewing the integration of climate change objectives with the budgeting process.

The focus of the CPEIR is on the government expenditure both at the central and local government levels. The CPEIR is exploratory in nature rather than being a statistically rigorous study, however it is believed that the broad conclusion will hold firm as further studies are carried out.

The recently instituted Working Committee on Climate Fiscal Framework oversaw the CPEIR and will determine what tasks should be carried forward based on the CPEIR findings. The Working Committee consists of the Fiscal Policy Office (FPO) of the Ministry of Finance (MoF), Office of National Economics and Social Development Board (NESDB), Office of Natural Resources and Environmental Policy and Planning (ONEP), and Bureau of Budget (BoB).
Climate budget.

Figure 2: Share of Climate Budget by INSTITUTIONAL ARRANGEMENT

Institutional Arrangement for Climate Change in Thailand

Institutional Arrangement for Climate Change Planning and Implementation (as of Sep. 2011).

The climate budget in Thailand has increased from an average of 2.7% of the government total budget in 2009 to 3.8% in 2011 (Figure 2). This represents a more significant increase in the budget for climate change and adaptation activities. The budget allocation has been directed towards the Ministry of Natural Resources and Environmental Policy and the Office of Natural Resources and Environmental Policy (ONEP), the National Environmental Policy and Planning Office (NAPP), and the National Environment Board (NEB). These agencies are responsible for coordinating and implementing climate change policies in Thailand.

To identify climate change challenges and develop strategies towards achieving the 2050 target, the climate budget has increased from 2% in 2009 to 4% in 2011. This reflects the increased重视 in addressing climate change in Thailand.

Economic analysis indicated that the climate budget represents an average of 2.7% of the government total budget between 2009 and 2011. However, this is an indicative basis, and the annual budget may fluctuate based on the specific needs of climate change mitigation and adaptation activities.

The climate budget allocation in Thailand is consistent with the national climate action plan and is aligned with the Paris Agreement and the Nationally Determined Contributions (NDCs). The budget is allocated to various sectors and agencies, including the Ministry of Natural Resources and Environmental Policy, the Office of Natural Resources and Environmental Policy, and the National Environment Board. The budget is also allocated to support cross-sectoral initiatives and multi-stakeholder partnerships.

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