#### **Green Growth Knowledge Platform**

# **Building Pathways to Greener Growth: A Practitioners' Workshop**

June 3, 2013 Bogor, Indonesia



# Institutional Coordination to Green Growth Policy: Thailand Case

Anupit Supnithadnaporn
Office of the National Economic & Social Development Board (NESDB)
Royal Thai Government

## **Contents**

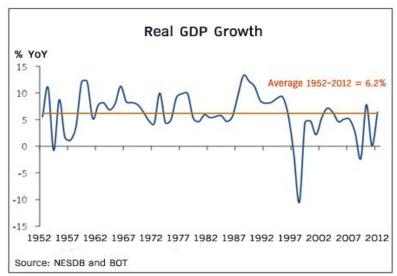
- 1 Thailand at A Glance
- Development Trajectory: The 1<sup>st</sup> 10<sup>th</sup> NESD Plans
- Current Development Agendas: The 11th NESD Plan
- Green Growth as A Key Development Issue
- Putting the 11<sup>th</sup> Plan into Action
- 6 Points to Ponder

# Thailand at A Glance



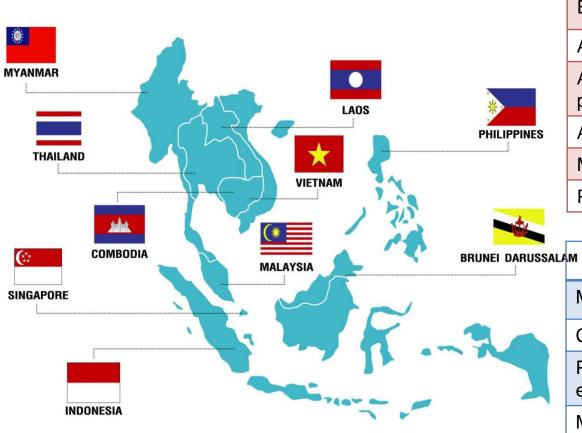
Area	511,937 sq. km.
Climate	Tropical climate 18-38 degree C
Currency	30.61 Baht / US \$ (2012)
Population	67.9 million people (2012)
Literacy rate	93 % of total population (2012)
Language	Thai
Political system	Democratic system with constitutional monarchy

Sectors in 2012	% GDP	% Labor Force
Manufacturing	39.2	13.8
Wholesale & retail trade	13.4	15.4
Transport storage & communication	9.8	2.7
Agriculture	8.4	39.6
Construction & mining	4.3	6.6
Other services	24.9	21.9



## Thailand at A Glance

# **Openness to International Trade (2012)**



Major Export Items	% of total	
Electronics	14.4	
Automotive	12.8	
Agro-manufacturing products	12.4	
Agriculture products	8.0	
Machinery & equipments	7.4	
Petroleum products	5.7	

Major Import Items	% of total
Machinery & equipments	20.4
Crude oil	14.5
Parts of electronics & electronic appliances	11.2
Material base metal	8.8
Automotive	5.8
Chemicals	5.5



## **Thailand Development Trajectory:** From the 1<sup>St</sup> to 10<sup>Th</sup> NESD Plans

- Infrastructure development
- Social investment
- Pop control
- Export natural resources and agricultural commodities
- Allocative plan (top-down)

- Infrastructure expansion
- Economic stability
- Export oriented industries
- Envi targets
- (top-down)

- Regional development
  - Export oriented industry
  - Income distribution
  - NR & envi
- Indicative plan
   Indicative plan

5<sup>Th</sup> -6<sup>Th</sup>

1982-91

1987

**US Black** 

**Monday** 

End of

**Cold War** 

- Balance economic Human centered Sufficiency -social -environdevelopment
- ment Social+Envi
- support economic Wholistic plan development
- Efficient use of Sectoral plan (top-down)
- Envi supports human being
- (more bottom-up)
- **Economy**
- Biodiversity based economy
  - Participatory plan (mixed)

**gTh** 1997-2001 **7**Th

- 1992-96 1992
- **UN Earth summit: Sustainable**
- **Development**

 $9^{Th} - 10^{Th}$ 2002-11

2007-2008 Global financial & World food price crises

crisis • 2000 Y2K alert

**Asian financial** 

1996-97

**Global Events** 

- 1St 2Nd 1961-71
- 1962-73 Vietnam war
- 1973-75 1989 **US** troop withdrawal from Vietnam
- 1973 Oil crisis

 $3^{Rd} - 4^{Th}$ 

1972-81

• 1979 Oil crisis



# Current Development Agendas: The 11<sup>th</sup> NESD Plan (2012-2016)



# Creation of quality Human capital and Society

- Strategy 1: Create Justice in Society
- Strategy 2: Build Learning Society

# **E**conomic **Restructuring**

- Strategy 3: Strengthen Agriculture Sector and Food & Energy Security
- Strategy 4: Restructure Economy towards Quality Growth and Sustainability
- Strategy 5: Connect Regions

# Management of Natural Resources

 Strategy 6: Prepare for the Transition to Low-carbon Society and Climate Change Impacts



# Green Growth: A Key Development Issue in the 11<sup>Th</sup> Plan



Create favorable conditions for environmental friendly industries



"Green Growth"

Policies in The 11<sup>Th</sup> Plan

Increase energy efficiency in transport sector

Foster environmental friendly cities

**Encourage sustainable consumption behavior** 



Empower community in adapting to climate change

#### **Stakeholders**

#### **Stakeholders**

Central Govt.
Agencies,
Ministries, Dept.,
Provinces

Banker's Assoc, Fed of Thai Industries, Chamber of Commerce, Entrepreneur Assocs

NGOs, Civic Society, Volunteers

Communities'
Councils, Village
Committee,

The 11<sup>th</sup> NESD Plan / Govt. Policies

- National Administration Plans
- Strategic Ministerial Plans
- Dept. Action Plans
- Provincial & Cluster Dev. Plans
- Private Sector Plans
- Business Plans
- Organization Plans
- Strategic Plans / Action Plans
- Programs / Projects
- Action Plans at areas levels

**Local Development Plans** 

From Plan to Action

**Understood Objectives** 

Participation Process

Acceptance of Stakeholders

Mechanisms Methods Tools

- Create mutual understanding of the Plan's objectives and hence acceptance of the Plan
- Connect with other action plans

Develop mechanisms, methods and tools to effectively facilitate the implementation of the Plan

**M&E System** 

Develop M&E system & indicators

#### **Roles of Government Sectors**

#### **Central Level**

Prime
Minister &
Cabinet

- Align targets and development strategies of the 11<sup>th</sup> Plan and of the National Administration Plan
- Allocate budget according to strategies in the 11<sup>th</sup> Plan

NESDB, BOB, OCS

 Design guidelines for integrating development strategies with budget allocation strategies and set up performance indicators

Ministries / Departments

 Adopt the targets and development guidelines in the 11<sup>th</sup> Plan as a framework for each Ministerial Strategic Plan to formulate Ministry / Dept Action Plans accordingly

#### **Local Level**

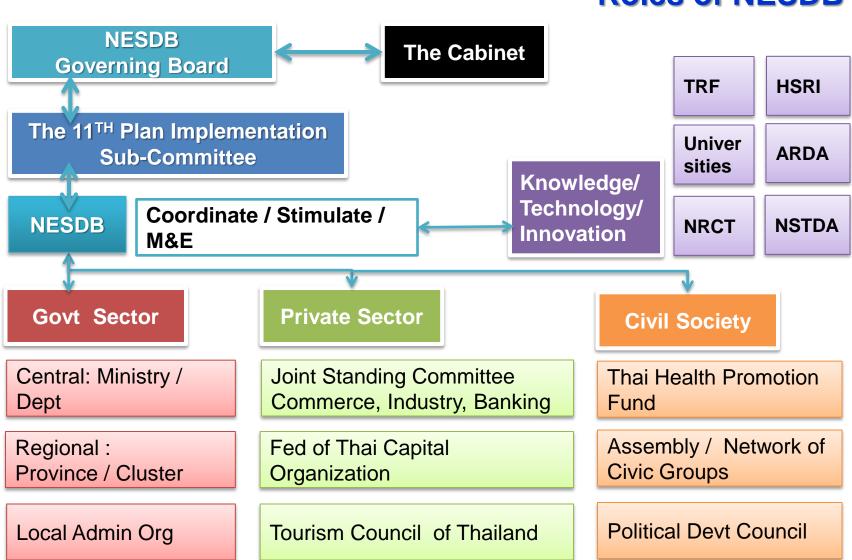
Provinces / Clusters

 Formulate Provincial / Cluster Devt Plans based on (1) Direction of Regional Development (2) Ministry Action Plan

Local Administrative Organizations

- Formulate Local Devt Plans taking into account (1) Local need &
   (2) Linkages with Provincial Devt Plan
- Build local database for generating annual local action plan
- Set up local working committee to coordinate the local action plan with the provincial action plan

#### **Roles of NESDB**



## **M&E: Well-being Index**



- Composite index
- Complement to GDP
- Reflect a progress of development
- A lot of limitations
  - Quantifiable indicators
  - Scope & scale

## **Points to Ponder**

- For Thailand, environmental concerns are NOT new to our development pathway. How would these integrated green growth policies be different from the previous ones?
  - NESD Plan sets policy framework for all stakeholders BUT it is not a law.
- Govt spending has a small share in the economy. To what extent are the roles of govt in driving green growth?

Year	2009	2010	2011	Source:
GDP (m \$)	301,385	336,827	351,315	Thailand CPEIR (2012)
Govt Budget	65,057	56,667	72,332	Note:
GB/GDP	22%	17%	21%	1 \$US = 30 Baht

- Fiscal space keeps decreasing overtime (75% is salary and other debts).
- Large scale infrastructure investment can create lock in effects. How would climate resilient & low carbon infrastructures look?
  - Typical project appraisal guideline does not consider the impact of climate change in long term on such infrastructure.

anupit@nesdb.go.th

# 

# **Sufficiency Economy**

Knowledge or Wisdom
Condition
Accumulating

Accumulating information with the insight to usage with care & prudence

Also refers to resilience of the system, i.e. ability to cope with shock from domestic & foreign changes

Sufficiency Economy

# Integrity condition

Virtue, ethical behavior, honesty, tolerance & perseverance

Reason ableness

Rationale for any action and fully understand the consequences

Modera -tion

Adequacy in the sense of not too less or too much; self-reliance

Technology & Innovation

**Creativity & Culture** 

Balanced and Sustainable Economy, Society and Environment

# The 11<sup>Th</sup> Plan in a Nutshell

SO MAN TO THE STATE OF THE STAT

## Human & social development

- Promote social equality
- Foster live-long learning society

## Sustainable mgt of natural resources & environment

- Foster changes towards sustainable consumption & production
- Enhance adaptability to climate change
- Prepare for response to natural disasters

## Restructuring economy toward inclusive society

- Strengthen agri sector to ensure food & energy security
- Create favorable conditions for eco-friendly industries
- Improve infrastructure & logistics system

# The 11th NESDP: Vision, Missions, Targets



A happy society with equity, fairness and resilience.

#### **Missions**

- To promote a fair society of quality
- To develop people with integrity,

knowledge & skills; to strengthen social inst. & local communities

 To enhance efficiency of production & services

based on local wisdom, knowledge, innovation & creativity by developing food security while restructuring economy

 To build secure natural resource & environmental bases thru community
 Participation & improving resilience to lessen impacts from climate change & disaster



#### **Targets**

Inequality decreases; Society is in harmony

No. of people under poverty line is reduced; Corruption Perception Index scores at least 5.0

All citizens receive lifelong learning opportunity

better health & social inst. strengthen

- Inclusive growth with moderate pace Upgrading TFP to 3%/yr, improving competitiveness rank, increasing contribution of SMEs to 40% of GDP
- Environmental quality meets intl. std. Improving efficiency in GHG emission reduction; expanding forest areas to restore ecological balance

# The 11<sup>th</sup> NESDP: The 6<sup>th</sup> Strategy Managing Natural Resources & Environment

#### 6 Targets

- Enrich abundance of natural resources & biodiversity
- ✓ Conservation land 19% total land area
- ✓ Forest reserves 40% total land area
- ✓ Mangrove reforestation 5,000 rai/yr

Conserve, restore natural resources & environment

- Improve efficiency of GHG mitigation
- Reduce pollution
  - ✓ Water quality regulated 80% of main water sources
- ✓ Air quality within standard
- √Total solid waste sanitary disposed 50% total
- ✓ Recycle waste 30%

Promote sustainable production & consumption

- Enhance adaptive capacity to meet climate challenges & disasters at community, regional & country levels
- Improve entire water management system to alleviate water shortages, prevent floods, expand irrigation by 200,000 rai/yr

Foster climate change resilience society

Increase
 efficiency in
 management of
 natural resources
 & environment

Create fairness in access & use of natural resources

#### 4 Objectives

# The 11<sup>th</sup> NESDP: The 6<sup>th</sup> Strategy Managing Natural Resources & Environment

1

Conserve and protect natural resource bases by safeguarding and restoring forest and conservation areas

2

Shift development paradigm towards low-carbon and environmental friendly economy

3

Enhance adaptability to climate change

4

Prepare for responses to natural disasters



Enhance Thailand's roles in multilateral environmental agreements



Be proactive in dealing with NTB measures in trade



Control and reduce pollution



Increase efficiency, transparency and equitability in natural resources management systems