

Appraisal Meeting Minutes with Recommendations

**Enhancing Climate Resilience in Thailand through Effective Water
Management and Sustainable Agriculture**

Appraisal Meeting Minutes

Climate Change Sub-Committee on Policy and Planning Integration No. 3/2560

Thursday, 12 October 2017, at 1:30 PM

**At Conference Room No. 401, Office of Natural Resources and Environmental Policy
and Planning Building**

I. INTRODUCTION

The appraisal meeting for the above project was held on 12 October 2017 at the Office of Natural Resources and Environmental Policy (ONEP). The meeting was chaired by the Chairman of the Climate Change Sub-Committee on Policy and Planning Integration and attended by representatives from the implementing partner, key relevant ministries, IUCN and UNDP. List of participants is attached in Annex A.

II. MEETING SUMMARY

Mr. Kittisak Pruekkanon, Acting Director of the Database and Knowledge Work Group, Climate Change Management Coordination Division, reported to the meeting that the Royal Irrigation Department (RID) in cooperation with the United National Development Programme (UNDP), as the accredited entity by the Green Climate Fund (GCF), had developed the project proposal on the Enhancing Climate Resilience in Thailand through Effective Water Management and Sustainable Agriculture -, an adaptation project with an emphasis on building climate resilience. He further reported that the Office of Natural Resources and Environmental Policy and Planning (ONEP) (National designated Authority – NDA) already considered the project based on the criteria used for considering Thailand's international financial support requests in the area of climate change and found that the project was consistent with the country's activities and needs. The project was awarded a total of 85.73 points and met the minimum criteria (60 points). Significant information on the project is as follows:

- 1) The project objective is to build climate change resilience among the public in Phitsanulok, Uttaradit and Sukhothai Provinces of Thailand, which are the areas at risk for floods and droughts, particularly fragile farmers to have secure and sustainable occupations.
- 2) Medium-sized project as specified.
- 3) The project requests support with a grant of 39 million USD.¹
- 4) The project is to be carried out over a period of five years

¹ The amount was reduced as per the information presented in Appendix B

5) The project will be performed in the Yom-Nam River Basin in Phitsanulok, Sukhothai and Uttaradit over an area of 312,600 rai with 20,000 households and 62,000 people. The project has three following outputs:

- Enhance climate and risk informed planning in the water and agricultural sectors
- Improve grey and green water management measures to respond to changing climatic conditions
- Reduce volatility of agriculture livelihoods in flood and drought prone areas

Mr. Pawin Talerngsri, a representative from the United Nations Development Programme (UNDP), Thailand, further explained that the activities involved in the Enhancing Climate Resilience in Thailand through Effective Water Management and Sustainable Agriculture were consistent with the country's policies and strategies such as the (draft) National Strategy of 20 years, the 12th National Economic and Social Development Plan, the Water Management Strategy, the Thailand Climate Change Master Plan of 2015 – 2050, etc. The Royal Irrigation Department will be the Implementing Partner managing the project. UNDP designed the project to be suitable for climate change. The project focused on adaptation to climate change in the area of water management. Climate change will cause impacts, making droughts and floods more severe in the Yom-Nam River Basin, a frequently flooded area. The following effects are expected from the project's interventions to meet the criteria: 1) Impact potential; 2) Sustainable Development Potential; 3) Paradigm Shift and Scale up Potential; 4) Needs of the Recipient and 5) Country Ownership. This project is a medium-sized project with a total budget of 102 million USD. Of the aforementioned amount, 39 million USD was requested from GCF and 63 million USD was provided by the Royal Irrigation Department². Furthermore, economic analysis was conducted to assess ability and capacity to manage non-budgetary funds. It found cost-efficiency and low risk in every assessed area while the environmental and social impact study showed moderate impacts. Nevertheless, a study on environmental and social management plan (plans to reduce environmental and social impacts) was conducted and the step of considering approval for budget requests will require at least three months.

Mr. Somkiat Prajamwong, Director-General, Royal Irrigation Department, further explained that the Enhancing Climate Resilience in Thailand through Effective Water Management and Sustainable Agriculture Project is a project under the Water Management Strategy, and the Royal Irrigation Department has clear operational guidelines. Infrastructures will be mainly funded by budgets from the Royal Irrigation Department. The budget support from the Green Climate Fund (GCF) will fill the remaining as well as the gap of environmentally-friendly designs and integration of adaptation to climate change. In particular, implementation of technologies from overseas will help environmentally-friendly designs and water management become more complete. This project is a cooperative effort between the agencies involved and communities in the area.

² The amounts were reduced as per the information presented in Appendix B

Key Discussion Points and Comments

1. The Chairman of the Sub-Committee expressed concerns regarding building knowledge and understanding among local people who may be subject to impact by the project and requested that the project's implementers give importance to this issue. Furthermore, there must be coordination with agencies outside the Ministry of Agriculture and Cooperatives to integrate the work.
2. The meeting inquired about the infrastructures to be improved under the project. The Director-General, Royal Irrigation Department, further explained that the structures to be improved under the project consist of the drainage canals, drainage culverts, and information technology systems to be used for water management. This project does not involve the construction of large infrastructures such as dams, etc.
3. The meeting asked which agency would manage the budget provided by the Green Climate Fund. Mr. Pawin Talerngsri, the United Nations Development Programme (UNDP) representative, explained that the GCF fund will flow through UNDP who would allocate the fund according to the budget and work plan to the implementing agencies carrying out the project's activities supported by the Green Climate Fund.
4. The meeting proposed the consideration of guidelines from the drafting of the National Water Resources Act in the project's operations.
5. The meeting rendered the opinion that the project should also consider forestry resources that are water sources. The Director-General, Royal Irrigation Department, explained that the proposed project would be carried out in the Yom-Nan River Basin, most of which is covered by agricultural zones. In the area of interventions related to forestry resource preservation, this aspect is already being handled by other projects under the Royal Irrigation Department.
6. The Chairman of the Sub-Committee recommended that the issue of climate change be included in the integrated budget plan.

III. RECOMMENDATIONS AND NEXT STEPS

1. The sub-committee approved the funding proposal of the Enhancing Climate Resilience in Thailand through Effective Water Management and Sustainable Agriculture Project.
2. The sub-committee approved the issuance of Thailand's No-Objection Letter (NOL) to the Enhancing Climate Resilience in Thailand through Effective Water Management and Sustainable Agriculture Project. The Secretary was assigned the task of delivering Thailand's No-Objection Letter (NOL) toward the proposed project to the Green Climate Fund (GCF) in order to propose the project for consideration of the Green Climate Fund.
3. Performance in requesting support for the proposed project from the Green Climate Fund is to be presented to Thailand's National Climate Change Committee for further acknowledgement.

The Sub-Committee ratified the aforementioned meeting resolutions at the meeting.

Appendix A - List of Participants for the Appraisal Meeting

Sub-Committee Members in Attendance

Chairman of the Sub-Committee	
1. Mr. Somchai Masatian	Deputy Permanent Secretary, Ministry of Natural Resources and Environment, representing the Permanent Secretary, Ministry of Natural Resources and Environment
1st Deputy Chairwoman of the Sub-Committee	
2. Mrs. Rawiwan Puridet	Secretary-General, Office of Natural Resources and Environmental Policy and Planning
Sub-Committee Members	
3. Mr. Somkiat Prajamwong	Director-General, Royal Irrigation Department
4. Mr. Tanuwong Sangtian	Special Expert in Coastal and Mangrove Resource Management, representing the Director-General, Department of Marine and Coastal Resources
5. Mr. Poomsak Rasri	Expert in Agricultural Economics Policy, representing the Secretary-General, Office of Agricultural Economics
6. Mr. Somsak Siriwanarangsarn	Public Health Technical Officer, Expert Level, Acting Director, Health Impact Assessment Division, Director-General, Department of Health
7. Mrs. Korapat Damrongthai	Director, Forest and Plant Conservation Research Office, representing the Director-General, Department of National Parks, Wildlife and Plant Conservation
8. Mr. Surat Kanchanakunchorn	Director, Bureau of Plans and Information, representing the Director-General, Royal Forestry Department.
9. Mr. Mongkon Lakmuang	Director, Bureau of Research, Development and Hydrology, representing the Director-General, Department of Water Resources
10. Mrs. Chutinatorn Mankong	Chief, Sustainable Transport Promotion Group, Bureau of Safety Planning, representing the Director, Office of Transport and Traffic Policy and Planning
11. Mr. Chayakorn Kotchaseni	Scientist, Senior Professional Level, representing the Director, Department of Industrial Works
12. Mrs. Supit Padprem	Policy and Plan Analyst, Senior Professional Level, Acting Director, Energy Forecast and Information Technology Center, representing the Director, Office of Energy Policy and Planning
13. Miss Supaporn Atwarin	Labor Skill Development Expert, Senior Professional Level, representing the Director-General, Department of Skill Development
14. Miss Wantana Saisa-ad	Economist, Senior Professional Level, representing the Director, Fiscal Policy Office
15. Mrs. Sukmon Prakobchat	Scientist, Senior Professional Level, representing the Director-General, Department of Alternative Energy Development and Efficiency
16. Miss Supak Wirunhakarun	Policy Expert, representing the Secretary-General, National Science Technology and Innovation Policy Office
17. Mrs. Kewalin Wongsettasiri	Environmental Expert, Professional Level, representing the Director-General, Department of Pollution Control
18. Miss Netnapa Wongkan	Policy and Plan Analyst, Professional Level, representing the Director, Bureau of Policy and

	Strategy, Office of the Permanent Secretary, Ministry of Public Health
19. Mrs. Supreeya Pansangworn	Policy and Plan Analyst, Professional Level, representing the Director-General, Department of Disaster Prevention and Mitigation
20. Miss Manisa Nuantern	Trade Officer, Professional Level, representing the Director, Office of Trade Policy and Strategy
21. Miss Waraporn Sriwijit	Budget Analyst, Professional Level, representing the Director, Bureau of the Budget
22. Miss Chanokporn Nuhom	Investment Promotion Officer, Professional Level, representing the Secretary-General, Office of the Board of Investment
23. Mr. Suppanat Chotwittayatarakorn	Expert, representing the Thailand Greenhouse Gas Management Organization
24. Mr. Nattasan Seelabut	Foreign Affairs Officer, Joint Standing Committee on Commerce, Industry and Banking, representing the Joint Standing Committee on Commerce, Industry and Banking
Sub-Committee Members	
25. Mrs. Katanchalee Tammakun	Director, Policy and Strategy Group, representing the Director, Climate Change Management Coordination Division

Meeting Attendants

1. Royal Forestry Department Officials	1 Official
2. Department of Water Resources Officials	1 Official
3. Department of Marine and Coastal Resources Officials	1 Official
4. Department of Pollution Control Officials	1 Official
5. Office of Transport and Traffic Policy and Planning Officials	1 Official
6. Office of Energy Policy and Planning Officials	1 Official
7. Office of Trade Policy and Strategy Officials	1 Official
8. Royal Irrigation Department Officials	9 Officials
9. National Science Technology and Innovation Policy Office Officials	1 Official
10. Department of Health Officials	1 Official
11. Joint Standing Committee on Commerce, Industry and Banking Officials	1 Official
12. Office of Natural Resources and Environmental Policy and Planning Officials	23 Officials

Meeting Attendants

1. Mr. Kittisak Pruekkanon	Acting Director, Database and Knowledge Work Group, Climate Change Management Coordination Division
2. Mr. Pawin Talerngsri	Programme Analyst, United Nations Development Programme (UNDP), Thailand
3. Miss Siriporn Sriaram	International Union for Conservation of Nature (IUCN) Official
4. Mr. Pet Manoprawit	International Union for Conservation of Nature (IUCN) Official

Appendix B: Revision of the original proposal

February 2018, UNDP discussed the proposal with the GCF focal point for Thailand who was in Bangkok during 8-9 February. The focal point provides comments and guidance, which are summarized in the following points.

- A grant request for US\$ 39 million was considered too large for a middle-income country. It was suggested that the grant should be reduced to under US\$ 30 million. This was a general suggestion applied to all proposals from middle-income countries, not just for Thailand.
- The infrastructure component (i.e. upgrading of flood gates) could be financed through loans, or other means instead of grants. Proposed options are, 1) to shift infrastructure to government co-financing, 2) to partner with an accredited bank (e.g. Asian Development Bank, World Bank) for a joint GCF project with the grant portion covering climate information, Eco-based Adaptation and support to livelihoods, and the infrastructure portion be funded through a low interest GCF loan (0.5% interest rate), 3) If a portion of the infrastructure is to remain in the proposal as a grant, the amount would have to be under US\$ 5 million with the rest covered by co-financing or loan through partner; 4) explore impact investment as a financing option for the infrastructure component.

March 2018, UNDP officially informed the suggestions to the Royal Irrigation Department (RID). While RID leadership was changed as well as the members of the proposal development team moved to another government agency. It took three months for establishment of the new proposal development team. In July 2018, the new team started redesign the original proposal.

The three outputs remain the same, but the infrastructure cost in Output 2 was reduced from US\$ 23 million to US\$ 5 million with the rest covered by RID co-financing. The main objective of the project was remained the same as the original proposal that was presented to the **Climate Change Sub-Committee on Policy and Planning Integration on Thursday, 12 October 2017**. The objective is to enhance the capacity of farmers in the area to adapt to climate change, moreover, for them to be able to work for their career professionally and sustainably. There are three outputs in this project.

Output 1: Enhance climate and risk informed planning in the water and agricultural sectors

Output 2: Improve grey and green water management measures to respond to changing climatic conditions

Output 3: Reduce volatility of agriculture livelihoods in flood and drought prone areas

October 2018, the RID issued the new co-finance letter to UNDP. They acknowledged the suggested amount to be reduced in the financial proposal to the GCF. According to the proposal revised, the financial support from GCF was reduced from USD 39 million to USD 15 million, therefore a co-financing budget from RID was reduced from USD 63 million to USD 33.52 million, including Operations and Maintenance for the 20 years of project life. The co-financing budget is separated to US\$ 16.26 million for 1-5 years of the project, and 17.25 m USD for 6-20 years.

December 2018, the 1st peer review meeting was held at the RID office. The team of 20 senior officers from RID provided an update information for the Output 1 that the proposal can build on RID initiative for enhancing the information and communication management system. Hence, the output 1 is no longer needed large investment in hardware and software computers. But, RID needs help from GCF to enhance their existing smart water information management center by adding module for climate change information and risk information at the district and provincial levels in Yom-Nan river basin. The King Mongkut University's Institute of Technology North Bangkok (KMUTNB) is a current partner of RID. They've developed the information system of water management for farmers. Hence, RID wants

KMUTNB to take responsible for upgrading the existing system. Therefore, the investment from GCF is reduced from \$US 4.6 million (original proposal) to \$US 1.7 million (revised proposal).

For Output 2, UNDP and RID discussed with GIZ regarding the formulation of partnership in this project development and implementation. With supported by the German Federal Ministry for Environment, Nature Conservation and Nuclear Safety (BMU), GIZ is promoting an EbA roadmap in Thailand (from policy to action). RID would get benefit advantage to bring GIZ to this project design for Output 2 and implementation.

For Output 3, UNDP suggested RID to make new partnership with the MUFG/Krungsri Bank that is another GCF accredit entity for loan. However, MUFG/Krungsri Bank is promoting its own Environmental, Social and Governance (ESG). They can offer an in-kind contribution to the project implementation. RID agreed that MUFG/Krungsri Bank should be good partner and requested UNDP to approach MUFG/Krungsri Bank as a partner. In November 2018, UNDP discussed with the Senior Vice President of MUFG/Krungsri Bank about the engagement with the project. Later, MUFG/Krungsri Bank issued the co-financing letter to give a financial literacy training to farmers over the 5 years period. See the letter attached.

May 2019, the 2nd Peer Review Meeting was held at the RID office on 3 May 2019. The meeting brought about 20 people from RID, KMUTNB, GIZ, ONEP (as a focal point for NDA), MUFG/Krungsri Bank, UNDP. The meeting agreed on the following budget distribution.

USD

Component/ Organization	RID	KMUTNB	UNDP	GIZ	Total
Output 1	216,000	1,294,600	171,912	-	1,683,112
Output 2	7,186,500	-	153,910	2,315,000	9,655,410
Output 3	2,241,158	-	842,218	-	3,083,376
Total	10,117,458	1,294,600	1,272,944	2,315,000	15,000,000

The meeting agreed on the project management structure that is defined into three groups consist of:

- a. Executive board: Director General of the RID as a chair, representatives of related agencies and UNDP representative as the committee
- b. National Project Director: senior executives or Deputy Director General assigned as director by having UNDP representatives and Krungsri Bank as the committee
- c. The working group is divided into three sets according to the components, by having Director if the office/ center as a head of working groups and related agencies/ organizations as working groups

The meeting agreed on the next steps.

1. Project operation process

UNDP informed the official submission date of the proposal to the GCF by June 17, 2019. The GCF committee will take approximately 120 days to review. If the board accepted the proposal to the board meeting in October 2019, the RID will be informed about the results whether it is approved or not in October 2019 as well. After the approval, UNDP will sign the document with GCF within 180 days and transfer the first installment within 90 days. The total time spent in this process is approximately 270 days. The department (RID) must be prepared for parallel operation, such as preparing documents for the cabinet, agreement with UNDP and with related agencies, coordinate with the Ministry of Foreign Affairs and the legal offices, and procurements.

2. Represent of ONEP as the National Designated Authority (NDA) told UNDP and the RID to coordinate closely and follow the correct steps. If there is any doubt, they can coordinate with the NDA anytime. ONEP also informed that in August 2019, GCF will have annually dialogue, so it might take longer time for the proposal to the board
3. Content development of the proposal, each relevant section needs to check and report the results to the secretary's office by May 8, 2019.
 - KMUTNB will conduct "risk map" in the area of the Yom-Nan project
 - Procurement budget for tools, equipment of the NARK4.0 or IRDM will be transferred to KMUTNB as the procurement manager. KMUTNB must send details of specifications and others to the board (PMU) for consideration first.
4. The director assigned to coordinated with GIZ experts in organizing activities to transfer EbA knowledge to RID officers by using 13 workplans of the Yom Nan project as a case study. The RID will take care of the budget.

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