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# Readiness Proposal

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**with Deutsche Gesellschaft fuer Internationale Zusammenarbeit (GIZ)  
GmbH for Kingdom of Thailand**

24 December 2019 | NDA Strengthening



**GREEN  
CLIMATE  
FUND**

# Readiness and Preparatory Support Proposal Template

<b>Programme title:</b>	Strengthening the capacities of the Environmental Fund Division to serve as Thailand's key national mechanism for climate finance
<b>Country:</b>	Thailand
<b>National designated authority:</b>	Office of Natural Resources and Environmental Policy and Planning (ONEP)
<b>Implementing Institution:</b>	Deutsche Gesellschaft für Internationale Zusammenarbeit (GIZ) GmbH
<b>Date of first submission:</b>	30 September 2018
<b>Date of current submission / version number</b>	13 December 2019 V.4



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### How to complete this document?

- Please visit the [Empowering Countries](#) page of the GCF website to download the Readiness Guidebook and learn how to access funding under the GCF Readiness and Preparatory Support Programme.
- This document should be completed by National Designated Authorities (NDA) or focal points with support from their Delivery Partners where relevant. Once completed, this document should be submitted to the GCF by the NDA or focal point to [countries@gcfund.org](mailto:countries@gcfund.org).
- Please be concise. If you need to include any additional information, please attach it to the proposal.
- If the Delivery Partner implementing the Readiness support is not a GCF Accredited Entity for project Funding Proposals, please complete the Financial Management Capacity Assessment (FMCA) questionnaire and submit it prior to or with this Readiness proposal. The FMCA is available for download at the [Library](#) page of the GCF website.

### Where to get support?

- If you are not sure how to complete this document, or require support, please send an e-mail to [countries@gcfund.org](mailto:countries@gcfund.org).
- You can also complete as much of this document as you can and then send it to [countries@gcfund.org](mailto:countries@gcfund.org), copying both the Readiness Delivery Partner and the relevant GCF Country Dialogue Specialist and Regional Advisor. Please refer to the [Country Profiles](#) page of the GCF website to identify the relevant GCF Country Dialogue Specialist and Regional Advisor.
- We will get back to you within five (5) working days to acknowledge receipt of your submission and discuss the way forward.

#### Note: Environmental and Social Safeguards and Gender

Throughout this document, when answering questions and providing details, please make sure to pay special attention to environmental, social and gender issues, particularly to the situation of vulnerable populations, including women and men. Please be specific about proposed actions to address these issues. Consult Annex IV of the Readiness Guidebook for more information.

**Please submit the completed form to:**

[countries@gcfund.org](mailto:countries@gcfund.org)

**Please use the following naming convention for the file name:**

"GCF Readiness Proposal-Thailand-300918"



1. SUMMARY			
Country submitting the proposal	<p><b>Country name:</b> Kingdom of Thailand</p> <p><b>Name of institution representing NDA or Focal Point:</b> Office of Natural Resources and Environmental Policy and Planning (ONEP)</p> <p><b>Name of contact person:</b> Dr. Natthanich Asvapoositkul</p> <p><b>Contact person's position:</b> Director of Climate Change Management and Coordination Division (CCMC), Office of Natural Resources and Environmental Policy and Planning (ONEP)</p> <p><b>Telephone number:</b> (+66) 2 265 6692</p> <p><b>Email:</b> <a href="mailto:gcfundthailand@gmail.com">gcfundthailand@gmail.com</a></p> <p><b>Full office address:</b> 60/1 Soi Piboonwattana 7 Rama VI Rd. Phayathai, BKK 10400 Thailand</p> <p>Additional email addresses that need to be copied on correspondences: <a href="mailto:natthan.asv@gmail.com">natthan.asv@gmail.com</a>; <a href="mailto:kprukkanone@yahoo.com">kprukkanone@yahoo.com</a>; <a href="mailto:drjoy2000@gmail.com">drjoy2000@gmail.com</a></p>		
	Date of initial submission	30 September 2018	
Last date of resubmission	13 December 2019	Version number	V.4
Which institution will implement the Readiness and Preparatory Support project?	<p><input type="checkbox"/> National designated authority</p> <p><input checked="" type="checkbox"/> Accredited entity</p> <p><input type="checkbox"/> Delivery partner</p> <p><b>Name of institution:</b> Deutsche Gesellschaft für Internationale Zusammenarbeit (GIZ) GmbH</p> <p><b>Name of official:</b> Mr. Heinrich Gudenus</p> <p><b>Position:</b> Project Director</p> <p><b>Telephone number:</b> +66 92 268 2811</p> <p><b>Email:</b> <a href="mailto:heinrich.gudenus@giz.de">heinrich.gudenus@giz.de</a></p> <p><b>Full office address:</b> 60/1 Soi Phibunwattana 7 Rama VI Road Bangkok, 10400 Thailand</p> <p>Additional email addresses that need to be copied on correspondences: <a href="mailto:ampawa.synlanont@giz.de">ampawa.synlanont@giz.de</a></p>		
Title of the Readiness support proposal	Strengthening the capacities of the Environmental Fund Division to serve as a key Thailand's national mechanism for climate finance		

<p><b>Type of Readiness support sought</b></p>	<p>Please select the relevant GCF Readiness activity area below (click on the box):</p> <ul style="list-style-type: none"> <li><input type="checkbox"/> I. Country capacity for engagement with GCF</li> <li><input checked="" type="checkbox"/> II. Country programming process</li> <li><input checked="" type="checkbox"/> III. Direct access to climate finance</li> <li><input type="checkbox"/> IV. Climate finance accessed</li> <li><input type="checkbox"/> V. Formulation of national adaptation planning and/or other adaptation planning processes</li> </ul>		
<p><b>Brief summary of the request</b></p>	<p>As Thailand is operationalizing its Nationally Determined Contributions (NDC), the question of financing and of the necessity to establish institutional arrangements for climate finance in the country becomes increasingly pressing.</p> <p>As the Thai government is laying out options to establish domestic and international structures for financing climate action, the Environmental Fund Division (EFD) has been designated to play a key role in Thailand’s climate finance landscape – not least by embarking on the journey to seek direct access accreditation under the GCF. Established in 1992 as a “financial measure” to incentivize government agencies, local administration, state enterprise and non-governmental organizations to participate in the protection and conservation of the environment in accordance to the Polluter Pays Principle (PPP)<sup>1</sup>, the Environmental Fund Division has recently included climate change in its priority topics. Yet, at present time, the capacities of the Environmental Fund Division to comprehensively take on this new mandate are very limited and significant knowledge and technical gaps exist.</p> <p>While the Environmental Fund Division (EFD) is currently being supported by an on-going <a href="#">Readiness Support Programme</a> (~40 K EUR, 24 months support) to assess its potential to become a direct access entity (DAE) under the GCF and support its initial application steps, the present proposal intends to support the Environmental Fund Division<sup>2</sup> in strengthening its capacities to act as a national climate funding mechanism by providing tailored advice on the integration of climate change in the Environmental Fund Division’s portfolio and procedures, delivering trainings for practical knowledge on GCF’s operational policies to advance the accreditation request as well as advice the EFD on its public visibility and communication.</p>		
<p><b>Total requested amount and currency</b></p>	<p>EUR 358,896</p>	<p><b>Anticipated duration</b></p>	<p>18 months</p>

<sup>1</sup> The Environmental Fund, 2009, Preface, p.3

<sup>2</sup> The Environmental Fund (EF) is composed of 2 committees: the National Board committee, a policy committee to steer the EF administration and the EF committee, a management and administration committee setting up the EF’s criteria, principles and regulations. The Environmental Fund Division is the operational arm of these 2 committees, responsible for the management and administration of the Fund.



**Has the country received or is expecting to receive other Readiness and Preparatory Support funding allocations (including adaptation planning) from GCF or other donors?**

- Yes
- No

Thailand is receiving Readiness and Preparatory Support funding since 2017. Besides GIZ, GGGI has/is also serving as a delivery partner for the Thai NDA. GGGI is currently implementing a Readiness project which focuses on 3 aspects: (1) strengthening the NDA's capacities to assess project proposals; (2) developing investment plan for an identified (sub)sector with project potential under GCF; as well as (3) engaging private sector in investment planning. While it is not clear whether GGGI's Readiness project will still be running when (and if) the present proposal gets commissioned, the NDA and the delivery partner will endeavor to cooperate and/or pick-up relevant project results. Synergies exist at the level of all three outcomes:

- 1- Knowledge and skill transfer from NDA to EFD as a potential DAE to understand project requirements under the Thai No-objection procedure as well as core scoring criteria
- 2- Exploring the potential to pick-up identified project concept notes/investment plans for further development under the EFD
- 3- Sharing private sector network and expressed interest from private sector to explore cooperation potential for project development between EFD and private sector

While initial Readiness support delivered by GIZ has focused on strengthening the Thai NDA in establishing necessary institutional arrangements to access the Green Climate Fund (No-objection procedure, Country Programme), the ongoing Readiness support "scaling up Thailand's climate finance readiness" intends to mobilize private sector and identify project potentials for the development of a strategic project pipeline in line with national priorities. This mapping of sector-based project potentials will help to refine Thailand's Country Programme mainly but not only related to private sector investment opportunities. It will also allow for creating a better understanding of suitable GCF concept notes overall and thereby help to identify opportunities for public sector engagement as well. This will provide a solid basis for identifying how the EFD will contribute to implementing the Country Programme in the medium term in line with its anticipated role as a DAE for grant-funding and complementing the envisaged function of a private sector DAE (e.g. a banking entity) for non-grant instruments. The present proposal will prepare and build up the EF division's capacities to develop Concept Notes and Funding Proposals that respond to the priorities of the Country Programme.

## 2. BACKGROUND

### **The Thai NDA's DAE strategy**

Since the establishment of the Thai National Designated Authority (NDA) to the GCF, Thailand has seen the application of diverse entities for direct access accreditation. While the NDA has always welcomed all applicants, it has over time also realized the importance of strategizing DAE applications, notably due to complex accreditation requirements as well as due to high number of DAEs in the GCF accreditation pipeline. Hence, the NDA is now favoring a two-track DAE accreditation strategy: a public entity to predominantly serve grant-based and adaptation project development and a private, preferably a banking entity, to support the development of non-grant and mitigation projects. In this context, the EFD fulfills the NDA's criteria as being a well-established national entity with a track of record of project development, management and monitoring in broad environmental fields. Furthermore, the EFD is politically considered to be an adequate vehicle for climate finance in Thailand, including for cooperation with international funds and organizations. The EFD is also experienced in cooperating with private sector funding institutions to engage private sector stakeholders – e.g. through Fund-bank co-financing schemes – and could therefore also provide for opportunities to enable integrated climate finance approaches in line with the two-track DAE accreditation strategy outlined above. Yet, it has also appeared that substantial capacity building as well as the establishment of new institutional arrangements are needed to put the EFD on this ambitious climate finance track. The application to become a DAE to the GCF and the present Readiness proposal are to be considered as key elements to contribute to that end.

### **The national (NDC) context and the EFD's status quo**

Strategy 3 of Thailand's NDC Action Plan foresees that national funds, such as the Environmental Fund Division (EFD), shall be supported to increase their role and adapt their regulations to contribute to the country's climate targets by enabling them to provide grants and loans for implementing agencies.

Similarly, the Thailand Country Programme (TCP) stresses the importance for the country of financial mechanisms and tools to enable and promote the development of low-carbon and climate resilient projects.

The preliminary gap assessment of the Environmental Fund Division's standards against GCF accreditation has shown potential to successfully seek direct access accreditation, but also brought to light significant challenges.

The overall assessment of the experts indicate that the Environmental Fund Division should be seen as a highly interesting DAE option for Thailand, especially for adaptation projects, smaller scale mitigation projects and the management of GCF grants. In these areas, the Fund could significantly contribute to the objectives of the GCF.<sup>3</sup>

The Environmental Fund Division enjoys a long-lasting and proven track record in implementing meaningful environmental projects at national and subnational levels.<sup>4</sup> It demonstrates operational experience, especially in project cycle management, intergovernmental cooperation, stakeholder engagement and Fund-bank co-financing schemes.

Yet the Environmental Fund Division is also facing significant challenges, mostly related to little experience in implementing dedicated climate change projects. It has only recently incorporated climate change as one of its project criteria and its personnel is still lacking sufficient technical knowledge on defining and integrating climate change (especially adaptation) in the Division's operations, principles and key procedures (i.e. project criteria, project cycle management, project assessment and appraisal, reporting etc.).

<sup>3</sup> Conducted by a consortium of international experts (South Pole and AEquilibrium) in Bangkok between 19-22 September 2018. The full report can be provided on request and at the discretion of the Thai NDA.

<sup>4</sup> Sectors of focus of the EFD: air pollution, waste and waste water management, natural resources management and conservation.

### **Rationale for the Readiness proposal**

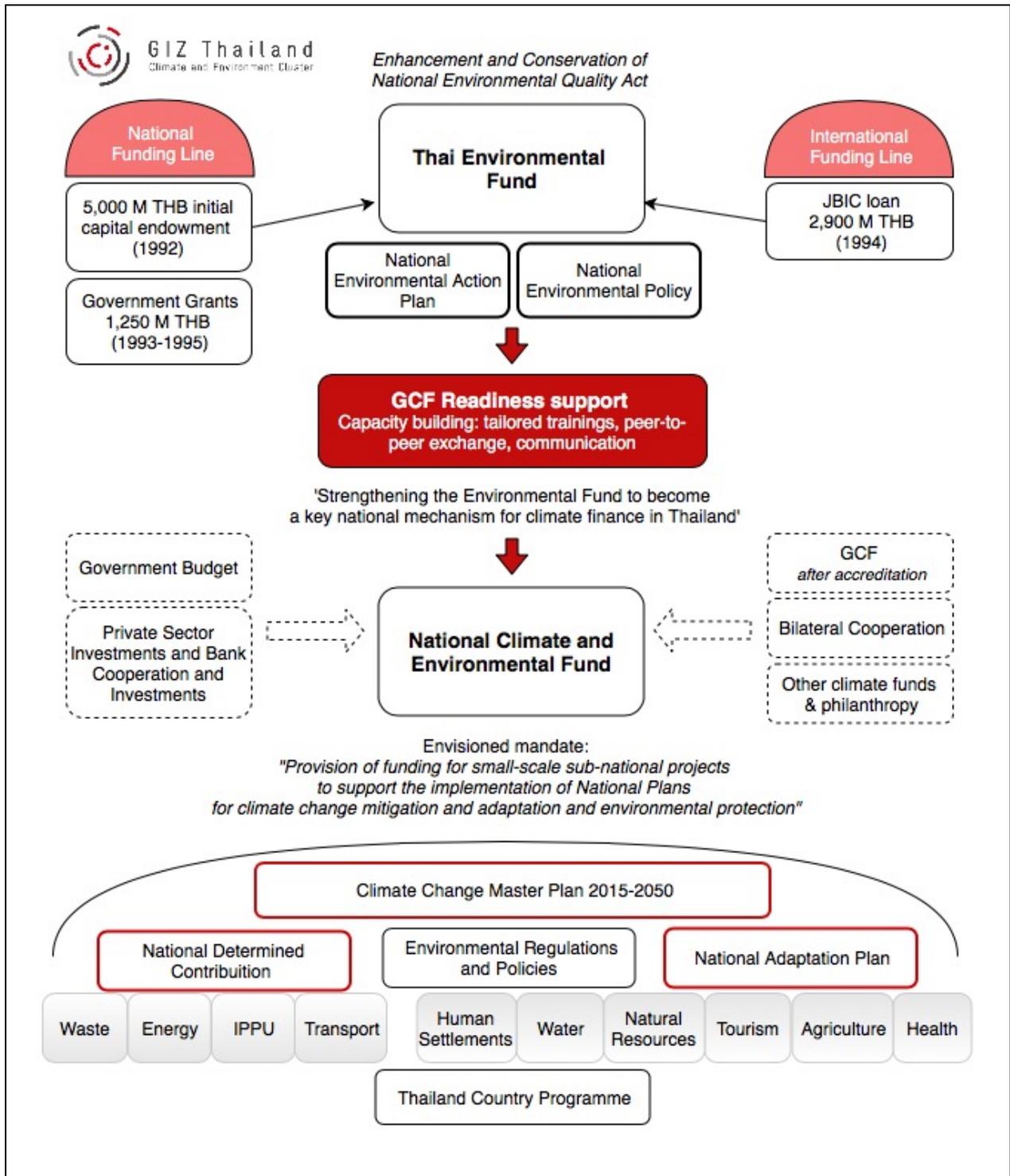
The present proposal therefore intends to support the Environmental Fund Division in strengthening its capacities to act as a national climate funding mechanism by providing tailored advice on the integration of climate change in the Environmental Fund Division's portfolio and procedures, delivering trainings for practical knowledge on GCF's operational policies (fiduciary standards, ESS, gender, procurement) to advance the accreditation request as well as advising the EF on its communication, (web) presence and visibility to effectuate international outreach.

Capacity building is intended to be conducted in parallel to the DAE application process so as to support the development of core competencies beyond the fulfillment GCF requirements for accreditation and to ensure the Environmental Fund Division's medium-term ability to formulate both (GCF) concept notes and bankable funding proposals (FP), including supporting documentation needed for FPs. Building on the findings of on-going studies<sup>5</sup> on project pipeline identification and private sector mobilization, thereby enriching the current version of the TCP, the proposed activities will enhance the EFD's fitness to implement the Country Programme. Furthermore, it is expected that an increased number and quality of bankable climate-related projects channeled through the EFD will contribute to increased awareness and enable the further development of climate-related projects suitable for private sector engagement as well.

The capacity building activities shall be conducted in cooperation with local/regional training institutes.

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<sup>5</sup> Supported by the GCF's Readiness and Preparatory Support Programme, see [here](#).



**Flowchart diagram (1): How Readiness support, through strengthening the Environmental Fund Division, will contribute to advancing Thailand’s goal of establishing national mechanisms for climate finance**

Please note that the above chart has been developed by GIZ in its role as the delivery partner of the present proposal. It has two objectives: (1) to visualize the current operations and functioning of the EF and (2) to outline a long-term vision in which the Environmental Fund Division acts as a key financial mechanism in the Thai climate finance system. These views are supported by the Thai NDA and the Environmental Fund Division management but are not yet embedded in any official Thai policy document.











#### 4. ADDITIONAL INFORMATION (ONLY FOR ADAPTATION PLANNING SUPPORT)

This section is only to be completed when seeking support for formulation of national adaptation plans and/or other adaptation planning processes. Please see Part 3 Section 4 in the Readiness Guidebook and please limit to maximum of 500 words.

## 5. BUDGET, PROCUREMENT, IMPLEMENTATION, AND DISBURSEMENT

### 5.1 Budget plan

Please complete the Budget Plan in Excel using the template available in the [Library](#) page of the GCF website.

Table 1 – Summary Budget

Outcomes	Budget Categories <small>choose from the drop-down list</small>	Detailed Budget (in EUR)					Total Budget <small>(per budget category)</small>	Total Budget <small>(per sub-outcome)</small>	Total Budget <small>(per outcome)</small>
		Unit	# of Unit	Unit Cost					
<b>Outcome 1: Country Programming</b>	Professional Services - Companies/Firm	W/Day	80	500.00	40,000.00	140,998.00	140,998.00		
	Consultant - Individual - Local	W/Day	30	500.00	15,000.00				
	Travel	Misc.	1	1,900.00	1,900.00				
	Workshop/Training	Event	3	1,000.00	3,000.00				
	Equipment and Materials	Misc.	1	1,000.00	1,000.00				
	Other Costs and Services (incl. office costs, printing, translation, etc.)	Misc.	1	7,500.00	7,500.00				
	GIZ + PMC + Contingency + Indirect Cost	Misc.	1	72,598.00	72,598.00				
<b>Outcome 2: Accreditation for direct access entities</b>	Consultant - Individual - International	W/Day	15	800.00	12,000.00	69,900.00	69,900.00		
	Consultant - Individual - Local	W/Day	30	500.00	15,000.00				
	Travel	Misc.	1	7,000.00	7,000.00				
	Workshop/Training	Event	1	1,000.00	1,000.00				
	Equipment and Materials	Misc.	1	500.00	500.00				
	Other Costs and Services (incl. office costs, printing, translation, etc.)	Misc.	1	7,200.00	7,200.00				
	GIZ + PMC + Contingency + Indirect Cost	Misc.	1	27,200.00	27,200.00				
	Sub-Outcome 2.2: Enhance the capacities of the Environmental Fund Division to become an attractive (international) partner for project development (both as EE and DAE if successful accreditation)	Consultant - Individual - Local	W/Day	65	600.00	39,000.00	98,598.00	217,898.00	
		Equipment and Materials	Misc.	1	4,000.00	4,000.00			
		Other Costs and Services (incl. office costs, printing, translation, etc.)	Misc.	1	8,000.00	8,000.00			
		GIZ + PMC + Contingency + Indirect Cost	Misc.	1	47,598.00	47,598.00			
	Sub-Outcome 2.3: Facilitate peer-to-peer exchange with other nominated DAEs in South East Asia	Consultant - Individual - International	W/Day	15	800.00	12,000.00	49,400.00	49,400.00	
		Travel	Misc.	1	7,000.00	7,000.00			
Workshop/Training		Event	1	2,000.00	2,000.00				
Equipment and Materials		Misc.	1	1,000.00	1,000.00				
Other Costs and Services (incl. office costs, printing, translation, etc.)		Misc.	1	7,500.00	7,500.00				
GIZ + PMC + Contingency + Indirect Cost		Misc.	1	19,900.00	19,900.00				
<b>Total Outcome Budget</b>								<b>358,896.00</b>	

### 5.2 Procurement plan

Please complete the Procurement Plan in Excel using the template available in the [Library](#) page of the GCF website. For goods, services, and consultancies to be procured, please list the items, descriptions in relation to the activities in section 2, estimated cost, procurement method, relevant threshold, and the estimated dates. Please include the procurement plan for at least the first tranche of disbursement requested below and provide a full procurement plan for the entire duration of the implementation period if available at this stage.

### 5.3 Disbursement schedule

Please specify the proposed schedule for requesting disbursements from the GCF. For periodicity, specify whether it's quarterly, bi-annually or annually only.



Please choose one option among the two below and delete the one that does not apply to you. Please fill in information under brackets:

**Readiness Proposal that falls within a Framework Agreement with the GCF**

Disbursements will be made in accordance to **Clause 4** “*Disbursement of Grants*” and **Clause 5** “*Use of Grant Proceeds by the Delivery Partner*” of the Framework Readiness and Preparatory Support Grant Agreement entered into between GCF and **Gesellschaft fuer Internationale Zusammenarbeit (GIZ) GmbH** on *6 September 2016* (amended on 16 June 2017). The Delivery Partner is entitled to submit **2** requests for disbursement each year and an Interim Request for Disbursement within 30 days of approval by the GCF of a proposal, which must be in accordance with the Framework Agreement.

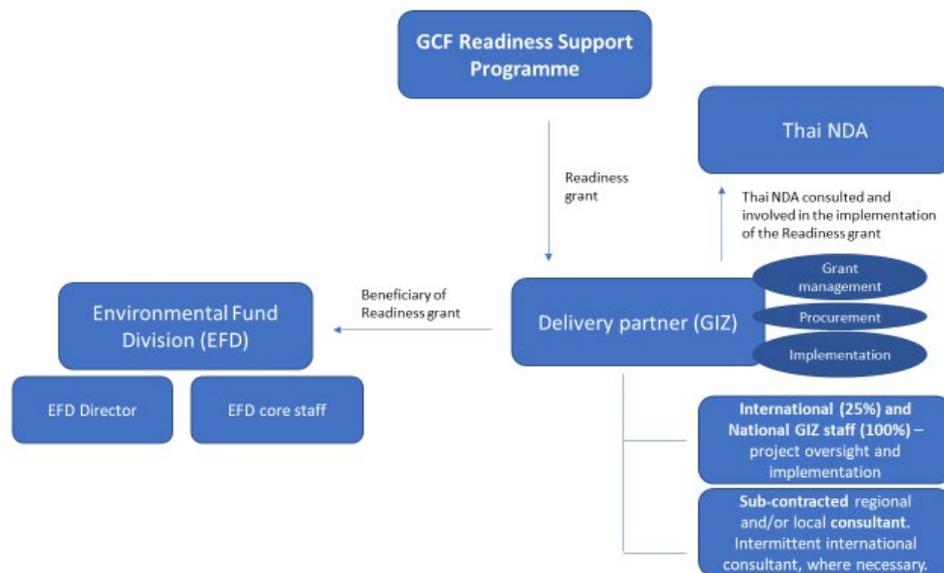
## 6. IMPLEMENTATION ARRANGEMENTS AND OTHER INFORMATION

### 6.1 Implementation map

Please describe how funds will be managed by the NDA and/or the Readiness Delivery Partner.

GIZ, as the delivery partner, will hold the main responsibility for the management of the grant, procurement, implementation of activities, project oversight, monitoring and reporting. GIZ will carry out all procurement activities under the proposal, in compliance with GIZ procurement policies and procedures. The implementation of activities, including the drafting of ToRs, selection of national/regional experts and the oversight of the different activities will closely be coordinated and agreed upon with the Environmental Fund Division, as the main recipient institution of the Readiness support. The Thai NDA will also be consulted and involved for major project activities in its oversight function for all GCF activities in the country.

For the management and technical oversight of the activities, GIZ will provide additional human resources, both international (25%) and national (100%). These personnel resources, particularly the national staff position, will very closely work with the Environmental Fund Division and NDA team to ensure a smooth and effective implementation of activities. Where required, GIZ will subcontract additional regional or local consultants to support the implementation of activities.



The governance arrangements between the EFD and the Climate Change Management and Coordination Division (CCMC), acting as the NDA for Thailand, are as follows: The EFD and CCMC are at the same organizational level under ONEP and there is no hierarchical relationship between the two divisions. Both divisions have their own managerial bodies (director level) and the operations of both entities are independent of each other. Furthermore, the EFD and CCMC do not share senior decision makers, staff, facilities or assets, including a bank account. Their roles and authorities are clearly separated under the Ministerial Regulations. The EFD is responsible for the operation of the Environmental Fund (EF), while CCMC is responsible for climate change related matters. The EFD's legal personality is strictly separated from the NDA. The managerial functions of the EF are established by a dedicated Act and performed by the EF committee and the Comptroller General Department with no influence from ONEP.

## 6.2 Risks, monitoring and evaluation (M&E), and other relevant information

The Environmental Fund and its managing division are currently undergoing several reform processes that mainly rely on the revision of the EF's founding Act, the Enhancement and Conservation of National Environmental Quality Act (1992). The foreseen amendments to the Act shall confer more responsibility to the Environmental Fund, for instance enabling it to manage its own fund instead of outsourcing that function to the Ministry of Finance. Most envisioned reforms will eventually strengthen the statutes and mandate of the Environmental Fund. Yet, the Act revision is still in process and will have to get parliamentary approval over the next months. If the proposed amendments were to be rejected, it could threaten the broadening of the Environmental Fund's mandate and its scope of work, and thus make the project's capacity building activities less relevant. However, the risk is classified as low.

Another risk is the change of management within the Environmental Fund Division, which might lead to delays in project implementation or a change in the project's activities. In this scenario the project will ensure a smooth transition, hand in hand with the NDA and the Environmental Fund's operational staff. This risk is classified as medium.

The risk of major delays in implementation is in general considered to be low, however with medium impact if the risk materializes. Mitigation measures, based on lessons from the previous Readiness engagements, are (a) to establish a project steering structures including at least representatives from the NDA, the beneficiary (i.e. EFD) and the delivery partner to, amongst others, oversee and follow-up on the operational plan and implementation of the project; (b) ensure that tender documents such as TOR for external support are developed in advance and in close consultation with the EFD and the NDA and ensure alignment of external support to the prioritized needs of the EFD, (c) include inception phases in the processes to allow for prior consultations between external consultants and the project steering structure, which will ensure a collective understanding of the work plan, priorities and objectives early on in the process, and (d) establish a mutually agreed work plan with a realistic timeline and ensure that the NDA and EDF are informed about meeting, training, workshop and reporting schedules well in advance.

The risk of delays in reporting are considered to be low and with comparatively low impact potential. In order to mitigate the risk, the project steering structure will be utilized to oversee and follow-up on monitoring and reporting procedures and timelines. A monitoring template and schedule will be agreed upon and aligned to the operational work plan of the project. The delivery partner will inform the project steering structure proactively about potential delays affecting the implementation or the reporting schedule and suggest mitigation measures.

The delivery partner will monitor the timely implementation of activities and bi-annually report in the provided templates on the project's progress. Delays and changes in the project implementation will be communicated to the GCF, by the NDA and/or the delivery partner.