International experiences with Benefit sharing in Thailand

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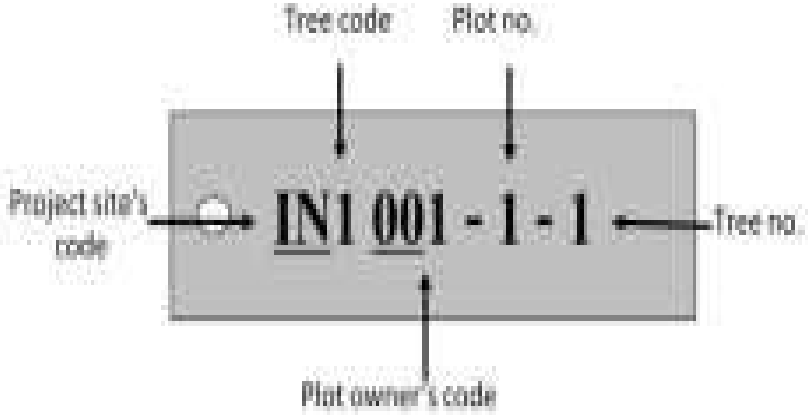
Inpaeng community network and Michigan State University REDD+ pilot in Thailand

- Inpaeng community and the Michigan state university Carbon2 market program
- has developed this project in 2007 in cooperation with the Inpaeng Community Network, National Research Council of Thailand (NRCT), Mahasarakham University
- pilot sites in a number of developing countries, including Cambodia, Guatemala, Lao PDR, Viet Nam
- Inpaeng C Network covers almost 1,000 villages in 80 sub-districts of five Northeastern provinces of Thailand

Location of Inpaeng Community, Kut Bak District, Sakon Nakhon Province Thailand

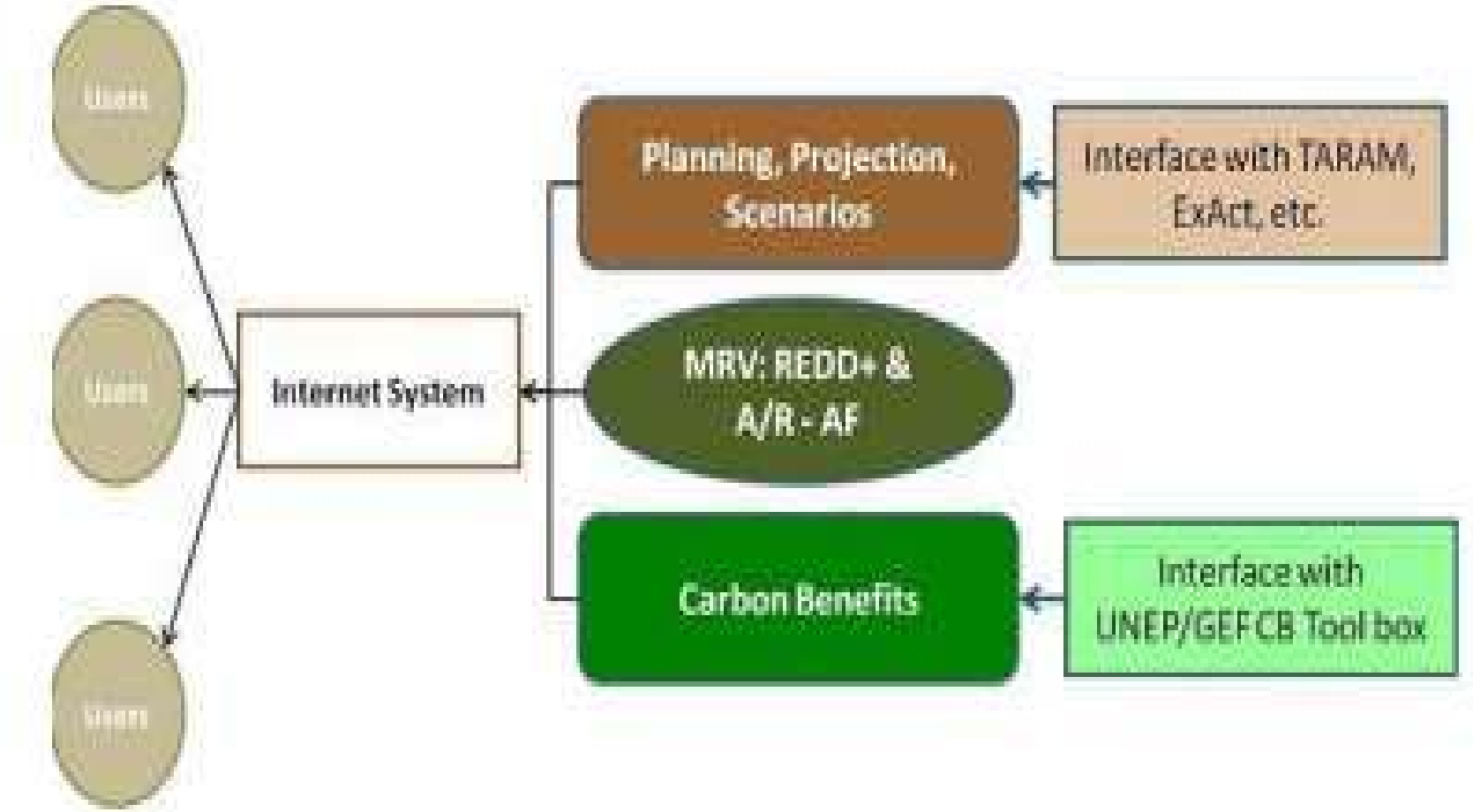
Tag of Individual Tree in Teak Plantation, Inpaeng Community Carbon Offset Project



Benefit sharing mechanism: local scale

- National Research Council of Thailand (NRCT), and Mahasarakham University (Validation, VCS, facilitator)
- Inpaeng community Carbon provider Individual farmer received from USD 21.47 to USD 1,151.90 per household according to the registered area, 4,340 farmers benefited, **very low transaction & implementation costs (high opportunity costs)**
- Michigan state university Carbon buyer

Overview of Basic Functionality of a Carbon Sequestration Project



Source: http://www.carbon2markets.org/content.cfm?m=33&id=33&startRow=1&mm=0

Payment distribution:
costs and benefits (15 years contract)

Location	Inpaeng, Thailand
Number of registered agro-forestry areas:	114
Number of participating small-holders	94
Total registered area (ha)	289.79
Number of sample plots:	177
Baseline carbon stock(tCO2e) – 2009	44,808
Estimated annual sequestration rate (tCO2e/ha/year):	10.62
Estimated total carbon sequestration - 15 years (tCO2e):	46,164

Source: http://www.carbon2markets.org/thaiteak/

Effectiveness

- is made according to sequestered CO^2 and as such effective in delivering results,
- opportunity costs for the land can be high and incentives for CO^2 sequestration might not be able to compete with alternative land use
- outreach and transfer technology can be successful to attract more participating communities and households in the northeast provinces and therefore play an effective impact on carbon removals

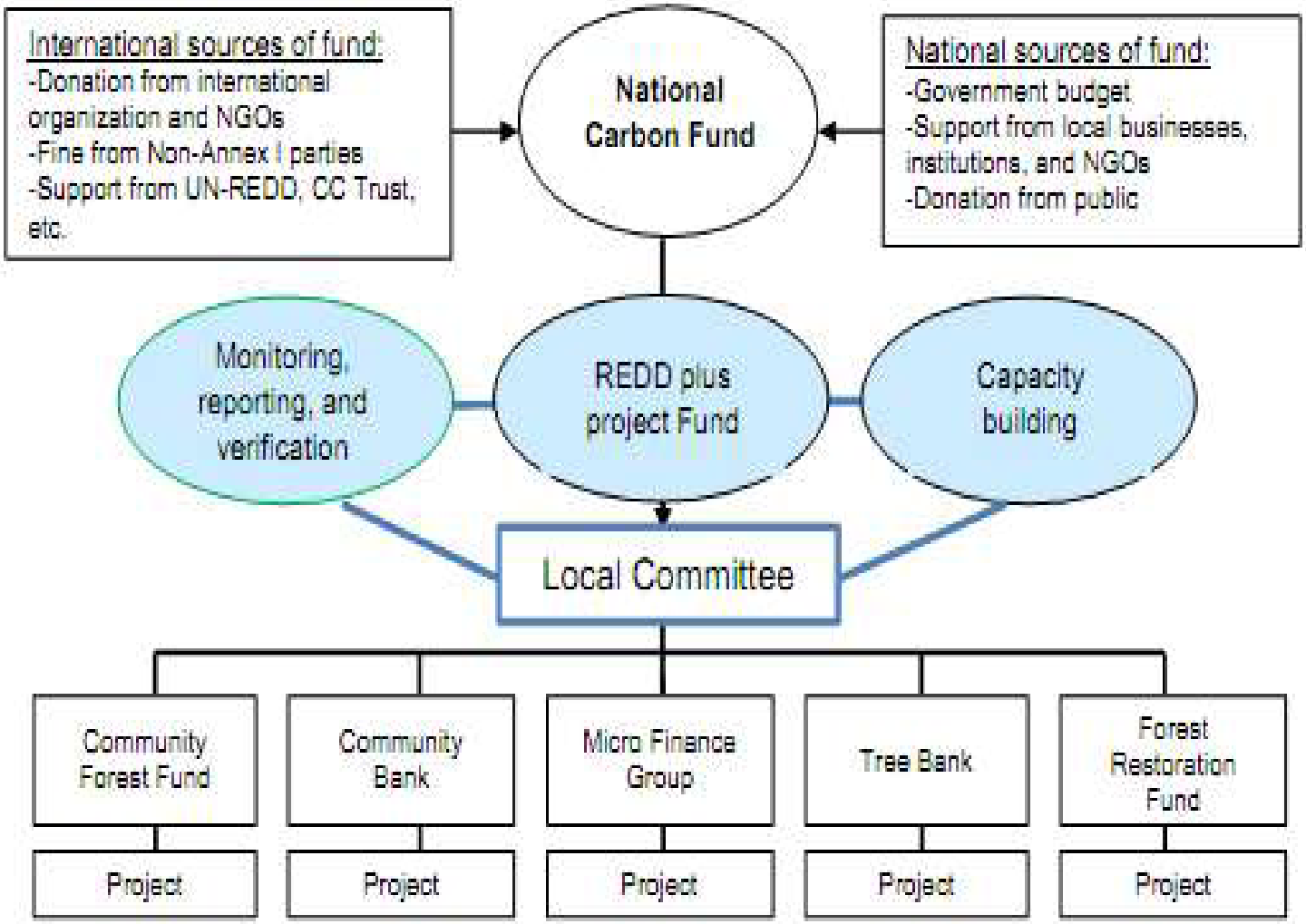
Efficiency

- low transaction costs due to a few beneficiaries and a direct payment from the carbon buyer to the farmers,
- payments are delivered in terms of homogenous tree surface covered as it refers to Teak or Dipterocarps plantation
- implementation costs are also low and the Carbon accounting method is simple and easy replicable by trained farmers who can be trainers of trainees to up-scale the province level

Equity

- payments are based on the scale of the plantation and therefore cannot be considered equal as the bigger-size plantation will receive more benefits than the smaller-size one
- small number of beneficiaries and still a limited amount of payment to stimulate behaviour changes
- Additionality of REDD+ payments need to be better considered to encourage more planters to join the program

Proposed Financial Mechanism of REDD+ in Thailand



Thank you