Thailand: Valuing Forests as Carbon Credits

Forest areas in Thailand contain the rich diversity of tropical rainforests, including the relationships and interconnections with the Indigenous Peoples and local communities that coexist with these forests. Rooting on their own principles of traditional knowledge and practices, these communities have preserved their forests for generations, making these areas one of the most biodiverse in the world. In addition, they practice different ways of community-based ‘management’ of their land, forests and local economies. However, community systems are threatened due to problematic policies that pretend to turn all forests into state and private property, adding now a new type of asset: carbon credits.

Thai Forest Conservation Policies

Forest conservation policy in Thailand began in 1896 when the Royal Forest Department (RFD) was founded to administer forest concessions, followed by the Forest Act B.E. 2484 (or 1941) and the Forest Industry Organization (FIO) in 1974. These policies transformed the country’s forested areas into state assets for timber exports, criminalizing around 10 million people from forest-dependent communities who inhabited the forests long before these laws and policies appeared.

After widespread protests by forest communities across Thailand against timber extraction and the industry’s many impacts, the forest economic concessions’ management plan was changed in 1989, establishing a ban on logging. Instead, forest areas were declared National Reserve Forests to be solely managed by the Department of National Parks (DNP). The DNP still has the authority to approve any public or private project in these Reserve Forests while also controlling the livelihoods of more than 4 thousand forest communities that depend on forests.

The logging ban marked the emergence of an increasingly militarized approach to forest conservation, and the Royal Forestry Department adopted a hard line stance against those who lived inside protected areas, particularly against upland Indigenous communities in the north lacking Thai citizenship. Forests were seen as spaces where no agriculture was supposed to be practiced. All types of swidden agricultural systems were lumped together, stigmatized as irrational and destructive.

Besides, the relatively poor enforcement of the legislation and the confusion over land tenure claims in the Reserve Forests brought new layers of complexity. For instance, there were corruption scandals over tourism activities and the exploitation of resources in the Reserve Forests.

The attempt to categorize forests was clear in Thailand’s National Forest Policy Directives of 1985 and of 2019 (1), as they aim to have 40 percent of the country with forest areas. This aim was to be divided into 25 percent of state-controlled ‘Reserve Forests’ (national parks, wildlife sanctuaries, watershed areas); and 15 percent of ‘economic forests’ (forests reserved for multi-purposes), which include community forests and plantations by private actors on state-owned land. As of March 2023, according to the government, it has achieved 31.59 percent of this goal.

Community forests vary regionally. In general, they seek to maintain the ecological systems, ensure food sovereignty, preserve traditional medicines, support the local economies, and promote the spiritual well-being of the community. Therefore, every recognized forest community has the right to manage its own forests. But when the government issued the Community Forest Act in 2019, such laws and regulations severely limited communities' rights within Reserve Forest areas. The Department of Forestry is the only authorized body to determine and classify forests, meaning that only those registered under its office can be considered as community forests.

On the other side, the purpose of 'economic forests', which was initially for exploiting timber (aka. plantations), shifted to also allow private companies to use the areas for ecotourism and corporate social responsibility activities (CSR).

However, the pressure over the climate crisis and the international negotiations has transformed the status, economic value and use of forests (and tree plantations) to add a new type of asset: Carbon credits.

The Carbon in the Forests

International climate negotiations have transformed forests into 'carbon sinks' which are meant to generate 'carbon credits' to be traded in international free markets. These 'carbon sinks' are referred to as offset projects, because the credits from these projects are supposed to compensate for the pollution of others. Credits can therefore be bought by governments, companies or individuals that want to offset an 'equal' amount of carbon emissions or claim carbon 'neutrality'. (2) These 'carbon sink' projects can also be industrial monoculture plantations, as the importance is placed only on the capacity of trees to absorb carbon dioxide in order to generate the tradable credits. This logic of offsetting and of turning forests into 'carbon sinks' benefits the largest carbon-emitting industries, in particular the energy and agribusiness sectors, by enabling them to expand and operate under the guise of being 'carbon neutral'.

Companies invest in low-cost large-scale reforestation projects (mainly of monoculture tree plantations) to be used as carbon offsets. They can also buy carbon credits from projects in Protected Areas that are claiming to be 'storing' and 'conserving' the carbon.

Consequently, the Thai government's target to increase the number of tree-covered areas in the country as well as the private sector reforestation projects should not be regarded as benevolent initiatives, usually under CSR activities, but rather as a hidden agenda to profit from the carbon credits.

In 2007, Thailand began to integrate the concept of the carbon market into national policy. The Thailand Greenhouse Gas Management Organization (TGO) was established to implement mechanisms for the carbon market and administer the Thailand Voluntary Emission Reduction Program (TVER). Additionally, Thailand participates in the REDD+ (Reducing Emissions from Deforestation and Forest Degradation) program with support from the World Bank and the Royal Forest Department. All these policies and programs cause concerns among civil society organizations and forest community groups as they threaten to limit the rights of communities' in the use, access and management of their forests. Still, the REDD+ program continues to be pushed forward despite these concerns.

The role of carbon markets is expected to increase rapidly in the country. The government has launched its Nationally Determined Contribution (NDC) to the United Nations, with targets to increase

its forest-based ‘carbon capture capacity’. Forests and industrial tree plantations have become a key essential aspect for the government to be able to claim ‘carbon neutrality’ by 2050 and ‘net zero’ by 2065.

In this context and with these targets in mind, the Thai government launched a 20-Year National Strategic Plan (2018-2037) that aims to increase the tree cover areas to 50 percent of the national territory. This means that Thailand would need to have an additional 11.29 million Rai (3) (around 2 million hectares) of Reserve Forests and other conservation areas, and 15.99 million Rai (around 2.5 million hectares) of plantation areas by 2037.

To materialize these targets, several governmental agencies have issued laws and regulations specifically to support the carbon market, in particular REDD+ activities:

- The Royal Forest Department will expand Reserve Forests to an additional 4.5 million Rai (around 720 thousand hectares). This includes over 11,000 registered community forests with 300,000 Rai (around 50 thousand hectares);
- The Department of Marine and Coastal Resources will establish 3 million Rai of mangrove tree plantations (around 500 thousand hectares).
- The Department of National Parks will establish more Protected Areas, encompassing an area of 1.28 million Rai (around 205 thousand hectares).

Private companies are expected to earn 90 percent of the carbon credits (and profits) generated from this plan, with the remaining 10 percent for the government. There is no public information on how much community members who are hired as workers for doing the activities of forest management and the establishment of plantations will be paid. Certain activities, such as the traditional controlled fires for swidden agriculture practices, which are considered as disrupting the carbon absorption function of the area, are prohibited.

A “Bio-Circular-Green Model” for Evicting Forest Communities

To further assist carbon market policy, Thailand has recently launched an economic development plan called ‘The BCG Model’ (The Bio-Circular-Green Model), which aims to increase 32 million Rai of ‘carbon forests’ (around 5.1 million hectares). This area is included in the 20 years plan and is set to be accomplished with the investment of large private companies. Yet, the BCG model has been criticized for its limited participation of local communities, as the domination of large companies. On October 5th, 2022, the Thai government also passed a resolution that allows private companies to invest in reforestation activities (plantations) in state-owned lands.

Many companies in Thailand, including from the fossil fuels, petrochemicals and cement industries, are keen to engage in establishing plantations as carbon credits, as these can be used to lessen the pressure on their own pollution as well as to create business opportunities. For example, the PTT Group (Petroleum Authority of Thailand Public Company Limited), one of the biggest oil companies in the country, has recently announced a plantation project for 2.1 million Rai (around 336,000 hectares).

Meanwhile, the Mae Fah Luang Foundation and the Exchange Commission of Thailand have been promoting ‘community forest management’ projects in the northern, central, and southern regions of the country. This program aims to cover 300,000 Rai (around 48,000 hectares) with the aim of increasing income for communities via the selling of carbon credits and of offsetting companies’ pollution. Each community that participates has to meet the requirements for registration with the

Thailand Voluntary Emission Reduction Program (T-VER). (4)

The problem of structural injustice and unsustainable forest management has shown that these types of projects will lead to environmental destruction, violation of forest community rights, and increased conflicts between the companies, the government agencies and the forest communities.

In 2014, the National Council for Peace and Order passed a forest reclamation policy in the name of conservation. The government claims that they were able to reclaim 435,731 Rai (around 69 thousand hectares) of forests, however, this process led to the forced eviction of many forest communities, with more than 46,600 legal cases being filed against them. On top of this, the government plans to expand these conservation areas by creating 20 new national reserved parks.

There is a hidden agenda in the name of forest protection. The ultimate goal of this ‘forest reclamation’ policy for conservation is to maximize the number of hectares of forests under state ownership. These are now turned into ‘carbon sinks’ with a focus on generating profits for the private sector.

The many pieces of legislation passed in the name of forest conservation and climate mitigation have not been designed to protect the rights of forest communities, but rather to limit them from using their forests and lands and to encroach them into smaller areas.

Structural Problems by Reassessing Forests as Carbon Credits

There are many structural problems with this strong push for giving forests these new layers of economic interests and power. These include:

1. There is not enough forested land to absorb all the fossil fuels’ pollution
The energy sector and other polluting companies do not aim to stop nor reduce the extraction and use of fossil fuels. Forests will never be able to absorb the carbon that is emitted from the fossil deposits underground.

2. There are no empty forests
Forest areas are inhabited by forest communities. When companies are authorized to establish plantations, this means community forests, mangroves and fertile land will be grabbed for producing carbon credits.

3. Risk to over-claim carbon credits
T-VER’s credit accounting method includes plantations and restored forests. The reclamation of existing forests contradicts this as those forests have already been counted for carbon mitigation. Without clear criteria, there is a risk that companies will use this to further profit from this scheme.

4. The carbon stored in trees is not permanent
Forests are not machines; they have a cycle of absorbing and releasing carbon in each changing condition. Besides, political decisions and economic interests can also lead to large-scale deforestation or disasters such as wildfires. Yet, some of the carbon credits generated from those trees might already been accounted for and sold.

5. Private companies have conflict of interests with public interests
Private companies will generate profits from the carbon credits generated in the communities or state-owned forests. Meanwhile, the communities will merely be hired as laborers in their own land.

6. Forests exist and are rooted in communities' wisdom and knowledge
Forests are part of the human communities that have coexisted with them for generations, and these communities are part of the forests as well. These forests can regenerate themselves in a supportive environment. Thus, a monoculture plantation project, by definition, destroys the environment, the forests, and the interconnections with all living beings, including communities.

It is therefore imperative to ask 'What is the ultimate goal of carbon credits?'

The hype that the government, NGOs and polluting companies in Thailand have created around forest carbon credits creates a misconception that these will generate a mutual benefit for everyone. They claim, for example, that the government or the community that owns the forest generating the credits would benefit from receiving private investment. This assumes that forest communities would not able to independently manage the forests without private investment and that such investment will make things easier and better. In reality, however, experience with these projects in tropical forests around the world shows that this largely results in internal conflicts, broken promises, food insecurity, among others. Carbon credits are only a tool for the private companies to continue releasing their polluting emissions and profit, without having to reduce any while claiming to be 'green' or 'carbon neutral'.

The carbon market in the forests of Thailand continues to grow. There is an insatiable demand for carbon credits that threatens to create a massive scale of land grabbing for protected areas and industrial plantations on the one side, and industrial agriculture, mining and fossil fuel extractive activities on the other.

It is time to expose that carbon credits have nothing to do with reducing greenhouse gas emissions or mitigating climate change. They are just another push for capitalist actors to expand their destruction in the forests.

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(1) Thailand's National Forest Policy B.E. 2528 (1982) and subsequently amendment B.E. 2562 (2019). See the 20-Year National Strategic Plan (2018-2037).
(2) Carbon neutrality (Thai: ??) refers to a supposed balance between the carbon emissions and the removal of carbon emissions from the atmosphere; this is made largely via offsets.
(3) A rai (Thai: ???) is a unit used in measuring land area. It is commonly used in Thailand and one rai is equivalent to 0.16 hectares
(4) Mae Fah Luang Foundation and SEC Innovate Carbon Credit Offsetting Project to Combat Climate Change.