
Thailand's offset-based 'climate policy': more climate chaos and injustice

Buying carbon credits from forests or tree planting projects under the REDD mechanism (Reduction of Emissions from Deforestation and Forest Degradation) has become very popular worldwide. REDD has enabled many companies and governments to claim they are 'carbon neutral'— despite the fact that the mechanism has proven to be a failure. This strategy fails because carbon 'stored' in trees, once emitted, has a very different impact on the climate than carbon emitted from underground 'stores' of oil, gas or coal (1). Thus, after more than 18 years of REDD projects and programmes worldwide, the climate crisis has only worsened. Meanwhile, the only way to reverse climate chaos is to stop the extraction of fossil fuels.

Following the Rio Earth Summit in 1992 – the gathering that put the climate issue on the international agenda – the Thai government started to formulate and implement its 'climate policy'. Thailand has been particularly keen to base its policy on carbon offsetting. Carbon offsetting is an attractive option for polluting industries, because it is cheaper than actually reducing their emissions from burning fossil fuels. Carbon offsets allow companies to buy carbon credits from a project located elsewhere; in other words, it enables them to 'buy' the right to continue polluting.

After the REDD mechanism was launched internationally in 2007, the Thai ministry of Natural Resources and Environment created the Thailand Greenhouse Gas Organisation (TGO) to promote carbon offsetting and carbon trading. In 2009, Thailand became a member of the Forest Carbon Partnership Facility (FCPF) of the World Bank to 'get ready' for REDD. In 2014, the government set up the Thailand Voluntary Emission Reduction (T-VER) scheme, regulated by the TGO. After ratifying the Paris Agreement (2016), Thailand formulated its Nationally Determined Contribution (NDC) to combat climate change, which included: reducing its GHG emissions by up to 40% by the year 2030; becoming 'carbon-neutral' by 2050; and becoming 'net-zero' in terms of GHG emissions by 2065.

The World Bank's support, via the FCPF, has been critical in enabling the Thai government to formulate its REDD strategy for the period 2023-2037. In 2021, the government presented its REDD strategy to the Thai parliament for approval. The target of the strategy is to increase the country's forest cover from 31% (the current amount) to up to 40% in 2037. The Thai government claims this would lead to CO₂ emission reductions of up to 120 million tons. While this proposal is still awaiting parliamentary approval – and the voluminous funding expected to come from both the World Bank and other donors following said approval – the Thai government announced an even more ambitious plan for offsetting CO₂ emissions. It aims to use so-called 'green areas' to offset GHG emissions, with the goal of covering 55% of the country's territory (more than half!) with these areas.

The creation of 'green areas' instead of forests creates incentives for private companies to invest in not just reforestation projects but, also, industrial oil palm plantations, and any kind of tree monoculture project – such as eucalyptus, acacia, rubber or teak plantations. These companies are then allowed to get carbon credits for these projects, which allegedly offset their emissions. In recent decades, industrial oil palm expansion has been one of the largest direct cause of tropical deforestation worldwide, and therefore a major source of CO₂ emissions. At present, Thailand has about 1 million hectares of oil palm plantations and plans to further expand this area in the coming

years (2). All industrial large-scale tree monoculture projects have major impacts, including massive land grabbing, ecological impacts, the use of violence, and forced evictions.

The plan to implement these 'green areas' and incorporate more than half of the country's area into carbon offsetting schemes is being coordinated under the auspices of the T-VER programme. This plan anticipates an additional massive area of tree plantations totalling 30 million Rai (4.8 million hectares). As of September 2024, 460 projects had been registered under the programme, 87 of which involve tree plantations. The claim is that, together, they will purportedly prevent 13 million tons of CO2 emissions.

Thailand's economic policy perpetuates fossil fuel dependency

The central role that carbon offsets have in Thailand's 'climate policy' can be better understood when one looks at Thailand's economic development plans and energy matrix. Currently, 70% of Thailand's GHG emissions come from the burning of fossil fuels. The 2024 draft energy plan of the government for the period of 2024-2037 foresees that fossil fuels – in particular gas and coal – will continue to be Thailand's main source of energy, accounting for 48% of the country's energy supply. This source will be complemented by solar energy and other renewable energy sources (32%), hydropower (17%), and other sources.

Thailand's dependency on fossil fuels underpins the fact that its economic development policy is focused on implementing a network of 15 so-called "Special Economic Zones", including so-called "economic corridors" (3). These areas ensure special conditions for investors, including tax incentives and concession periods of up to 99 years. These zones are expected to attract foreign investments, especially from China, Japan and the USA.

But these projects will inevitably also lead to more land- and sea-grabbing, as well as more fossil fuel-based GHG emissions, due to all the construction, transportation and industrial activities involved. For example, the Southern Economic Corridor (SEC) planned in the South of Thailand will cover 14 provinces. The pilot sites will be in the Ranong, Chumphon, Nakhon, Thammarat and Surat Thani provinces, covering a total area of 300,000 Rai (48,000 hectares). This project will include a deep sea port, and chemical, petroleum-based and food processing industries. The SEC will destroy coastal and forest areas, evict communities, and heavily impact the food security of nearby communities. For context, this is a region where numerous communities depend on mangroves; the region also includes a Ramsar site (4) for biodiversity conservation.

Corporate profiteering and greenwashing

Rather than addressing the severe problem of climate chaos and its root causes, the Thai government's 'climate policy' – like that of so many other nations – benefits international investors and the country's already privileged private sector. This 'climate policy' also provides an additional benefit to highly-polluting fossil fuel companies; it enables them to greenwash and direct attention away from destructive activities and violations they commit.

One example of companies greenwashing and distracting attention from violations they commit is the case of the Thai national oil and gas company, PTT. PTT imports gas from Myanmar to ensure gas provision in Thailand. The payments that PTT makes to the Myanmar military regime allows that regime to continue its bloody war against its own people (5). Air strikes by the Myanmar army have already killed thousands of Myanmar citizens, and millions of its citizens have become refugees. However, PTT with its participation in the T-VER offset programme projects an image of a socially

and environmentally responsible company. In 2023, it announced it will ‘reforest’ 2 million rai (320,000 hectares) nationwide by 2030. Its CEO claims that PTT ‘has strictly adhered to its mission of maintaining energy security, as well as taking care of society and the environment over the past 45 years’ (6).

More social injustice and more resistance

Communities in Thailand who live in, depend on and take care of forests have had to deal with at least two major threats: attacks on their territory as the result of a destructive economic policy (including the SEZs); and a violent and authoritarian conservationist policy that constantly tries to evict them from the forest (7). And now, the rush to install carbon projects that would take control over their land – all under the guise of ‘offsetting’ pollution elsewhere – is an additional threat they will increasingly face.

As for the Southern Economic Corridor (SEC) in the South of Thailand, communities have already been protesting these plans. They have written letters to investors expressing their concerns, including about how this project is a threat to their livelihoods. But, like in other countries, communities in Thailand often accept carbon projects because of the benefits promised to them by the government and NGOs. In Thailand, 89 communities registered 121 so-called ‘community forests’ under the T-VER scheme, including communities in the South that depend on mangrove forests. Perhaps one reason communities go along with these projects is because they do not directly involve the overtly visible destruction that other projects – such as mining, tree plantations, deep sea ports, and industrial zones – entail.

Consequently, several communities in the South of Thailand have already signed contracts for up to 30 years to sell carbon credits (8). According to these contracts, communities would receive 20% of the carbon credit sales, while 70% would go to the carbon project developer, and 10% to the government. To receive their part, the community needs to make sure that the carbon ‘stored’ in the mangrove areas will not only be kept there, but will also increase over the project period. However, what this means in practice is not clear; the contract does not clearly talk about, for example, restrictions on entering and using the mangrove forests. What the contract for the carbon project does say is that it will pay community people to work for the project – which means monitoring the mangrove area against potential threats. But what are those threats, if the communities have always taken care of the forest?

Experience elsewhere has shown us that such ‘threats’ are most often the community members themselves, when they want to cut down a tree or otherwise intend to ‘disturb’ the carbon stored in the mangrove. These projects also engender conflicts within communities. For example, it is common for there to be divisions between a minority that in some way benefits from the project (e.g. through jobs), and a majority that is excluded from these benefits and even harmed by the project. Conflicts are very likely in the case of Thailand, where people on the ground in forest areas have historically been ignored, persecuted, and seen as not having any right to the land. Due to this historical precedent of ignoring forest dwellers’ rights, the new ‘right holders’ of carbon (companies promoting and purchasing the carbon credits) usually do not properly inform the community about their projects, let alone seek their consent.

But increasingly, communities and people’s movements across Thailand have begun to talk about and seek to better understand what is really going on with the government’s ‘climate policy’. They are talking about how carbon offset schemes tend to worsen the climate chaos and cause more social injustice, rather than doing the opposite (9).

Their struggle can help us address the multiple crises Thailand is facing, by pointing us in a new direction: instead of promoting carbon offset schemes that increase corporate profits based on the extraction and burning of fossil fuels, we can promote and recognize the rights of forest-dependent communities – such as the communities in the Southern mangrove forests of Thailand who depend on and have taken care of these forests for many generations. Supporting their struggles, and their demands, can advance both social and climate justice in the country.

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(1) <https://www.wrm.org.uy/15-years-of-redd-is-all-carbon-the-same>

(2)

<https://www.krungsri.com/en/research/industry/industry-outlook/agriculture/palm-oil/io/plam-oil-industry-2024-2026>

(3) <https://www.thailand.go.th/issue-focus-detail/006-023>

(4) So-called wetlands of international importance, see www.ramsar.org

(5) <https://globalmayday.net/bloodmoneymyanmar/>

(6) <https://www.nationthailand.com/business/corporate/40030072>

(7) <https://www.wrm.org.uy/bulletin-articles/forest-colonialism-in-thailand>

(8) <https://dialogue.earth/en/nature/thailand-turns-to-mangrove-carbon-credits-despite-scepticism/>

(9) The People's Network for Climate Justice and Against Greenwashing. Stop Greenwashing Say No to Carbon Offset End the false solutions to climate crisis. 14 October 2024, [See here](#).