

The 12th Asia-Pacific Seminar on Climate Change

Session VI: Multi-Stakeholder Approach to address Climate Change

Perspectives of Private Sector of Thailand

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1. Introductory Remarks

It is very crucial now that our countries in Asia-Pacific are in the process of recovering from the financial illness. The diagnosis of the next step(s) regarding Climate Change impacts is therefore very essential. However, the **Multi-Stakeholder Approach** to address Climate Change issues, e.g. Kyoto Protocol (KP), CDM/JI, CP, etc need a comprehensive **“Private Sector-led Package”** as a key of success. It is noticed that the involvement of the Private Sector especially Industrial Sector is somewhat weak in many countries perhaps due to the “in process” decision or policy of the local government or any hidden agenda reasons. The “mutually best solutions” is needed to avoid any **negative impacts** that may occur in the near future.

The proactive roles towards the CC impacts in this region should focus more on their **“economic reforms”** and environmental awareness strategies from all **“grass-root”** levels. Now almost all the “new reforms” among those countries are geared towards **Sustainable (Industrial) Development** for the changing global economy.

- It should be noted that **“basic understanding”** of Climate Change e.g. the CDM remains a **major gap**, and this could indeed be decisive factor that determines the **“fate”** of CC/CDM operation in Thailand. Focussing on the possibility of having a **“public campaign”** to educate the people *en masse* on these issues is urgently necessary.

2. Private Sector Perspectives

- The trend of Industrial Development in the new millenium is on a basis of “All-Dimension-Integration” towards Sustainable Industrial Development,
 - A “balance” among social, environment, quality of life, standard, and economic dimensions
 - Value-added “cleaner” production and “green” products, cost control, increase of competitive advantage, environmental-friendly and preparedness for multi-disciplinary “trade barriers” in the near future
- The major of FDI is directed to the Industrial Sector where CDM is a target
- The potential CDM investment seems to lie in, e.g. food, textile, metal & non-metallic and chemical industries especially in energy sector
- Thailand are ranked 10th amongst the 31 non-Annex I countries in term of investment risk
- Thailand could be one of the attractive countries for CDM investment based on its political stability, regulatory policy, investment risk and current account stability
- However, “markets” must recognize their explicit motivation to attract capital flows and technology transfers in “sectors” that meet sustainable development objectives

2. Private Sector Perspectives

- Moreover, to achieve an effective CDM implementation, there is a need to enhance and strengthen capacity building of the private sector as a “host participant”, an “operational entities” or an “important players”
- It is important for private sector to find out a “right mix” between Commercial Viability and Sustainable Development when starting CDM biz.
- “Priority”, “Trade-off” and “Low Hanging Fruit” issues need to be addressed whether CDM should move early and effectively
- It is recommended that CDM process be added into private sector new investment plan
- The questions are:
 - How public policies of Developed Countries are used to guide private sector to play proper role in CDM ?
 - How could CDM domestic and international criteria are accommodated in the private sector’s investment process ?

2. Private Sector Perspectives

- Other questions (cont.)
 - How could the private sector contribute to KP under the current government policies and situation ?
 - What would be the expectation of the private sector in transferring technology through the CDM ? (see Table 1)
- Based on KP [Art. 12(2) and 12(9)], it is most likely from the private perspective that (bilateral) CDM could be one of the market mechanism to attract investment and facilitate clean technology transfer while contribute to achieve the national sustainable development objectives
- “Private Sector-led Package” with their “fully-engaged participation” is a key of success

3. Unfavorable Conditions Imposed on Technology Transfer in 1994 (Table 1)

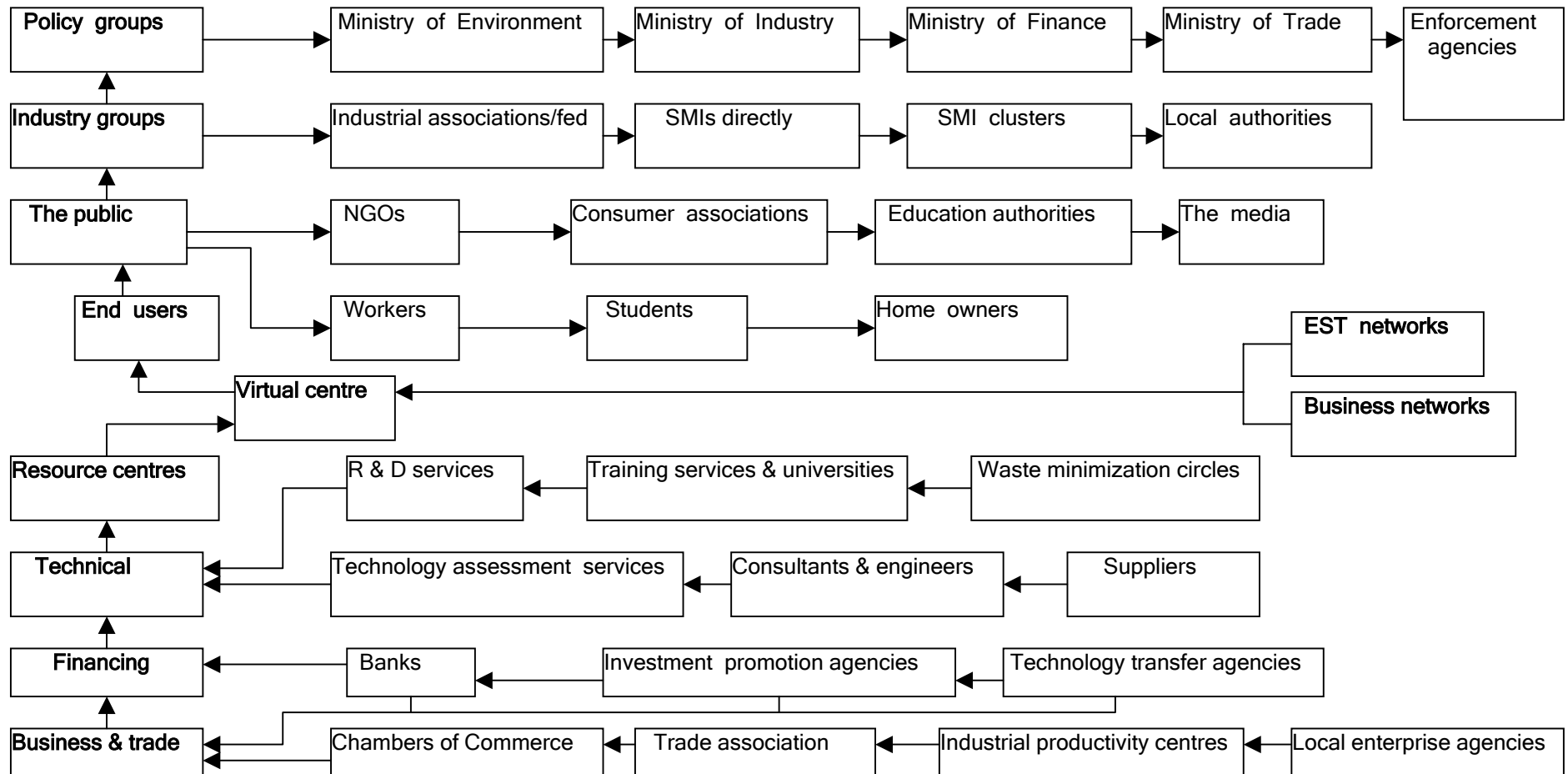
| Division | (Unit: case, %) | | | | | | Total |
|---|-----------------|--------|---------|--------|--------|--------|--------|
| | US | Japan | Germany | UK | France | Others | |
| No. of technologies Introduced | 209 | 168 | 37 | 28 | 20 | 61 | 523 |
| No. of technologies Introduced accompanied by patent rights | 122 | 82 | 28 | 18 | 4 | 31 | 280 |
| * Terms and Conditions | (58.4) | (48.8) | (62.2) | (64.3) | (20.0) | (50.8) | (53.5) |
| Non- exclusive | 12 | 13 | 4 | 1 | 1 | 3 | 34 |
| Export prohibited | 3 | 7 | 3 | 1 | - | - | 14 |
| Unconsignable to a third Party | 10 | 15 | 2 | - | 2 | 1 | 30 |
| Improvement of technology Should be shared | 16 | 13 | - | - | 3 | 2 | 34 |
| Competitive technologies or products cannot be dealt In. | 4 | 3 | - | - | 3 | - | 10 |

4. Potential Stakeholders for Industrial CC

- An idea of potential National Stakeholder Groups for Industry include Policy, Industrial Institutions, Bodies representing the publics' interest, Academic and Technical Facilities, Financial Institutions, and Business and Trade
- These stakeholder groups can either contribute to (“resource centers”) or benefit from (“end users”) the process involved in technology transfer

There will need to be a coordinating body at the national level (the “virtual center”), into which national and international sources of information and business/investment contacts should flow (see Diagram 1)

5. Overall Picture of Potential Stakeholders in Address Climate Change Issues (Diagram 1)



6. Conclusion

- Clear “early warning system” and “preventive measures” from the government support in dealing with climate change issues e.g. CDM are very essential for private sector
- SID & commercial viability/productivity increase may need “trade-off”
- Full participation and cooperation from private sector is “out-of-question”
- Another question could be:
“How CC/CDM be made attractive to commercial/business private sector under the convention’s basis: **common but differential responsibility** ?”

THANK YOU