THAILAND
THE THAI AUTO PARTS SUPPLY CHAIN DEVELOPMENT THROUGH ENERGY EFFICIENCY (TAPEE) PROGRAM

OVERVIEW

Country / Global implementation
Thailand
Upper Middle Income Country (UMIC)

Thematic area
Energy

Project start date
Q1 2017

Funding source
Core

2017 budget
USD 63,456

% of budget disbursed
92%

RELEVANT SDGs
7. Ensure access to affordable, reliable, sustainable and modern energy for all.
9. Build resilient infrastructure, promote inclusive and sustainable industrialization and foster innovation.
17. Strengthen the means of implementation and revitalize the global partnership for sustainable development.

CONTEXT
The Industry GHG Reduction Roadmap, which was developed with GGGI support during 2014-2016, focuses on three high impact industrial sectors: automotive parts, palm oil, and frozen seafood. All these sectors are crucial to consider in NDC implementation and have significant GHG reduction potential. Developing green projects (e.g. energy efficiency, renewable energy) in these sectors could effectively contribute to national effort in meeting NDC targets.

- Small and Medium Enterprises (SMEs) in these sectors lack the technical and financial capacity to develop and implement the green projects.

OVERALL OBJECTIVES
• Reduce GHG emissions by approximately 3-5 MtCO2e in three selected manufacturing sub-sectors (i.e., auto parts, palm oil, and frozen seafood), which will result in up to THB 4.3 billion in cost savings.
• Operationalize an EE risk-sharing facility established by the Royal Thai Government and/or local FIs that will mobilize private sector investment; and
• Operationalize an OBR/OBF mechanism established by a utility in Thailand (i.e., PEA) that will mitigate credit risk and streamline loan repayment through cost savings; and
• Mobilize a minimum of USD 30 million in financing for EE investment in the SME auto parts sector.

HIGHLIGHTS
• Developed partnership with state-owned utility company, PEA, which initiated energy audits in 20 companies.
### RESULTS ACHIEVED IN 2017

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<tr>
<th>OUTCOME 1</th>
<th>STATUS</th>
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<tbody>
<tr>
<td>The energy efficiency market in Thailand is expanded.</td>
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<td>The initial Energy Audit of 20 companies is to be completed in early 2018, followed by 200 audits by April 2018.</td>
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<tr>
<th>OUTPUT 1.1</th>
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<tr>
<td>Design Risk Sharing Facility for Thai Auto Parts Energy Efficiency Program.</td>
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<td>While a technical advisory consultant was brought on board, the de-risking facility establishment work was delayed because the financing option is not yet finalized.</td>
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<tr>
<td>Design on-the-bill repayment/financing mechanism for Thai Auto Parts Energy Efficiency Program.</td>
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<tr>
<td>Agreement with PEA on On-the-bill repayment mechanism is underway.</td>
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### ADDITIONAL RESULTS

- GGGI developed partnership with key stakeholders for TAPEE program.
PARTNERS

LOCAL

- Office of Natural Resources and Environmental Policy and Planning (ONEP), Ministry of Natural Resources and Environment
- Provincial Electricity Authority (PEA)

LESSONS LEARNED

- The time needed for awareness raising, coordination and capacity building within Government as well as local stakeholders should not be underestimated;
- These types of projects engaging multiple local stakeholders require a solid focal person who has a strong relationship with local stakeholders.