

International Carbon Credit Guideline

Whereas it is expedient to prescribe the guidelines regarding carbon credit management for an international objective for the purpose of supporting transfers of mitigation outcomes between Parties under the Article 6 of the Paris Agreement under the United Nations Framework Convention on Climate Change or under other international mechanisms or agreements to which Thailand is obligated, as well as supporting achievement of national greenhouse gas emissions reduction targets, and facilitating project developers of mitigation activity intending to use carbon credits for an international objective.

By virtue of the provisions of clauses 8 (2) (3/1) (5) and (7) of the Regulations of the Office of the Prime Minister on Implementation on Climate Change, B.E. 2550 (2007), as amended by the Regulations of the Office of the Prime Minister on Implementation on Climate Change (No. 5), B.E. 2561 (2018), and the by the Regulations of the Office of the Prime Minister on Implementation on Climate Change (No. 7), B.E. 2567 (2024), the National Committee on Climate Change Policy hereby prescribes the carbon credit management guidelines for an international objective, as follows:

1. Carbon Credit Management Guideline and Mechanism as acknowledged by the Cabinet on 17 May B.E. 2565 (2022) shall be withdrawn.

2. Hereinafter,

“Department” means the Department of Climate Change and Environment.

“Director-General” means Director-General of the Department of Climate Change and Environment.

“TGO” means Thailand Greenhouse Gas Management Organization (Public Organization).

“Paris Agreement” means the Paris Agreement under the United Nations Framework Convention on Climate Change.

“Use of carbon credits for an international objective” means the use of carbon credits acquired from a project located in Thailand for the achievement of mitigation targets of another Party to the Paris Agreement or for offsetting of greenhouse gas

emissions under other international mechanisms or agreements, which restricts Thailand from using the carbon credits transferred for the achievement of its own NDC, as prescribed by international laws, while also requiring corresponding adjustment to be executed.

“International transfer of carbon credits” means a transfer of carbon credits between Parties according to Article 6 of the Paris Agreement, which requires corresponding adjustment to be performed in accordance with the guideline adopted by the Conference of the Parties to the United Nations Framework Convention on Climate Change, or a transfer of mitigation outcomes under other international mechanisms or agreements in the similar manner.

“Greenhouse gases” means carbon dioxide, methane, nitrous oxide, hydrofluorocarbons, perfluorocarbons, sulfur hexafluoride, nitrogen trifluoride, and any other gases specified by the Department.

“Project” means a project or activity established to be a project for reduction of greenhouse gas emissions.

“Project owner” means a natural person or a juristic person who owns a greenhouse gas reduction project or activity, or who holds a document showing ownership of the project in case where another person co-invests or co-owns the project.

“Carbon credits” means the amount of greenhouse gases, expressed in tons of carbon dioxide equivalent (tCO₂eq), that are reduced from the implementation of a project and are issued and recorded in a registry system.

“Standard” means a carbon credit certification standard that is eligible the international mechanisms or agreements to which Thailand has obligations.

“Carbon credit registry system” means an electronic system or any other system for recording holding, transfer, acquisition, cancellation, and use of carbon credits, as well as for creating, transmitting, receiving, and storing any other data for the execution of carbon credit transactions, which is managed by TGO.

Section 1
General Information

3. Any transfer of carbon credits which are acquired from a mitigation project located in Thailand, whether entirely or partially, for the use for an international objective shall comply with this Guidelines.

4. In the case where a transfer of carbon credits according to clause 3 is a voluntary transfer under Article 6.2 of the Paris Agreement, such carbon credits must be derived from a project under a cooperation agreement between Parties to the Paris Agreement.

5. In preparation of a cooperation agreement specified in clause 4 before submission for the Cabinet's approval, relevant government entities shall carefully consider the benefits to be gained by Thailand from entering into such agreement, as well as international agreements, laws and related rules or regulations.

6. A cooperation agreement shall, at a minimum, specify details of the following.

- (1) The purpose of the use of carbon credits
- (2) The corresponding adjustments
- (3) The arrangement for the suspension of transfers of carbon credits

7. Carbon credits to be transferred according to clause 3 shall be acquired from one of the following project types:

(1) capture, storage or utilization of greenhouse gases such as Carbon Capture and Storage (CCS), Carbon Capture and Utilization (CCU), and Direct Air Capture (DAC);

(2) renewable energy or fossil fuel replacement such as green hydrogen energy, tidal energy, offshore wind energy, geothermal energy, sustainable aviation fuel (SAF), production or use of green ammonia in energy and industrial sector;

(3) improvement of energy efficiency in buildings, factories or households such as high-efficiency electric furnaces and electric boilers as fossil fuel furnace replacements, high-efficiency electric motors for industrial processes;

(4) improvement of efficiency of electricity or heat generation such as energy storage, green pallet production from agricultural waste for combined heat and power;

(5) greenhouse gas reduction in transport sector such as electrification of transportation systems, hydrogen vehicles, plug-in hybrid electric vehicles (PHEVs) with a fuel cell, electric vehicles or improvement of engine efficiency;

(6) improvement of production process or management of industrial waste such as improvement of the process or technology of chemical or petrochemical production, production of low carbon cement, production of methanol using carbon dioxide or green hydrogen, reduction of the use of fluorinated gases by avoiding use, substitution, recovery, reuse, reclamation, and environmentally friendly disposal;

(7) improvement of production process or management of agricultural and livestock waste such as soil management, methane reduction of rice cultivation, improvement of animal feeds, improvement of animal breeds, production of advanced bio methanol from agricultural waste and scraps;

(8) wastewater or waste management using advanced technology such as technology for decomposing of food waste, community's wastewater treatment system;

(9) emission reduction from forest areas such as restoration of degraded forests, sustainable forest management and forestation for carbon sequestration; and

(10) other project types as approved by the National Committee on Climate Change Policy and consistent with national mitigation plan, policy or measures.

8. A project under clause 4 must fully possess the characteristics as described below:

(1) being a project that leads to reduction of greenhouse gas emissions from sources or enhancement of greenhouse gas sinks and reservoirs in addition to those prescribed in the country's NDC Action Plan;

(2) being a project that sets forth the conditions on the crediting period, corresponding adjustment and any other conditions specified under the scope of reporting on national greenhouse gas inventory in accordance with relevant international obligations;

(3) being a project that supports the achievement Thailand's Long-Term Low Greenhouse Gas Emission Development Strategy (Thailand LT-LEDS), including the achievement of the carbon neutrality and net zero greenhouse gas emission targets, while also contributing to sustainable development;

(4) being a project that contributes to capacity enhancement of human resources or organizations in Thailand, through development or transfer of advanced technology, knowledge or innovation, or that requires a large amount of financial investment and is only feasible due to the returns to be derived from mitigation outcomes generated under the project; and

(5) being a project that generates mitigation outcomes which are measurable, reportable and verifiable in Thailand, and are certified in tons of carbon dioxide equivalent.

Section 2

Use of carbon credits for an international objective

9. Request for a letter of authorization to use carbon credits for an international objective shall be submitted to Director-General, along with the objectives and details of the project, as per the procedures prescribed by Director-General.

10. In considering the approval to use carbon credits for an international objective, Director-General shall assess the objectives and details of the project against the following criteria and conditions.

(1) The objectives and details of the project are in conformity with Thailand's international obligations on climate change, as well as with Thailand's policies, plans and measures related to mitigation.

(2) The amount of carbon credits to be used for an international objective, when combined with the amount of those approved under other projects, does not exceed the cumulative amount specified in the country's NDC Action Plan.

(3) The sharing of carbon credits or other benefits to be gained by Thailand are reasonable and appropriate.

(4) The carbon credits acquired from project implementation align with the conditions set out in the country's NDC Action Plan.

11. In case where a project according to clause 9 meets the criteria and conditions specified in clause 7, 8, and 10, the following shall be undertaken.

(1) If the project according to clause 9 is a project under Article 6.2 of the Paris Agreement, Department shall proceed in accordance with the procedures defined in the cooperation agreement.

(2) If the project according to clause 9 is a project under Article 6.4 Mechanism or Paris Agreement Crediting Mechanism, Department, as Designated National Authority (DNA), and TGO, as a responsible entity of the carbon credit registry system, shall coordinate, where relevant with their responsibilities, with Article 6.4 Supervisory Body.

(3) If the project according to clause 9 is a project under another international agreement, proceed in accordance with the procedures specified under that specific agreement.

12. Once clause 11 is completed, Director-General shall issue a letter of authorization to use carbon credits for an international objective.

Section 3

Issuance and international transfer of carbon credits

13. Director-General shall have the authority to approve the issuance of carbon credits which are to be transferred internationally, provided that the following procedures are undertaken.

(1) The project has been registered with an agency administering a standard in accordance with the following.

(a) A project under Article 6.2 of the Paris Agreement has been registered with TGO with an account opened in the carbon credit registry system in accordance with the law on the establishment of the Thailand Greenhouse Gas Management Organization (Public Organization).

(b) A project under Article 6.4 of the Paris Agreement has been registered with Article 6.4 Supervisory Body.

(c) A project under another international agreement has been registered with an agency administering the standard specified in the cooperation agreement.

(2) Carbon credits generated from the project have been issued by an agency administering the standard in accordance with the criteria set out by the standard.

14. A request for international transfer of carbon credits shall be submitted to Director-General by Project owner, who has received a letter of authorization to use carbon credits for an international objective, in accordance with the method and procedures prescribed by Director-General.

15. Once Director-General has considered a request for international carbon credit transfer, Project owner and TGO shall be notified of the results.

For a project registered with TGO, TGO shall proceed with the international transfer of carbon credits by cancelling the carbon credits and recording the transfer data in the carbon credit registry system, then issuing a letter notifying Project owner of the transfer results.

For a project registered with other agencies other than TGO, Project owner shall submit a request to cancel carbon credits with the agency administering the standard and submit proof of cancellation to TGO. TGO shall then record the international transfer of carbon credits by recording the transfer data in the carbon credit registry system and issue a letter notifying Project owner of the transfer results.

16. The use of carbon credits for an international objective, which has been recorded in the carbon credit registry system, shall be strictly limited to the objectives specified in the letter of authorization to use carbon credits for an international objective.