

A Low-Carbon Future for Urban Families and Communities Across Thailand



HOW THE GAP FUND IS SUPPORTING STRATEGIC INVESTMENT PLANNING TO CREATE CLEANER AIR, AFFORDABLE CLEAN ENERGY, AND RESILIENT NEIGHBOURHOODS FOR MILLIONS OF THAI CITY RESIDENTS.



 **Bangkok, Nakhon Ratchasima, Ubon Ratchathani, Khon Kaen, Chiang Mai, Buriram, Udon Thani, Chonburi, Nakhon Si Thammarat, Sisaket, Pattaya, Phuket, Songkhla**

 **Approximately 18.7 million people across participating cities**

 **Category of Climate Action:**

- Energy efficiency & renewables
- Waste
- Green buildings
- Sustainable urban mobility
- Multi-sector area-based investment programs

A shared urban vision takes shape

From Khon Kaen to Chiang Mai, Phuket to Rayong, Thailand's urban areas are growing fast. As more people make these places their home, cities are under increasing pressure to provide the infrastructure and public services their communities need, efficiently, equitably, and sustainably.

Across the country, city leaders share a clear and urgent ambition: to build greener, healthier, more livable urban environments that support their residents' wellbeing and protect them from growing climate risks. They want to reduce air pollution, lower energy costs, make streets safer, and ensure every community, especially the most vulnerable, can thrive in the face of a changing climate.

Thailand's national commitment to carbon neutrality by 2050 reinforces this ambition, creating both momentum and opportunity. But to make this vision a reality, cities must rapidly transition away from fossil fuels and toward smarter, low-carbon urban development.



The missing link in Thailand's climate transition

Delivering this transition depends on many factors, like having strong policies, better public awareness, and coordinated efforts between government and industry. But Thai cities face an even more fundamental hurdle: they need new and innovative ways to access financing for climate-smart urban infrastructure.

Many local governments lack the technical capacity, investment planning tools, or financial partnerships to move from climate ambition to actionable, finance-ready projects. Without this crucial support, their vision of a low-carbon, climate-resilient future for their communities remains out of reach.





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Building a national pipeline for low-carbon investment

Recognizing this challenge, the Gap Fund provided the cities with the technical support needed to transform their climate ambitions into investment-ready opportunities. The WB-Gap Fund helped create an enabling environment for infrastructure investments from both public and private sources. The support provided included:

- **Development of a comprehensive green investment pipeline for Bangkok.** The Gap Fund helped the city create a detailed list of high-impact, climate-friendly projects. This included making buildings more energy efficient, improving public transport, better waste management, and cleaner water systems. The assessment showed that these projects would represent \$24.2 billion in investment opportunities and could reduce the city's greenhouse gas emissions by 21%.
- **Market sizing analysis for low-carbon interventions.** The Gap Fund looked at specific improvements cities could make, like helping buildings use less energy, putting solar panels on rooftops, switching streetlights to LEDs, and encouraging electric motorbikes. Next, the team worked out how much each of these would cost and the amount of emissions they would prevent across Bangkok, Chiang Mai, Khon Kaen, Nakhon Sawan, Phuket, and Rayong.
- **Design of an innovative carbon finance mechanism.** The Gap Fund designed a new way for cities to access capital for climate projects by working with Thailand's financial institutions and environmental agencies, creating new pathways for cities to access funding.

This comprehensive approach delivered concrete results that extended far beyond technical reports. The investment pipeline developed for Bangkok now forms part of the city's updated low-carbon strategy, which was officially launched in July 2024. Given that the Bangkok Metropolitan Administration faces difficulty in securing public investment funds, the strategy emphasises private building upgrades that demonstrate high financial returns while delivering environmental and health benefits for residents.

Beyond Bangkok, the work included extensive awareness-raising across public and private actors about the attractiveness of low-carbon city investment programs. This engaged key stakeholders, including the Ministry of Environment, Ministry of Energy, Ministry of Finance, Prime Minister's Office, and Bank of Thailand, along with the Federation of Thai Industries, Bangkok Chamber of Commerce, and Industrial Estates Authority of Thailand.



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From groundwork to a \$200 million national programme

This foundation of technical support and stakeholder engagement has generated significant momentum for transformational change. Formal approval by Thailand's National Climate Change Committee (NCCC) was granted, endorsing the Low Carbon City project as a national climate initiative with a proposed \$200 million investment program.

This comprises a carbon crediting mechanism and a large-scale investment pipeline of urban decarbonization projects such as energy efficiency retrofits, solar PV installations, and EV transitions. This shows how early-stage technical assistance can unlock much larger investments that benefit countless lives across multiple cities.

