



AFD AND Thailand



2004
Opening of the
Bangkok office

8041 tonnes/year
of CO2 equivalent avoided
thanks to the projects

7.7 MW
of renewable
energy financed

Thailand, Southeast Asia's second-largest economy, is an emerging country. But it faces a three-fold challenge: the ageing of its population, the maintenance of competitiveness and environmental preservation. AFD provides its supports in the country's transition to green and sustainable growth.

OUR ACTION IN Thailand

1

Encouraging the energy transition

Energy consumption is very high in Thailand, like in many emerging countries witnessing rapid economic development. Today, it is almost twice as high as in the majority of European countries and up to three times higher than the average for Latin American countries. Power generation, still predominantly of fossil origin (64% from gas and 20% from coal), leads to significant greenhouse gas emissions.

Within the framework of the Paris Climate Agreement, Thailand has made a commitment to diversify its energy sources and develop solar, wind, biomass energy as well as work on waste processing. It aims to reduce its energy intensity by 30% by 2036.

AFD supports this ecological transition through providing a credit facility to Kasikorn Bank to finance energy efficiency projects. The goal: to reduce the amount of power consumed in commercial and residential buildings. AFD also supports the bank in the identification of new energy efficiency improvement projects and to improve its practices to target the best green finance standards.

2

Supporting territorial and ecological transition

Responsible for nearly half of the country's greenhouse gas emissions, the transport sector is a real environmental challenge for Thailand. Rapid urbanization in recent decades, particularly in Bangkok, has contributed significantly to this phenomenon. One of the Thai government's priorities in recent years, transport development is therefore the focus of several investment plans whose main goals are the reduction of environmental impacts, establishing a balance between urban and rural development and strengthening national development and the country's competitiveness.

AFD finances workshops with various private and public sector operators on technical and financial issues related to transport. At the request of the central authorities, a support mechanism will be put in place to support ongoing studies on the future tramway project on the Phuket Peninsula.

3

Looking beyond Bangkok

Our agency, located in the Thai capital, also plays a regional role for AFD in Southeast Asia:

- It implements regional projects in Thailand and the rest of Southeast Asia, for example with a project to support the emergence of geographical indications in the region
- It houses the activities of Proparco, its private sector subsidiary, in charge of representation and project identification in the following countries: Myanmar, Cambodia, China, Indonesia, Laos, Malaysia, Mongolia, Philippines, Thailand and Vietnam
- It has a team of technical experts in the following sectors: energy, rural and agricultural development and preservation of biodiversity, water and sanitation, urban development, banking intermediation and financing of public enterprises
- It finances vocational training courses and different workshops for the whole of Asia (disaster risk management, urban planning, water management, etc.)
- It is developing third-country cooperation with its Thai counterpart, the Thailand International Cooperation Agency (TICA).

As part of its mandate to fight against climate change, AFD is also exploring projects supporting urban development and environmental management of municipalities, waste treatment, water management, wastewater treatment, environmental risk management...