



Addressing Thailand's Climate Finance Gap: Approaches for Achieving a Net-Zero Future

Introduction

Thailand is at a critical turning point in its climate finance journey. Current investment flows, while showing steady progress, are inadequate to fulfill the country's objectives of reducing greenhouse gas emissions by up to 33% unconditionally, 40% by 2030 (with international support), achieving carbon neutrality by 2050 [1]. In addition, the government has officially revised its **net-zero greenhouse gas emissions target from 2065 to 2050**, indicating a significant shift under the new administration and demonstrating a stronger national commitment to a low-carbon and resilient economy [2].



Understanding the Scale of Thailand's Climate Finance Challenge

From 2018 to 2024, Thailand secured **B1.6 trillion (\$47 billion)** in climate finance, with the private sector, notably corporations and commercial banks, contributing more than 60% of the total funding. The majority went to mitigation, especially renewable energy (48%) and transport (16%), while adaptation received less than 1%. Essential sectors such as agriculture, disaster resilience, water management, and waste management are significantly underfunded, leaving the economy's most vulnerable areas susceptible to climate-related disruptions.

The required investment magnitude significantly surpasses existing financial flows. Thailand demands an annual climate investment of **\$22–28 billion** from 2030 to 2050 to fulfill its nationally determined contributions and achieve net-zero targets. Current funding levels are approximately 50% below requirements, resulting in an annual financing deficit of **\$11–17 billion** [1].



Policy Recommendations by ADB for Closing Thailand's Climate Finance Gap

To address Thailand's notable climate finance gap and facilitate the achievement of its enhanced NDC and net-zero objectives, ADB recommends a five-pillar strategy as outlined below [1].

- 01 Catalytic finance mechanisms**
Assist in reducing risks and boosting of investments in green infrastructure and climate-resilient agriculture.
- 02 Expansion of green capital markets**
Attract global investors through green bonds and sustainability-linked loans.
- 03 Institutional strengthening**
Ensure transparent, efficient allocation of funds and stronger governance.
- 04 Establish frameworks for project selection and public-private partnerships**
Prioritize high-impact initiatives aligned with national goals.
- 05 Establish a National Climate Finance Database**
Gather data on Thailand's public, private, and international climate financing to enhance transparency and facilitate strategic decision-making.

Conclusions

Thailand is at a critical point where it needs better coordination, transparency, and innovative financing to close its climate funding gap and speed up the achievement of its NDC goals. Thailand needs to focus on expanding blended finance, making a single national climate finance strategy, and giving **the Department of Climate Change and Environment** greater authority and accountability across all implementing agencies in order to make the transition to a low-carbon economy fair and efficient [1].

References

[1] Asian Development Bank (ADB). (2025). Thailand's Climate Finance Landscape: Bridging the Gap to Net Zero (ADB Brief No. 347). https://doi.org/10.22617/BR F25_0306-2

[2] SCB Economic Intelligence Center. (2025). The Government Announces Policy to Advance the Net Zero Target by 15 Years: A Major Turning Point Reshaping the Future of Thai Industry. SCBEIC. Retrieved from <https://www.scbeic.com/en/detail/product/9921?rand=55232>