

# CLIMATE INVESTMENT FUNDS

## CTF INVESTMENT PLAN

### Thailand

Thailand is one of Asia's foremost development success stories, with decades of sustained growth and impressive poverty reduction, and corresponding energy consumption and electricity demand. Major new investments in the power sector and introduction of new generation technologies will be needed to satisfy continued economic growth. In particular, Bangkok, as Thailand's center of economic activity and engine of growth, is projected to account for almost 50 million tons of CO<sub>2</sub>-equivalent by 2012.



In response, to create a sustainable energy path, the government has set an ambitious goal to ensure 20% of the country's energy consumption in alternative energy by 2012. The Bangkok Metropolitan Authority has set a corresponding goal of reducing greenhouse gas emissions by 2012 by 15%.

Thailand and Bangkok are also seen as regional leaders for introducing new ideas. Technology transformation induced by low carbon growth of the Thai economy will also help promote these concepts in the region more broadly.

Thailand's CTF Investment Plan will provide \$300 million to support both the national and municipal Bangkok targets.

The Thailand CTF Investment Plan identifies two priority investment areas:

#### 15-year Alternative Energy Development Plan (AEDP) to meet target of 20% by 2012

- Increase power generation share from renewable sources by Small Power Producers and Very Small Power Producers
- Increase share of thermal power from renewable sources
- Promote biofuels for transportation
- Promote the use of natural gas for vehicles

### Thailand CTF INVESTMENT PLAN

CTF financing: **\$300 million**

Co-financing: **\$3.963 billion**

#### Project Approvals

##### Sustainable Energy Finance

CTF Approval Date: Oct '10

CTF financing: **\$30 million**

Co-financing: **\$990 million**

Partner MDB: **International Finance Corporation**

##### Renewable Energy Accelerator Program

CTF Approval Date: Jun '10

CTF financing: **\$40 million**

Co-financing: **\$260 million**

Partner MDB: **International Finance Corporation**

## Clean energy advancement through public and private sector initiatives

- **Catalyzing clean energy investments** through selected Specialized Financial Institutions (SFIs) to lend to renewable energy and energy efficiency projects which are large in number but small in size.
- **Advancing public investments in clean energy** in two public investment programs through public utilities: the Electricity Generating Authority of Thailand (EGAT) and the Provincial Electricity Authority (PEA).
- **Clean energy advancement through private commercial banks** for renewable energy, energy efficiency and cleaner production in industrial, commercial and residential sectors. Key components will include a risk sharing facility to provide partial credit guarantees, a mezzanine finance facility for smaller renewable energy project developers, and equity/finance for large-scale renewable energy projects.

## Urban transformation in Bangkok to support metropolitan authority targets

- **Bus Rapid Transit** as part of an integrated urban transport system. CTF co-financing is proposed for construction of selected priority BRT routes as part of an interlinking network of 14 BRT routes throughout the city totaling more than 250 km. The investment program would feature pedestrian and bus connections with mass transit lines and potential introduction of hybrid bus technologies. The BRT system would also seek to transform the municipal bus sector, which has seen a steady decline in ridership in recent years, through new investments, modern operating practices and “congestion cutting”.
- **Improving city energy efficiency.** CTF support is proposed to co-finance energy efficiency investments in BMA facilities and public spaces, covering 20,000 square meters with a target to reduce BMA’s electric-



ity bill by 30 percent and serve as a model for commercial buildings in Bangkok and other municipal and provincial facilities throughout Thailand.

## What is the CTF?

The Clean Technology Fund (CTF) is a multi-donor trust fund created in 2008 as part of the Climate Investment Funds (CIF) to provide scaled-up financing for the demonstration, deployment and transfer of low carbon technologies that have a significant potential for long-term greenhouse gas (GHG) emissions savings. CTF resources amount to approximately \$4.5 billion (based on exchange rates on the initial CIF pledging date of September 25, 2008) pledged by contributors (Australia, France, Germany, Japan, Spain, Sweden, United Kingdom, United States). The CTF supports a selected series of investment plans that meet the criteria of significant GHG emissions savings, demonstration potential at scale, development impact and implementation readiness.

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**Note:** Thailand is revising the investment plan and some components may change.