



Green Finance in Thailand

Due to the serious climate change, the world urgently needs the corporations between the countries to reduce greenhouse gases, reaching the Net Zero by 2050 in accordance with the Paris Agreement. By pledging towards Net Zero, Green Finance is gaining more and more attention from many countries because it is a way to help conduct business in the world as well as moving forward in a sustainable manner at meeting the needs of environmental conservation at the same time.

According to the United Nations Environment Programme (UNEP), Green Finance is defined as the process of increasing financial cashflows whether from financial institutions, lending, loan, insurance, and the investment from public and private sectors.

For Thailand, it is seen by the Bank of Thailand that Green Finance is important in order to meet the environmental needs. At present, Thailand has laid out the direction in sustainable development regarding finance in 5 steps as follows:

1. There shall be environmental financial products and services that meet the business requirements;
2. There shall be a standard for categorizing economic activities that take into account the environmental issues;
3. There shall be an accessible database system;
4. The motivation shall be created to promote environmental events; and
5. Personnel in financial sector shall have a knowledge and skills.

Besides the actions of the BOT, the Stock Exchange of Thailand (SET) also plays a crucial role in the adoption of the Green Financing. The BOT persuades the investor, especially new generation, Gen Z group to invest in the environmental, social, and corporate governance (ESG) companies. This is because the Gen Z investors will take awareness in regard to “Invest to Express” which represents the significance of environment.