Early Warning System

WB-P514511

Low Carbon Cities and Carbon Market Development Project

Quick Facts

Countries	Thailand
Financial Institutions	World Bank (WB)
Status	Approved
Bank Risk Rating	B
Voting Date	2026-07-10
Borrower	EXIM Bank
Sectors	Finance, Industry and Trade
Investment Type(s)	Loan
Investment Amount (USD)	$ 200.00 million
Project Cost (USD)	$ 303.00 million

Project Description

According to the Bank’s website, the PDO is to scale up low-carbon investments in public assets in participating cities and agencies, and to operationalize a national mechanism for the crediting and monetization of verified emission reductions.

The project pilots a financial intermediary modality that enables PSOs, including municipalities such as Bangkok Metropolitan Administration (BMA) and national entities such as Industrial Estate Authority of Thailand (IEAT), to finance clean energy upgrades in their assets through performance-based contracts. EXIM Bank will serve as a financial intermediary, and a national crediting program operated under KTB will generate, aggregate, verify, and monetize emission reductions from both public and private investments. The design responds to the fiscal, procurement, and regulatory constraints that currently prevent PSOs from adopting clean energy solutions and addresses the absence of a national institution capable of generating VERs at scale. Public asset upgrades supply the early volume of emission reductions needed to establish a credible market presence, while the carbon crediting mechanism provides the payment required to unlock a much larger private investment pipeline.

Component 1: Clean Energy Upgrades in Public Assets: This component finances eligible clean energy subprojects on public assets using standardized performance-based contracts that allow PSOs to implement clean energy investments without taking on debt or committing capital budgets.

Component 2: VER Payment Facility and National Carbon Crediting Mechanism: This component consists of two interconnected subcomponents: (a) the Verified Emission Reductions Payment Facility (VERPF), financed by IBRD funds transferred to KTB, which provides results-based payments to eligible private asset owners in exchange for VERs; and (b) the national carbon crediting mechanism, financed from counterpart resources and carbon market revenues (not IBRD funds), which generates, aggregates, verifies, and monetizes emission reductions at scale, operated by KTB on behalf of EXIM Bank.

Early Warning System Project Analysis

The project's overall Environmental and Social (E&S) risk is rated **Moderate**, reflecting its focus on small- to medium scale retrofit and installation works within existing public facilities and rights-of-way. Subprojects are expected to generate site-specific, temporary, reversible, and manageable impacts. Environmental risks are typical of urban infrastructure retrofits and include Occupational Health & Safety (OHS) risks for workers, temporary construction nuisances such as noise, dust, and traffic disruptions, and waste and e-waste generation from replaced equipment (e.g., lamps, HVAC units, solar panels, batteries). Cumulative or induced environmental impacts are expected to be minimal, as all works are confined to existing urban footprints. Social risks include temporary and localized disruptions to public facilities, minor impacts during installation activities related mainly to short-term disruptions to public facilities, noise, dust, or traffic, potentially impacting both project workers, and nearby community members. No land acquisition, involuntary resettlement, loss of livelihoods or restrictions on access related risks are anticipated as investment with such risks will be excluded. The beneficiary sites are in urban or peri-urban areas without the presence of Indigenous Peoples; therefore, no impacts on Indigenous communities are expected. Other anticipated risks include potential exclusion of women-led or women-managed SMEs access to project finance, and Sexual Exploitation and Abuse and Sexual Harassment (SEA/SH) risks although expected to be low.

Investment Description

- World Bank (WB)

Total Project Cost: US$ 303.00 million
IBRD Commitment: US$ 200.00 million

Financial Intermediary

Financial Intermediary: A commercial bank or financial institution that receives funds from a development bank. A financial intermediary then lends these funds to their clients (private actors) in the form of loans, bonds, guarantees and equity shares. Financial intermediaries include insurance, pension and equity funds. The direct financial relationship is between the development bank and the financial intermediary.

- Export-Import Bank of Thailand (Financial Intermediary)

Private Actors Description

The *Export–Import Bank of Thailand* (EXIM Thailand) is a state-owned bank headquartered in Bangkok, Thailand.

Contact Information

CONTACT POINT - World Bank

Task Team Leader: Marc S. Forni
Title: Lead Disaster Risk Management Specialist
Email: mforni@worldbank.org

ACCESS TO INFORMATION

To submit an information request for project information, you will have to create an account to access the Access to Information request form. You can learn more about this process at: https://www.worldbank.org/en/access-to-information/request-submission

ACCOUNTABILITY MECHANISM OF THE WORLD BANK

The World Bank Inspection Panel is the independent complaint mechanism and fact-finding body for people who believe they are likely to be, or have been, adversely affected by a World Bank-financed project. If you submit a complaint to the Inspection Panel, they may investigate to assess whether the World Bank is following its own policies and procedures for preventing harm to people or the environment. You can contact the Inspection Panel or submit a complaint by emailing ipanel@worldbank.org. Information on how to file a complaint and a complaint request form are available at: https://www.inspectionpanel.org/how-to-file-complaint

Bank Documents

- Appraisal Environmental and Social Review Summary (ESRS) - Low Carbon Cities and Carbon Market Devel
- Appraisal Project Information Document (PID)
- Concept Environmental and Social Review Summary (ESRS) - Low Carbon Cities and Carbon Market Develop
- Concept Project Information Document (PID)
- Environmental and Social Commitment Plan (ESCP) - Low Carbon Cities and Carbon Market Development Pr
- Record of Approval on an Absence of Objection Basis on July 10, 2026
- Revised Project Environmental and Social Management System Low Carbon Cities and Carbon Market Devel
- Revised Project Environmental and Social Management System Low Carbon Cities and Carbon Market Devel
- Stakeholder Engagement Plan (SEP) - Low Carbon Cities and Carbon Market Development Project - P51451
- Thailand - Low Carbon Cities and Carbon Market Development Project