In Conversation with

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1. When and why did your institution join the NGFS?

The Bank of Thailand (BOT) became a member of the NGFS in 2019. This decision stemmed from our growing recognition that environmental and climate-related risks pose significant threats to financial stability and long-term economic development. At the time, these issues were relatively new to the Thai financial sector and presented considerable challenges due to limited awareness and technical expertise.

Joining the NGFS offered the BOT access to a global community of leading financial regulators committed to advancing climate action. It provided a valuable platform for knowledge exchange, peer learning, and the adoption of international best practices. This strategic engagement reflects the BOT's commitment to playing an active role in the global effort to address climate-related financial risks, while also accelerating Thailand's domestic transition toward a more sustainable financial system.

2. Can you share with us the key elements of the BOT's climate strategy and how it fits into the broader national strategy in your jurisdiction?

The BOT's climate strategy is designed to ensure that the Thai financial sector can effectively support the country's transition toward environmental sustainability. It focuses on two key objectives:

- Enabling financial institutions to assess and integrate environmental and climate-related risks into their decision-making and operations.
- Promoting the development of financial products and services that facilitate Thailand's transition to a greener economy, tailored to local challenges and contexts.

Thailand faces unique vulnerabilities, including frequent droughts and floods, and a high concentration of carbon-intensive industries. Small and medium-sized enterprises (SMEs), which account for a high proportion of employment in the economy, often lack the resources and knowledge to adapt to environmental shifts. Therefore, the BOT's strategy emphasizes an inclusive transition that minimizes disruption and ensures no one is left behind.

To support this, the BOT has adopted a dual-track approach:

1) **Long-term strategy** – Developing building blocks for green financial ecosystem:
   - Integrating climate and environmental considerations into supervisory frameworks, including climate stress testing.
   - Expanding the scope of permissible activities for financial business groups to include more green-related services.
   - Collaborating with stakeholders to develop key enablers such as the Thailand Taxonomy, which must be in alignment with international standards but also responsive to local needs, and a climate data platform to support informed decision-making.
2) **Short-term strategy** – Catalyzing practical transitions:
   - Launching the "Financing the Transition" initiative in partnership with financial institutions. This program focuses on developing financial solutions that help businesses especially SMEs shift to less carbon-intensive practices, creating scalable models for gradual transformation.

Together, these strategies align with Thailand's broader national agenda on climate resilience and sustainable development, reinforcing the financial sector's role in driving meaningful change.

3. To which extent did the BOT leverage the work of the NGFS in its own domestic journey? Any concrete examples?

The BOT has actively leveraged NGFS resources to shape its climate policy framework and strengthen institutional capabilities. This reflects our commitment to aligning with global standards and accelerating the adoption of sustainable finance practices in Thailand.

Key areas of engagement include:

1) **Policy and initiative development.** NGFS guidance documents have served as foundational references for the BOT's supervisory and policy frameworks. For example:
   - *Guide for Supervisors: Integrating Climate-Related and Environmental Risks into Prudential Supervision* helped define our supervisory expectations.
   - *NGFS Climate Scenarios* and the *Scenarios Portal* supported the design of our pilot climate stress testing exercise.
   - *Stocktake on Financial Institutions' Transition Plans* informed our approach to setting expectations around transition planning.
2) **Institutional capacity building.** The BOT has benefited from NGFS's collaborative platforms, including workshops and peer learning sessions. A notable example is the Plenary Outreach Session under the Workstream on Supervision, where regulators shared practical experiences in developing transition plans. Moreover, technical resources such as the *Climate Training Alliance Portal* have been instrumental in enhancing internal expertise and building a foundation for future policy development.

These engagements have enabled the BOT to accelerate its domestic climate agenda with greater confidence and clarity, while remaining responsive to Thailand's unique economic and environmental context.

4. One last word?

In an era marked by growing environmental uncertainty, our collective resolve to pursue sustainability must be stronger than ever. Climate change is a complex and urgent challenge that transcends borders and sectors. **No single institution can tackle it alone**.

The NGFS exemplifies the power of global collaboration – bringing together central banks and financial supervisors to share knowledge, build capacity, and drive systemic change. The BOT is proud to be part of this journey, and we remain committed to advancing climate resilience and sustainable finance, both at home and in partnership with the international community.