



Thailand

3 Regional Road Improvement Project (1) (2)

A This project's objective was to increase traffic capacity and ease traffic congestion, by widening and improving trunk national highways in central and south Thailand, and thereby contributing to the development of the regional economy and the improvement of the living environment.

B

C

D

Loan Amount/Disbursed Amount: 29,403 million yen/23,226 million yen

Loan Agreement: September 1994, September 1995

Terms and Conditions: Interest rate 2.3-3.0%; Repayment period 25 years (grace period 7 years); General untied

Final Disbursement Date: January 2001, May 2002

Executing Agency: Department of Highways, Ministry of Transport and Communications



External Evaluator: Atsushi Fujino (KRI International Corp.)

Field Survey: December 2004

Evaluation Result

In this project, widening of national highways (from 2 lanes to 4) was conducted almost as planned (total length: approx. 630km; distance between Tokyo and Osaka: 573km). The project period was much longer than planned due to cash flow problems of contractors affected by the Asian economic crisis and land acquisition. However, the project cost was lower than planned.

Although traffic volume did not increase as expected on some sections because of sluggish local economies, annual average daily traffic volume exceeded the planned volume on 5 out of 10 widened sections, and reductions in vehicle operation cost and driving time have been achieved.

In the beneficiary survey, 57.5% of the respondents said that the number of plants and stores along the improved roads increased, and 62.5% said that the project contributed to promotion of the regional economy. In addition, 39.2% indicated that additional employment opportunities were created. In the interview with companies, it was mentioned that the bottleneck of physical distribution has been eliminated.

There is no problem with technical capacity, and the operation and maintenance system of the Department of Highways, Ministry of Transport and Communications and its financial

status is good.

One lesson learned from this project was that it is advisable to hold workshops at the planning and implementation stages and to give consideration to the situation of the region and the needs of local residents. In order to minimize negative impact on areas along the roads, it is advisable to make efforts to enhance the safety of local residents such as posting traffic signs.

Third-Party Evaluator's Opinion

As a measure to prevent delays in project implementation, analyzing the financial conditions of contractors and applying fair market value in acquiring land should be considered for future projects. In this project, there is a substantial difference between planned and actual results in terms of effectiveness. Identifying the causes would be helpful in planning future projects. Consideration of traffic safety is also necessary.

Third-Party Evaluator: Mr. Chintana Nettasna (private company)

Obtained a master's degree in urban and regional planning from Queens University. Presently holds the post of Vice President of CH Karnchang PCL. Specializes in construction.

Positive impact on the regional economy

According to companies in the target regions, this project helped improve logistics and thereby contributed to promotion of industries such as lumber processing, rubber processing, marine product processing, and tourism.



Distribution center for rubber processed products

Planned and actual average annual daily traffic volume (vehicles/day) on improved sections

Section	Plan	Actual	Comparison against the Plan
<Phase 1>			
Banbung-Klaeng	27,287	15,528	56.9%
Khilung-Trat	19,109	10,265	53.7%
Prachuap Khiri Khan-Tha Sae	24,609	16,135	65.6%
Phatthalung-Khuha	11,858	17,635	148.7%
Chumphon-Lang Suang	19,492	19,509	100.1%
Lang Suang-Chaiya	14,732	18,241	123.8%
<Phase 2>			
Surat Thani-Thung Song	12,406	11,140	89.8%
Thung Song-Phatthalung	13,780	16,936	122.9%
Chaiya-Phun Phin	14,332	17,402	121.4%
Chana-Pattani	14,789	8,285	56.0%